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

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 or 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of February, 2020

Commission File Number: 001-38452

MEREO BIOPHARMA GROUP PLC

(Translation of registrant's name into English)

**4th Floor, One Cavendish Place,
London, W1G 0QF, United Kingdom
(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Exhibit Index

<u>Exhibit No.</u>	<u>Exhibit</u>
4.1	Convertible Loan Note Instrument, dated February 10, 2020, by and between Mereo BioPharma Group PLC and Novartis Pharma AG
4.2	Convertible Loan Note
4.3	Warrant Instrument, dated February 10, 2020
4.4	Subordination Deed, dated February 10, 2020, by and among Kreos Capital V (UK) Limited, as senior lender, senior agent and security agent, Silicon Valley Bank, as senior lender, Novartis Pharma AG, as subordinated creditor, and the debtors named therein
4.5	Amendment and Consent Letter, dated February 10, 2020, to the Loan Agreement, dated September 28, 2019, by and among Silicon Valley Bank, as lender, Kreos Capital V (UK) Limited, as lender, agent and security Agent, Mereo BioPharma Group PLC, as the borrower, and the guarantors listed therein, as amended pursuant to a Deed of Consent and Amendment dated April 17, 2019
10.1	Securities Purchase Agreement, dated February 10, 2020, by and between Mereo BioPharma Group PLC and Aspire Capital Fund, LLC
10.2	Registration Rights Agreement, dated February 10, 2020, by and between Mereo BioPharma Group PLC and Aspire Capital Fund, LLC
99.1	Press release dated February 10, 2020

SIGNATURES

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

Date: February 10, 2020

MEREO BIOPHARMA GROUP PLC

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

Name: Denise Scots-Knight, Ph.D.

Title: Chief Executive Officer

Dated 10 February 2020

CONVERTIBLE LOAN NOTE INSTRUMENT

RELATING TO

MEREO BIOPHARMA GROUP PLC

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PARTY

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

BACKGROUND

By exercising of the powers conferred on them by the Articles, the Directors of the Company have, by a resolution passed on 8th February 2020, created 3,841,479 £1 unsecured convertible loan notes and have agreed to constitute them in the following manner.

The Notes created hereunder shall be subordinated to the interests of the Lenders in respect of the Loan Agreement by the entry into a separate subordination deed between the original Noteholder and the Lenders.

AGREED TERMS

1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause 1 apply in this instrument.

Adjustment Event

any or all of the following, at any time, or by reference to any record date, while the Notes remain in issue:

- (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; and
- (c) any sub-division or consolidation of Equity Securities by the Company;

but excluding any issue of Equity Securities of the Company pursuant to the exercise of any options granted to employees or directors of the Company;

Articles

the articles of association of the Company, as amended or superseded

Business Day

a day (other than a Saturday, Sunday or public holiday) on which banks in the City of London are open for normal banking business

Certificate

a certificate for Notes in the form (or substantially in the form) set out in Schedule 1

Change of Control	the acquisition of control of the Company (as defined in section 1124 of the Corporation Tax Act 2010) by any person or persons acting in concert (as defined in the City Code on Takeovers and Mergers) with them
Conditions	the conditions attaching to the Notes, as set out in Schedule 2 to Schedule 3
Conversion Date	the date specified in the Conversion Notice, being not less than 10 Business Days after service of the Conversion Notice
Conversion Notice	a notice in writing by the Noteholder to the Company to convert any outstanding Note or Notes
Conversion Price	26.5 pence per share, such price being equal to the Company's closing share price on the AIM Market of the London Stock Exchange on 5th February 2020
Conversion Shares	the Ordinary Shares to be issued fully paid to the Noteholder on conversion of the Notes
Directors	the board of directors for the time being of the Company
Equity Securities	has the meaning given in section 560(1) of the Companies Act 2006
Event of Default	any of the events set out in paragraph 5 of Schedule 2
Indebtedness	any indebtedness, monies, obligations, liabilities of the Company in any form whatsoever denominated in whatever currency, whether actual or contingent, present or future, which may be now or hereafter due, owing or incurred howsoever and whether alone or jointly and whether as principal or surety
Interest Rate	a rate of 6% per annum
Lenders	Silicon Valley Bank and Kreos Capital V (UK) Limited, collectively
Loan Agreement	the loan agreement between <i>inter alia</i> the Company and the Lenders, dated 28 September 2018
Loan Repayment Amount	the principal amount of up to £20,455,000 and all interest accrued thereon, payable by the Company to the Lenders in accordance with the terms of the Loan Agreement
Maturity Date	the date 36 months after the date of this instrument, or if agreed in writing between the Parties, any earlier date falling one (1) Business Day following the Company's full repayment to the Lenders of the Loan Repayment Amount

Notes	the £3,841,479 of unsecured convertible loan notes of £1 each, constituted by this instrument or, as the case may be, the principal amount from time to time issued and paid up and outstanding, and principal amount shall be construed accordingly
Noteholder	the several persons for the time being as holders of the Notes being the Holder of the Notes (which on the date of issuance of the Notes shall be Novartis)
Novartis	means Novartis Pharma AG
Ordinary Shares	the ordinary shares of £0.003 each in the capital of the Company, which have the rights set out in the Articles
Redemption Date	has the meaning given in paragraph 4.1 of Schedule 2
Redemption Notice	has the meaning given in paragraph 4.2 of Schedule 2
Warrant	the warrant issued by the Company to Novartis on or around the date of this instrument

- 1.2 Any phrase introduced by the terms **including, include** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.3 The schedules to this instrument form part of (and are incorporated into) this instrument.
- 1.4 A **person** includes a corporate or unincorporated body.
- 1.5 Words in the singular include the plural and vice versa.
- 1.6 A reference to a clause or a schedule is (unless expressly stated otherwise) a reference to a clause of, or schedule to, this instrument.
- 1.7 Clause and schedule headings do not affect the interpretation of this instrument.
- 1.8 A reference to one gender includes a reference to the other gender.
- 1.9 Any reference in this instrument to **this instrument** or to any other instrument, agreement or document shall, unless the context otherwise requires, be construed as reference to this instrument or such other instrument, agreement or document as the same may from time to time be amended, varied, supplemented or novated, in each case in accordance with its terms.
- 1.10 References to any statute or statutory provision shall include references to such statute or statutory provision as in force at the date of this instrument and as subsequently re-enacted or consolidated and shall include references to any statute or statutory provision of which it is re-enactment or consolidation.

2. NOMINAL AMOUNT

The nominal amount of each Note is £1 and the aggregate principal amount of all the Notes is limited to £3,841,479.

3. RANKING

The Notes constitute direct, unsecured obligations of the Company ranking ahead of any other unsecured Indebtedness of the Company, and without any preference among themselves.

4. USE OF PROCEEDS

The proceeds of all subscriptions for the Notes shall be used to fund the Company's working capital and capital expenditure requirements for the time being.

5. LOAN NOTE CERTIFICATES

5.1 The Noteholder shall be entitled to receive (without charge) a Certificate executed as a deed by the Company for the amount of Notes held by them.

5.2 Every Certificate shall have copies of Schedule 2 and Schedule 3 endorsed on or attached to it.

6. CONDITIONS OF ISSUE

Noteholder shall provide funding to Company up to the aggregate principal amount of £3,841,479, and Company shall issue the Notes on the date of receipt of such funds by the Company. The Notes shall be issued subject to, and with the benefit of, the Conditions set out in Schedule 2 to Schedule 3 inclusive. Those conditions shall be binding on the Company, the Noteholder and all persons claiming through or under them.

7. INFORMATION RIGHTS

The Noteholder shall be entitled to receive information relating to, or in connection with the Notes discussed in or arising from any directors' or shareholders' meeting of the Company prior to or as soon as reasonably practicable following such meeting.

8. NOTES NOT TO BE QUOTED

No application has been, or is intended to be, made to any listing authority, stock exchange or other market for the Notes to be listed or otherwise traded.

9. ENFORCEMENT

The Company covenants with the Noteholder to perform and observe the obligations in this instrument to the intent that this instrument shall enure for the benefit of the Noteholder, each of whom may sue for the performance and observance of the provisions of this instrument so far as his holding is concerned.

10. SET-OFF

The Noteholder shall be recognised by the Company as entitled to the Notes registered in his name free from any equity, defence set-off or cross-claim on the part of the Company against the original, or any intermediate, Noteholder.

11. THIRD PARTY RIGHTS

This instrument is enforceable under the Contracts (Rights of Third Parties) Act 1999 by the Company and the Noteholder, but not by any other person.

12. GOVERNING LAW AND JURISDICTION

- 12.1** This instrument and the Notes (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England.
- 12.2** The courts of England shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this instrument (including non-contractual disputes or claims). Accordingly, any proceedings relating to, or in connection with, this instrument or the Notes (including non-contractual disputes or claims) may be brought in such courts.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Signed as a Deed by **MEREO BIOPHARMA GROUP PLC**

acting by:

in the presence of:

}
}
}
}
}

/s/ Denise Scots-Knight
Director

}
}

/s/ Gemma Avery
Name of Witness

**SCHEDULE 1
FORM OF CERTIFICATE**

MEREO BIOPHARMA GROUP PLC incorporated in England and Wales with registered number 09481161 (**Company**).

CERTIFICATE NO. [NUMBER]

AMOUNT OF NOTES £[AMOUNT]

unsecured convertible loan notes (**Notes**).

Issued pursuant to the articles of association of the Company and created by a resolution of the directors passed on 8th February 2020.

This is to certify that [NAME[S]] of [ADDRESS[ES]] is/are the registered holder(s) of the nominal amount stated above of the Notes constituted by a loan note instrument dated [DATE] (**Instrument**) and made by the Company. The Notes are issued subject to, and with the benefit of, the provisions contained in the Instrument and the conditions and other provisions endorsed on this certificate and/or attached to it (**Conditions**). Interest is payable only in certain circumstances in accordance with Schedule 2 of the Instrument.

Executed as a deed by the Company this [DATE].

Notes:

1. No transfer of any part of the Notes represented by this Certificate can be registered without production of this Certificate.
2. The Notes are governed by, and construed in accordance with, the laws of England.

Signed as a Deed by **MEREO BIOPHARMA GROUP PLC**

acting by:

}
}
}
}
}

Director

in the presence of:

}
}

Name of Witness

**SCHEDULE 2
INTEREST AND REDEMPTION**

1. INTEREST

- 1.1 Interest shall be payable on any outstanding Notes (so far as not converted under Schedule 3) at the Interest Rate.
- 1.2 Any interest due under paragraph 1.1 of this Schedule 2 shall be payable in immediately available funds on the Maturity Date, unless the Noteholder elects to convert the accrued interest to Ordinary Shares in accordance with Part 2 of Schedule 3.
- 1.3 Interest, if payable, shall accrue daily at the Interest Rate and shall be calculated on the basis of a 365-day year and the actual number of days elapsed from the date of issue of the Notes to the Redemption Date.
- 1.4 If the Company fails to pay redemption monies when due, interest shall continue to accrue on the unpaid amount at the Interest Rate.

2. REPAYMENT OF PRINCIPAL

As and when the Notes are to be redeemed in accordance with paragraph 4 of this Schedule 2, the Company shall pay the Noteholder in immediately available funds the principal amount of the Notes which are to be redeemed plus any outstanding accrued interest.

3. TIME OF PAYMENT

Whenever any payment of principal (or otherwise) becomes due on a day which is not a Business Day, payment shall be made on the next following Business Day.

4. REDEMPTION

- 4.1 The Notes then in issue (so far as not converted under Schedule 3) shall, to the extent not previously converted, be redeemed at the principal amount together with interest on the Notes outstanding at the Interest Rate on the Maturity Date.
- 4.2 Within five Business Days of the Redemption Date, the Company shall repay to the Noteholder the principal amount of the Notes so redeemed, together with interest on such Notes outstanding at the Interest Rate.

5. EVENTS RESULTING IN IMMEDIATE REDEMPTION

The Notes shall be immediately redeemed at the principal amount, together with interest on the Notes outstanding at the Interest Rate, if:

- (a) an administration order is made in relation to the Company or any of its subsidiaries; or
- (b) an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company (except for the purpose of reorganisation or amalgamation of the Company or any of its subsidiaries); or
- (c) an encumbrancer takes possession or a receiver is appointed of the whole or the major part of the assets or undertaking of the Company or any of its subsidiaries or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of the Company or any of its subsidiaries and is not discharged, paid out, withdrawn or removed within 30 Business Days; or

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- (d) the Company or any of its subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business;
 - (e) the Company breaches the provisions of paragraph 7(c) of part 2 of Schedule 3; and
 - (f) the Company or any of its subsidiaries is deemed for the purposes of section 123 Insolvency Act 1986 to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally.

6. ACTION FOLLOWING REDEMPTION

- 6.1 The Company shall give written notice to the Noteholder immediately on the Company becoming aware of the occurrence of an event specified in paragraph 5 of this Schedule 2, giving reasonable details of that event.
- 6.2 If, on redemption of a Note, the Noteholder fails to deliver the Certificate for it, or an indemnity in accordance with these Conditions or to accept payment of moneys due to him, the Company shall pay the moneys due to the Noteholder into a bank account, which payment shall discharge the Company from all further obligations in respect of the Note.
- 6.3 The Company shall cancel any and all Notes repaid, redeemed or purchased and shall not reissue them.

**SCHEDULE 3
CONVERSION**

Part 1

Conversion

1. The Noteholder shall be entitled, at any time when it holds 19.5% or less of the aggregate voting rights in the Company and prior to the Maturity Date, and on one or more occasions, to serve a Conversion Notice on the Company to convert all or some only of the Notes outstanding into fully paid Ordinary Shares at the Conversion Price per Share. It shall be a condition of any Conversion Notice that such conversion shall not cause the Noteholder to hold, following conversion of the Notes which are subject of the Conversion Notice, more than 19.5% of the aggregate voting rights in the Company.
2. To the extent not previously converted or redeemed, the principal amount of all outstanding Notes shall automatically convert into Conversion Shares at the Conversion Price immediately prior to and conditional upon the occurrence of any Change of Control. If and when a Change of Control is proposed, the Company shall, to the extent it is lawful and practicable to do so, give Noteholder not less than 3 Business Days' prior written notice of the proposed Change of Control specifying (to the best of its knowledge) the terms and prospective date of the Change of Control.
3. The Conversion Notice shall set out, at a minimum:
 - (a) the principal amount of the Notes to be converted;
 - (b) whether any accrued but unpaid interest on such principal amount is to be converted; and
 - (c) the Conversion Date
4. The service of a Conversion Notice shall be irrevocable and binding on the Noteholder.

Part 2

Procedures on conversion

1. On the Conversion Date, the Directors shall convert the principal amount of the Notes that are to be converted as specified in the Conversion Notice, and, if so elected by the Noteholder, any accrued but unpaid interest on such principal amount, into such number of new fully paid Ordinary Shares at the Conversion Price per Share, subject to any adjustment as set out in paragraph 8 of Part 2 of this Schedule 3 and in accordance with the following provisions of paragraph 2 to paragraph 6 of Part 2 of this Schedule 3.
2. Conversion of the Notes and any accrued interest (if applicable) shall be effected by the Company redeeming the relevant Notes and any accrued interest on the Conversion Date. Each Noteholder whose Notes and any accrued interest are being converted shall be deemed to irrevocably authorise and instruct the Company to apply the redemption moneys payable to that Noteholder in subscribing for Ordinary Shares on conversion of the Notes and any accrued interest.
3. the Conversion Shares shall be issued and allotted by the Company on the Conversion Date and the certificates for such Ordinary Shares shall be dispatched to the persons entitled to them at their own risk.

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4. The Conversion Shares arising on conversion of the Notes and any accrued interest (if applicable) shall be credited as fully paid and rank pari passu with the other Ordinary Shares in issue on the Conversion Date and shall carry the right to receive all dividends and other distributions declared after the Conversion Date.
 5. The entitlement of the Noteholder to a fraction of an Ordinary Share shall be rounded to the nearest whole number of Ordinary Shares which result from the conversion of the Notes and any accrued interest (if applicable).
 6. The Company warrants to the Noteholder that the board of directors of the Company has been authorised pursuant to the Articles to execute this instrument, and to allot and issue the Conversion Shares in accordance with its terms and, pursuant to that authorisation, the board of directors may allot and issue the Conversion Shares free from pre-emptive rights upon conversion.
 7. The Company undertakes that, while the Notes remain in issue, it shall (pending either the payment of any redemption moneys in respect of the Notes and any accrued interest or the issue of the Ordinary Shares on conversion, each in accordance with the provisions of this instrument):
 - (a) notify the Noteholder in writing as soon as reasonably practicable after the relevant board or general meeting of shareholders (whichever is the earliest) has resolved to implement an Adjustment Event specifying the prospective date of the Adjustment Event and the proposed terms of it;
 - (b) maintain sufficient shareholder authority to satisfy in full, without the need for the passing of any further resolutions of its shareholders, the most onerous of the outstanding rights of conversion for the time being attaching to the Notes and any accrued interest pursuant to paragraph 1 and paragraph 2 of SCHEDULE 3, without first having to offer the same to any existing shareholders of the Company or any other person;
 - (c) not, without the prior written consent of the Noteholder, such consent not to be unreasonably withheld or delayed, issue any further Notes or Indebtedness which ranks senior to the Notes.
 8. Following an Adjustment Event, the professional advisors or auditors of the Company for the time being shall certify to the Company in writing the adjustments to the number and nominal value of the Conversion Shares which they consider to be necessary so that, after such adjustment and on conversion, the Noteholder shall be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Company, in each case as nearly as practicable, as would have been the case had no Adjustment Event occurred (and making such reduction or increase as is necessary to the premium arising on the issue and allotment of the Ordinary Shares on conversion of the Notes and any accrued interest (if applicable)). The Company shall then notify the Noteholder in writing of the necessary adjustment as determined by the professional advisors or auditors.

MEREO BIOPHARMA GROUP PLC incorporated in England and Wales with registered number 09481161 (**Company**).

CERTIFICATE NO. 1

AMOUNT OF NOTES: £3,841,479

unsecured convertible loan notes (**Notes**).

Issued pursuant to the articles of association of the Company and created by a resolution of the directors passed on 8th February 2020.

This is to certify that Novartis Pharma AG is the registered holder of the nominal amount stated above of the Notes constituted by a loan note instrument dated 10 February 2020 (**Instrument**) and made by the Company. The Notes are issued subject to, and with the benefit of, the provisions contained in the Instrument and the conditions and other provisions endorsed on this certificate and/or attached to it (**Conditions**). Interest is payable only in certain circumstances in accordance with Schedule 2 of the Instrument.

Executed as a deed by the Company this 10 February 2020.

Notes:

1. No transfer of any part of the Notes represented by this Certificate can be registered without production of this Certificate.
2. The Notes are governed by, and construed in accordance with, the laws of England.

Signed as a Deed by **MEREO BIOPHARMA GROUP PLC**
acting by: Denise Scots-Knight

}
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}

/s/ Denise Scots-Knight

Director

in the presence of:

}
}

/s/ Gemma Avery

Name of Witness

DATED 10 February 2020

MEREO BIOPHARMA GROUP PLC

WARRANT INSTRUMENT

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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THIS WARRANT INSTRUMENT is made on 10 February 2020

BY:

- (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 ("**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.
- (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:

AIM	the AIM market operated by the London Stock Exchange;
Articles	the articles of association of the Company for the time being;
Auditors	the Company's auditors;
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	the consent in writing of the Warrantholder(s) for the time being holding outstanding Warrants subject to outstanding Subscription Rights;
CREST	the system of paperless settlement of trades and the holding of uncertificated shares administered by Euroclear 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;
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);
Final Date	5 years from the date of this instrument;
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;
Issue Date	the date of this instrument;
Market Abuse Regulation	Market Abuse Regulation (Regulation 596/2014/EU);
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: <ul style="list-style-type: none"> (a) a nominee of the Warrantholder; (b) a subsidiary of the Warrantholder; (c) a holding company of the Warrantholder; and (d) any subsidiaries of such holding companies from time to time.

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 shall be 26.50 pence;
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 warrants of the Company constituted by this instrument and all rights conferred by it (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);

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- 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 at a price per share equal to the Subscription Price for such number of Warrant Shares as is set out in clause 3.
- 2.2 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).

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- 2.5 The Company agrees with the Warranholder(s) and, in consideration of being issued a Warrant Certificate, each Warranholder 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 Warranholder 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 NUMBER OF WARRANT SHARES

The number of Warrant Shares over which Warrants will be issued is 1,449,614.

4 CERTIFICATES

- 4.1 The Company shall issue to each Warranholder a Warrant Certificate in respect of that number of Warrants to which it is entitled as soon as reasonably practicable following a Warranholder becoming entitled to such Warrants in accordance with clause 3.
- 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 Warranholder 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 A failure by any Warranholder to exercise its Subscription Rights ahead of such time on the Final Date shall mean that such Warranholder's outstanding Warrants shall immediately lapse and be cancelled and such Warranholder shall have no further rights under this instrument.

6 EXERCISE OF SUBSCRIPTION RIGHTS

- 6.1 Subject to the Warranholder's compliance with its obligations under the Market Abuse Regulation, the Subscription Rights may be exercised in whole or in part at any time.
- 6.2 In order to exercise its Subscription Rights validly, a Warranholder 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;

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- 6.2.2 if required pursuant to clause 6.3, a remittance by banker's draft, drawn on a UK clearing bank, (or such other mode of payment as the Company and the Warranholder shall agree); and
- 6.2.3 the name and address of the Warranholder to which the Warrant Shares arising on exercise of Subscription Rights are to be issued.
- 6.3 The Subscription Price for each of the Warrant Shares shall be satisfied by the payment by electronic transfer to the Company's bank account no later than two (2) Business Days after the relevant Warrant Shares have been credited to the Warranholder's CREST account (or the CREST account of any nominee or trustee nominated by the Warranholder in accordance with clause 7.1.3).
- 7 COMPLETION**
- 7.1 Following a valid exercise of Subscription Rights by a Warranholder, the Company shall in accordance with clause 7.3:
- 7.1.1 allot and issue credited as fully paid to the Warranholder (or to its nominee or trustee as notified to the Company in the Notice of Subscription) the Warrant Shares to which the Warranholder is entitled by exercising the Subscription Rights ("**Allotted Shares**");
- 7.1.2 immediately following allotment and issue in accordance with clause 7.1.1, enter, or procure that the Company's Registrars enter the Warranholder's name (or its nominee's or trustee's name, as appropriate) in the register of members of the Company as the holder of the Allotted Shares;
- 7.1.3 immediately following registration in accordance with clause 7.1.2, either send to the person identified by the Warranholder pursuant to clause 7.1.1, free of charge, share certificate(s) in respect of the Allotted Shares or credit such aggregate number of Allotted Shares to the Warranholder's (or its nominee's or trustee's) CREST stock account; and
- 7.1.4 apply for the admission of the Warrant Shares to trading on any Recognised Investment Exchange on which the Ordinary Shares are listed, and shall use its reasonable endeavours to secure such admission to trading no later than ten (10) Business Days after such application.
- 7.2 The obligations of the Company under clause 7.1 shall be fulfilled within ten (10) days of a valid exercise of the Subscription Rights.
- 7.3 The Allotted Shares shall:
- 7.3.1 be allotted and issued fully paid;
- 7.3.2 rank pari passu with the Ordinary Shares of the Company then in issue;

7.3.3 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

7.3.4 be free from all claims, liens, charges, encumbrances, equities and third party rights.

7.4 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.

8 TRANSFER OF WARRANTS

8.1 Subject to clause 8.2, the Warrants may be transferred in whole by any Warrantholder to any person, provided that the Company has given its prior written consent to such transfer.

8.2 A Warrantholder has the right, with prior written notice, but without the consent of the Company, to transfer the Warrants in whole to a Permitted Transferee, subject to compliance with the provisions of Schedule 2 hereto.

8.3 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.

8.4 The provisions of Schedule 2 to this instrument shall regulate any transfer of a Warrant.

9 MODIFICATION AND CESSATION OF RIGHTS

9.1 This instrument may be modified only with the prior sanction of Consent.

9.2 This instrument ceases to have effect on the earlier of:

9.2.1 the date upon which all Subscription Rights have been exercised in full; and

9.2.2 the Final Date.

10 INFORMATION AND RIGHTS OF WARRANTHOLDER(S)

10.1 The Company shall:

10.1.1 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;

10.1.2 send to each Warrantholder copies of any statements, notices or circulars sent to the holders of the Ordinary Shares; and

10.1.3 give to each Warrantholder written notice of its intention to declare or pay a dividend or other distribution on the Ordinary Shares no later than the date on which notice of the general meeting approving such dividend or distribution is sent to the holders of the Ordinary Shares.

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- 10.2 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.
- 10.3 Each Warrantholder shall keep confidential any information received by it in its capacity as a Warrantholder which is of a confidential nature except:
- 10.3.1 as required by law or any applicable regulations;
 - 10.3.2 to the extent the information is in the public domain through no default of the Warrantholder; and
 - 10.3.3 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.

11 RESTRICTIONS ON AND UNDERTAKINGS OF THE COMPANY

- 11.1 For so long as the Warrants are outstanding, the Company will:
- 11.1.1 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;
 - 11.1.2 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;
 - 11.1.3 notify the Warrantholder before cancelling the admission to trading of the Ordinary Shares on any Recognised Investment Exchange on which the Ordinary Shares are traded from time to time;
 - 11.1.4 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
 - 11.1.5 not buy any Warrants unless it offers to buy Warrants from all Warrantholders in proportion to their respective holdings of Warrants.

12 WARRANTIES

- 12.1 The Company warrants to the Warrantholder(s) that:
- 12.1.1 it has the power to execute and to perform its obligations under this instrument;

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- 12.1.2 it has taken all action necessary to authorise the execution of, and the performance of its obligations under this instrument;
 - 12.1.3 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; and
 - 12.1.4 the Ordinary Shares listed on AIM are duly admitted to trading thereon and no circumstances exist which may cause the suspension or cancellation of such admission.

13 NOTICES

Any notice to the Warranholder(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.

14 COSTS AND EXPENSES

- 14.1 The Company shall promptly pay to the Warranholder(s) on the Warranholder's demand, the reasonable legal expenses plus applicable VAT and disbursements incurred by the Warranholder in connection with:
 - 14.1.1 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
 - 14.1.2 any consent or waiver by the Warranholder(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
 - 14.1.3 any step taken reasonably and properly by the Warranholder with a view to the protection, exercise or enforcement of any right or interest created by this instrument.

15 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.

16 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 Warranholder.

17 **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.

18 **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 04206001**

WARRANT CERTIFICATE

This certificate is issued pursuant to the warrant instrument issued by the Company on _____ 2020 ("**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: _____ 2020
Name and address of Warrantholder: _____ [•]

Number of Warrant Shares for which the Warrantholder may subscribe: [•].

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 Denise Scots-Knight a director in the)
presence of a witness:

/s/ Denise Scots-Knight

Director

Witness Signature:

/s/ Gemma Avery

Witness Name (block capitals):

Gemma Avery

Witness Address:

76 Warescot Road

CM15 9H3

Witness Occupation:

Personal Assistant

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 [date] 2020 (“**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 [number] of the Warrants evidenced by this certificate and confirm that we will procure payment in the sum of £[amount], being the aggregate Subscription Price payable for those Warrant Shares

[We direct the Company to allot conditional only on the above the [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 Warranholder, a nominee or trustee of a Warranholder, or a transferee of one of those persons approved in accordance with clause 8.1 of the Warrant Instrument.]

<u>Number/percentage of shares</u>	<u>Name of proposed allottee</u>	<u>Address of proposed allottee</u>	<u>CREST Details</u>
1			Participant ID: [•] Member account ID: [•] INSP Custodian Client Ref: [•] Custodian Name: [•]
2			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)

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 Warranholder shall promptly be notified to the Company which shall cause the Register to be altered accordingly. The Warranholders or any of them and any person authorised by any Warranholder 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 Warranholder 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 Warranholder 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.

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- 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 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.

SIGNATURE PAGE

EXECUTED as a deed, but not delivered until
the date specified on this instrument, by)

MEREO BIOPHARMA GROUP PLC)

by Denise Scots-Knight a director in the
presence of a witness:

/s/ Denise Scots-Knight
Director

Witness Signature:

/s/ Gemma Avery

Witness Name (block capitals):

Gemma Avery

Witness Address:

76 Warescot Road

CM15 9H3

Witness Occupation:

Personal Assistant

DATED 10 February 2020

(1) **THE DEBTORS**
as Debtors

(2) **KREOS CAPITAL V (UK) LIMITED**
as Senior Agent

(3) **KREOS CAPITAL V (UK) LIMITED**
as Security Agent

(4) **KREOS CAPITAL V (UK) LIMITED** and **SILICON
VALLEY BANK**
as Senior Lenders

(5) **NOVARTIS PHARMA AG**
as Subordinated Creditor

SUBORDINATION DEED

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THIS SUBORDINATION DEED is made this day of 2020

BETWEEN:

- (1) **THE PERSONS NAMED IN SCHEDULE 1**, as debtors under the Senior Loan Documents and/or the Junior Finance Documents (the **Debtors**), each a **Debtor**);
- (2) **KREOS CAPITAL V (UK) LIMITED** a limited liability company incorporated under the laws of England & Wales with company number 09728300 and its registered office at 25 Old Burlington Street London W1S 3AN, as agent under the Senior Loan Agreement (the **Senior Agent**);
- (3) **KREOS CAPITAL V (UK) LIMITED** a limited liability company incorporated under the laws of England & Wales with company number 09728300 and its registered office at 25 Old Burlington Street London W1S 3AN, as security agent under the Senior Loan Agreement (the **Security Agent**);
- (4) **SILICON VALLEY BANK** a California corporation with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 US and registered in England & Wales under numbers BR014561 and FC029579 with its UK branch at Alphabeta 14-18 Finsbury Square, London, EC2A 1BR and **KREOS CAPITAL V (UK) LIMITED** a limited liability company incorporated under the laws of England & Wales with company number 09728300 and its registered office at 25 Old Burlington Street London W1S 3AN, as lenders under the Senior Loan Agreement (the **Senior Lenders**), each a **Senior Lender**); and
- (5) **NOVARTIS PHARMA AG** a company incorporated and registered in Switzerland whose registered office is Postfach, 4002 Basel Switzerland, as creditor under the Junior Finance Documents (the **Subordinated Creditor**).

NOW THIS DEED WITNESSES as follows:

1 DEFINITIONS AND INTERPRETATIONS

1.1 In this Deed, unless the context otherwise requires, the following expressions have the following meanings:

“Company” means Mereo BioPharma Group Plc, a public limited company established in England & Wales under company number 09481161 with registered office at 4th Floor, 1 Cavendish Place, London W1G 0QF;

“Senior Debt” means all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Senior Lenders by the Debtors under or in connection with the Senior Loan Agreement;

“Senior Loan Agreement” means the £20,455,000 loan agreement dated on or around the date of this Deed between (1) the Debtors, (2) the Senior Lenders, (3) the Senior Agent and (4) the Security Agent;

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

“**Subordinated Debt**” means any sums owned by the Company to the Subordinated Creditor pursuant to the Subordinated Convertible Notes; and

“**Subordinated Convertible Notes**” means the convertible loan note instrument dated on or around the date hereof between the Company and the Subordinated Creditor, as amended, varied and restated from time to time.

1.2 In this Deed, unless a contrary intention appears:

- 1.2.1 a reference to statutes, statutory provisions and other legislation shall include all amendments, substitutions, modifications and re-enactments for the time being in force and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant legislation;
- 1.2.2 a reference to “including” shall not be construed as limiting the generality of the words preceding it;
- 1.2.3 a reference to this Deed shall include the Schedule;
- 1.2.4 any term or phrase defined in the Companies Act 2006 (as amended from time to time) shall bear the same meaning in this Deed;
- 1.2.5 words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders;
- 1.2.6 a reference to this Deed and to any provisions of it or to any other document referred to in this Deed shall be construed as references to it in force for the time being as amended, varied, supplemented, restated, substituted or novated from time to time;
- 1.2.7 a reference to any person is to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any state or agency of a state, whether or not a separate legal entity;
- 1.2.8 a reference to any person is to be construed to include that person’s assignees or transferees or successors in title, whether direct or indirect;
- 1.2.9 clause headings are for ease of reference only and are not to affect the interpretation of this Deed; and
- 1.2.10 unless otherwise defined herein words and expressions defined in the Senior Loan Agreement shall bear the same meanings when used in this Deed.

2 **PURPOSE OF THIS DEED**

- 2.1 The Senior Lenders have provided the Senior Debt, and the Subordinated Creditor has provided the Subordinated Debt, to the Company.
- 2.2 The parties have agreed that the priority of their respective debts shall be as set out in this Deed.
- 2.3 Each Debtor has agreed to enter this Deed to acknowledge its terms and to give certain covenants to the Senior Lenders, the Senior Agent, the Security Agent, and the Subordinated Creditor.

3 **RANKING OF DEBT**

Each Senior Lender and the Subordinated Creditor hereby agree, and each Debtor acknowledges, that the Senior Debt shall rank for all purposes and at all times ahead of the Subordinated Debt.

4 **UNDERTAKINGS OF DEBTORS**

- 4.1 For such time as any amount or claim is outstanding in respect of, or relating to, the Senior Debt, no Debtor shall (and the Subordinated Creditor undertakes not to require the Company to):
 - 4.1.1 create or permit to subsist any Security over any of its assets for or in respect of all or any part of the Subordinated Debt;
 - 4.1.2 pay, repay, repay in advance, prepay, redeem, purchase or otherwise discharge or release any of the Subordinated Debt other than any conversion of all or any part of the Subordinated Debt into shares in the Company or with the prior written consent of the Senior Agent; or
 - 4.1.3 (save to the extent that the Security Agent (acting reasonably) is satisfied that the same shall not result in any impairment in the subordination contemplated by this Deed, and subject to Clause 4.2 below) and subject to the prior written consent of the Senior Lenders (such consent not to be unreasonably withheld), amend, vary, waive or release any provision of the Subordinated Convertible Notes; and/or
 - 4.1.4 take or omit to take any action whereby the ranking and/or subordination arrangements provided for herein in relation to the Subordinated Debt or any part thereof are reasonably likely to be impaired or adversely affected.
- 4.2 If an amendment, variation, waiver or release of the Subordinated Convertible Notes is proposed, the Company shall:
 - 4.2.1 inform the Senior Agent and the Security Agent of such proposed amendment, variation, waiver or release (the **"Variation"**);
 - 4.2.2 no later than 10 Business Days (or such shorter time as may be agreed by the Senior Agent) prior to such proposed amendment, variation, waiver or release, provide the Senior Agent and the Security Agent with copies of the Subordinated Convertible Notes showing the proposed amendments, variations, waivers and/or releases (as the case may be);

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- 4.2.3 seek the prior written consent of the Senior Lenders to the Variation (such consent not to be unreasonably withheld); and
 - 4.2.4 promptly after any such amendment, variation, waiver or release has taken place, provide the Senior Agent and the Security Agent with copies of the Subordinated Convertible Notes as so amended, varied, waived or released.

5 UNDERTAKINGS OF SUBORDINATED CREDITOR

For such time as any amount or claim is outstanding in respect of, or relating to, the Senior Debt, the Subordinated Creditor will not:

- 5.1 demand or accept payment, repayment, repayment in advance, prepayment or any distribution in respect of, or on account of, any Subordinated Debt in cash or in kind or accelerate, declare payable on demand or enforce by execution or otherwise any principal, interest, cost or other sums in respect of the Subordinated Debt other than any conversion of all or any part of the Subordinated Debt into shares in the Company;
- 5.2 exercise any right of set-off, combination of accounts or lien or exercise or accept any transfer of rights, property or assets from the Company (or any other source) in satisfaction of the Subordinated Debt (other than any conversion of all or any part of the Subordinated Debt into shares in the Company);
- 5.3 claim or rank as a creditor in the insolvency, winding-up, bankruptcy or liquidation of the Company, other than subject to the terms of this Deed;
- 5.4 take, receive or permit to subsist any Security or any guarantee (or other assurance against financial loss) for, or in respect of, any Subordinated Debt;
- 5.5 (save to the extent permitted under Clause 4 (*Undertakings of Debtors*)) amend, vary, waive or release any provision of the Subordinated Convertible Notes in any way which will have a material adverse effect upon the interests of the Senior Lenders under the Senior Loan Agreement;
- 5.6 provide additional loan facilities, however described, to the Company, without the prior written consent of the Senior Lenders (such consent not to be unreasonably withheld);
- 5.7 sell, transfer or otherwise dispose of any of the Subordinated Debt (other than in accordance with Clause 9.4); and/or
- 5.8 take or omit to take any action whereby the ranking and/or subordination arrangements provided for herein in relation to the Subordinated Debt or any part thereof may be impaired or adversely effected.

6 CONTRAVENTION

- 6.1 If at any time while any amount or claim is outstanding in respect of, or relating to, the Senior Debt, the Subordinated Creditor receives or recovers a payment or distribution of any kind whatsoever in respect of or on account of any Subordinated Debt, the recipient or beneficiary of such payment, distribution, set-off or combination will promptly pay all such amounts or distributions to the Security Agent and, pending such payment, will hold these amounts and distributions on trust (or otherwise separated from its assets) and on behalf of the Security Agent.
- 6.2 The Subordinated Debt will, as between the Company and the Subordinated Creditor, be deemed not to have been reduced or discharged to the extent of any payment or distribution to the Security Agent under Clause 6.1.

7 RESTRUCTURING

- 7.1 The Subordinated Creditor agrees that the Senior Debt may be refinanced and/or that its terms may be amended and that any amounts borrowed or obligations incurred by the Company and the Debtors in refinancing the Senior Debt will (whether or not the amount of such Senior Debt is greater than the amount made available at the date of this Deed) be Senior Debt within the meaning of this Deed and will rank in priority to the Subordinated Debt on substantially the terms set out in this Deed. Without limit to the generality of the foregoing, all amounts made available by the Senior Lenders to the Company from time to time by way of working capital (howsoever described) will be Senior Debt within the meaning of this Deed, whether made available in terms of the Senior Loan Agreement or otherwise.
- 7.2 The Subordinated Creditor agrees that the Senior Lenders may, at their discretion, make further advances to the Company and each such advance will be deemed to constitute Senior Debt for the purposes of this Deed.

8 WAIVER OF DEFENCES

- 8.1 The subordination effected or intended to be effected by this Deed and the obligations of the Subordinated Creditor under it shall not be affected by any act, omission or circumstances which but for this provision might operate to release the Subordinated Creditor from their obligations or affect such obligations or such subordination.
- 8.2 This Deed shall apply in respect of the Senior Debt irrespective of any intermediate payment of any of the Senior Debt and shall apply to the ultimate balance of the Senior Debt.

9 ASSIGNMENT AND TRANSFER

- 9.1 This Deed shall enure to and be binding on the permitted successors and assignees of the parties hereto.
- 9.2 No Debtor may assign or transfer all or any of its rights, obligations or benefits under this Deed.

-
- 9.3 Any Senior Lender may assign or otherwise transfer the whole or any part of the benefit of this Deed to any person to whom all or a corresponding part of its rights and benefits and, where applicable, obligations under the Senior Loan Agreement are assigned or transferred in accordance with the provisions of them.
- 9.4 The Subordinated Creditor hereby undertakes to the Senior Lenders that it shall not sell or transfer all or any part of the Subordinated Debt to any person other than to the same persons (and in the same manner and subject to the same restrictions) as such Subordinated Creditor would be entitled to transfer the Subordinated Debt (as applicable) held by such Subordinated Creditor under the Subordinated Convertible Notes and provided always that such assignee or transferee is first required to execute and deliver to the Senior Agent a deed of accession (in a form satisfactory to the Senior Lenders) in which the assignee or transferee agrees to be bound by the terms of this deed.

10 MISCELLANEOUS

- 10.1 **Illegality:** If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed hereof nor the legality, validity or enforceability of such provisions under the law of any other jurisdiction shall in any way be affected or impaired.
- 10.2 **Waiver:** No failure to exercise, nor delay in exercising, any right or remedy under this Deed by a Senior Lender will operate as a waiver of such rights and remedies, nor will any single or partial exercise of any other right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and are not exclusive of any rights or remedies provided by law.
- 10.3 **Information:** Subject to the terms of any confidentiality agreement or provisions that may be in force from time to time between either any of the Debtors and the Subordinated Creditor, or any of the Debtors and the Senior Lenders (and/or the Senior Agent and Security Agent), while any amount or claim is outstanding in respect of, or relating to, the Senior Debt, any Senior Lender and the Subordinated Creditor may disclose to each other information concerning the Debtors and their respective affairs in such manner and to such extent as the Senior Lender and the Subordinated Creditor may wish and each Debtor consents to such disclosure (without prejudice to any foregoing confidentiality agreement or provision).
- 10.4 **Third party rights:** A person who is not a party to this Deed shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
- 10.5 **Conflict:** If there is any conflict between the terms of this Deed and the Subordinated Convertible Notes, this Deed shall prevail.

-
- 10.6 **Amendment:** This Deed shall not be varied or amended in any way except in writing signed by each party.
- 10.7 **Counterparts:** This Deed may be executed in any number of counterparts and all the counterparts when executed and taken together shall constitute one and the same instrument.
- 10.8 **Agreement:** This Deed shall take effect as a deed notwithstanding that it may not have been executed as a deed by one or more of the parties.

11 NOTICES

- 11.1 Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.
- 11.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below or any substitute address, fax number or department or officer as the party may notify to the other parties by not less than five (5) Business Days' notice. In the case of the Debtors and the Subordinated Creditor, the address of its registered office or of any place where it carries on business or of any agent for the service of process under this Deed shall also be addresses of the Debtors or the Subordinated Creditor for the purpose of this Clause 11 (*Notices*).
- 11.3 Any communication made or document made or delivered by one person to another under or in connection with this Deed will only be effective:
- 11.3.1 if by way of fax, upon transmission; or
 - 11.3.2 if by way of letter sent in the mail, first class, registered or certified mail return receipt requested, with proper postage prepaid, upon the earlier of actual receipt and five (5) Business Days after deposit in the mail;
 - 11.3.3 if by way of letter sent with a reputable overnight courier with all charges prepaid, one (1) Business Day after deposit with the courier;
 - 11.3.4 if by way of letter hand-delivered by messenger, when delivered,
- and, if a particular department or officer is specified as part of the address details set out below, if addressed to that department or officer.
- 11.4 Any communication or document to be made or delivered to any Senior Lender will be effective only when actually received by the Senior Lender and then only if it is expressly marked for the attention of the department or specified as part of the address details set out below (or any substitute department or officer as the Senior Lender shall specify for this purpose).

12 GOVERNING LAW

- 12.1 This Deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England & Wales.
- 12.2 The parties irrevocably agree that the courts of England & Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims).

IN WITNESS WHEREOF this Deed has been duly executed by the parties as a deed on the day and year first written above.

**SCHEDULE 1
THE DEBTORS**

- 1 **MEREO BIOPHARMA GROUP PLC**, a public limited company established in England & Wales under company number 09481161
- 2 **MEREO BIOPHARMA 1 LIMITED**, a private limited company established in England & Wales under company number 09646998
- 3 **MEREO BIOPHARMA 2 LIMITED**, a private limited company established in England & Wales under company number 09647035
- 4 **MEREO BIOPHARMA 3 LIMITED**, a private limited company established in England & Wales under company number 09647034
- 5 **MEREO BIOPHARMA 4 LIMITED**, a private limited company established in England & Wales under company number 11029583
- 6 **MEREO BIOPHARMA IRELAND LIMITED**, a private limited company established in the Republic of Ireland under company number 627891
- 7 **ONCOMED PHARMACEUTICALS, INC.**, a Delaware corporation with file number 3817658, whose registered office is at 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware 19808
- 8 **MEREO US HOLDINGS INC.**, a Delaware corporation with file number 7176466, whose registered office is at 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware 19808
- 9 **NAVI SUBSIDIARY, INC.** a Delaware corporation with file number 7374678, whose registered office is at 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801

EXECUTION PAGE

THE DEBTORS

EXECUTED as a DEED by)

MEREO BIOPHARMA GROUP PLC)

acting by Denise Scots-Knight (*director*) a)
director in the presence of a witness

/s/ Denise Scots-Knight

Director

/s/ Jessica Doughty

Witness

Witness Name:

Jessica Doughty

Witness Address:

14 Sheraton Mews

Witness Occupation:

WD18 7PE

Executive Assistant

Notice details

Address: Mereo BioPharma Group plc
4th Floor, 1 Cavendish Place, London W1G 0QF
Email: legal@mereobiopharma.com
Attention: General Counsel

EXECUTED as a DEED by)

MEREO BIOPHARMA 1 LIMITED)

acting by Denise Scots-Knight (*director*) a)
director in the presence of a witness

/s/ Denise Scots-Knight

Director

/s/ Jessica Doughty

Witness

Witness Name:

Jessica Doughty

Witness Address:

14 Sheraton Mews

Witness Occupation:

WD18 7PE

Executive Assistant

Notice details

Address: Mereo BioPharma 1 Limited
4th Floor, 1 Cavendish Place, London W1G 0QF
Email: legal@mereobiopharma.com
Attention: General Counsel

EXECUTED as a DEED by)
MEREO BIOPHARMA 2 LIMITED)
acting by Denise Scots-Knight (director) a)
director in the presence of a witness

/s/ Denise Scots-Knight

Director

/s/ Jessica Doughty

Witness

Witness Name: _____
Jessica Doughty

Witness Address: _____
14 Sheraton Mews

WD18 7PE

Witness Occupation: _____
Executive Assistant

Notice details

Address: Mereo BioPharma 2 Limited
4th Floor, 1 Cavendish Place, London W1G 0QF
Email: legal@mereobiopharma.com
Attention: General Counsel

EXECUTED as a DEED by)
MEREO BIOPHARMA 3 LIMITED)
acting by Denise Scots-Knight (director) a)
director in the presence of a witness

/s/ Denise Scots-Knight

Director

/s/ Jessica Doughty

Witness

Witness Name: _____
Jessica Doughty

Witness Address: _____
14 Sheraton Mews

WD18 7PE

Witness Occupation: _____
Executive Assistant

Notice details

Address: Mereo BioPharma 3 Limited
4th Floor, 1 Cavendish Place, London W1G 0QF
Email: legal@mereobiopharma.com
Attention: General Counsel

EXECUTED as a DEED by)
MEREO BIOPHARMA 4 LIMITED)
acting by Denise Scots-Knight (*director*) a)
director in the presence of a witness

/s/ Denise Scots-Knight
Director

/s/ Jessica Doughty
Witness

Witness Name: Jessica Doughty

Witness Address: 14 Sheraton Mews

WD18 7PE

Witness Occupation: Executive Assistant

Notice details

Address: Mereo BioPharma 4 Limited
4th Floor, 1 Cavendish Place, London W1G 0QF

Email: legal@mereobiopharma.com

Attention: General Counsel

SIGNED for and on behalf of)

MEREO BIOPHARMA IRELAND LIMITED)

by its lawfully appointed attorney **CHARLES**)
SERMON in the presence of:

/s/ Charles Sermon
Charles Sermon

/s/ Gemma Avery
Witness

Witness Name: Gemma Avery

Witness Address: 76 Warescot Road

CM15 9H3

Witness Occupation: Personal Assistant

Address: Mereo Biopharma Ireland Limited
25-28 North Wall Quay, Dublin 1 D01 H104

Email: legal@mereobiopharma.com

Attention: General Counsel

EXECUTED as a DEED by

ONCOMED PHARMACEUTICALS, INC.

acting by /s/ Denise Scots-Knight

Witness Name: /s/ Jessica Doughty

Witness Address: 14 Sheraton Mews, WD18 7PE

Witness Occupation: Executive Assistant

Notice details

Address: Oncomed Pharmaceuticals Inc
251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware 19808

Email: legal@mereobiopharma.com

Attention: General Counsel

EXECUTED as a DEED by

MEREO US HOLDINGS, INC.

acting by /s/ Denise Scots-Knight

Witness Name: /s/ Jessica Doughty

Witness Address: 14 Sheraton Mews, WD18 7PE

Witness Occupation: Executive Assistant

Notice details

Address: Mereo US Holdings Inc
251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware 19808

Email: legal@mereobiopharma.com

Attention: General Counsel

EXECUTED as a DEED by

NAVI SUBSIDIARY, INC.

acting by /s/ Denise Scots-Knight _____

Witness Name: Gemma Avery

Witness Address: 76 Warecot Road, CM15 9H3

Witness Occupation: Personal Assistant

Notice details

Address: Navi Subsidiary Inc

1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801

Email: legal@mereobiopharma.com

Attention: General Counsel

THE SENIOR AGENT

EXECUTED as a DEED by)
KREOS CAPITAL V (UK) LIMITED)
acting by Luca Colciago (*director*) a)
director in the presence of a witness)

/s/ Luca Colciago
Director

/s/ Lauren Mahoney
Witness

Name: Lauren Mahoney

Address: 25 Old Burlington St.

W1S 3AN, UK

Occupation: Portfolio Administrator

Notice details

Address: 25-28 Old Burlington Street, London W1S 3AN

Fax: +44 (0)207 409 1034

Attention: Jack Diamond

THE SECURITY AGENT

EXECUTED as a DEED by)
KREOS CAPITAL V (UK) LIMITED)
acting by Luca Colciago (*director*) a)
director in the presence of a witness)

/s/ Luca Colciago
Director

/s/ Lauren Mahoney
Witness

Name: Lauren Mahoney

Address: 25 Old Burlington St.

W1S 3AN, UK

Occupation: Portfolio Administrator

Notice details

Address: 25-28 Old Burlington Street, London W1S 3AN

Fax: +44 (0)207 409 1034

Attention: Jack Diamond

THE SENIOR LENDERS

EXECUTED as a DEED by)
KREOS CAPITAL V (UK) LIMITED)
acting by Luca Colciago (*director*) a)
director in the presence of a witness) /s/ Luca Colciago
Director

/s/ Lauren Mahoney
Witness

Name: Lauren Mahoney
Address: 25 Old Burlington St.
W1S 3AN, UK
Occupation: Portfolio Administrator

Notice details

Address: 25-28 Old Burlington Street, London W1S 3AN
Fax: +44 (0)207 409 1034
Attention: Jack Diamond

EXECUTED as a DEED by)
SILICON VALLEY BANK)
a California corporation by Ian Murchie)
(*authorised signatory*), being a person who, in)
accordance with the laws of that territory, is)
acting under the authority of the corporation) /s/ Ian Murchie
Authorised signatory

/s/ Ellie H Roberts
Witness

Name: Ellie H Roberts
Address: Alphabeta, 14-18 Finsbury
Square, London, EC2A 1BR
Occupation: Associate

Notice details

Address: Silicon Valley Bank, Alphabeta, 14-18 Finsbury Square , London EC2A 1BR
Fax: +44(0)207 600 9556
Attention: Jim Watts

THE SUBORDINATED CREDITOR

EXECUTED as a DEED by)
NOVARTIS PHARMA AG)
a company incorporated in Switzerland)
acting by Marc Ceulemans)
(*authorised signatory*), being a person who, in accordance)
with the laws of that territory, is acting under the)
authority of the corporation)

/s/ Marc Ceulemans, Head Strategic Venture, Capital Funds and Pharma Entities
Authorised signatory

/s/ Matt Owens
Witness

Name:

Matt Owens, Authorized Signatory

Address:

Occupation:

Notice details

Address:

Fax:

Attention:

[ON MEROE BIOPHARMA GROUP PLC LETTERHEAD]

To: Kreos Capital V (UK) Limited (as Agent)
Kreos Capital V (UK) Limited (as Security Agent)
Kreos Capital V (UK) Limited (as Lender)
Silicon Valley Bank (as Lender)

10 February 2020

Dear Sirs,

£20,455,000 loan agreement (the “Agreement”) dated 28 September 2018 between Silicon Valley Bank (as lender), Kreos Capital V (UK Limited) (as lender, Agent and Security Agent), Mereo BioPharma Group PLC (as the Borrower), the Guarantors listed therein as Guarantors as amended pursuant to a Deed of Consent and Amendment dated 17 April 2019

1. BACKGROUND

- (a) This letter is supplemental to and amends the Agreement.
- (b) This letter is a deed and is delivered by each Party to it as a deed on the date first before written.

2. INTERPRETATION

- (a) Capitalised terms defined in the Agreement have the same meaning when used in this letter.
- (b) The provisions of clauses 17.2 (Interpretation) of the Agreement apply to this letter as though they were set out in full in this letter except that references to the Agreement are to be construed as references to this letter.
- (c) “**Effective Date**” means the date on which this letter has been signed by all the parties hereto.

3. AMENDMENTS

- (a) The Lenders hereby consent to the entry by the Obligor into the Novartis 2020 Convertible Loan (as defined below). The Agreement will be amended from the Effective Date in accordance with paragraph (c) below.
- (b) On or prior to the Effective Date, the Borrower shall have provided the Agent with:
 - (i) a copy of this letter countersigned by each Obligor; and
 - (ii) a copy of the Novartis 2020 Subordination Agreement (as defined in paragraph (c)(iii) below) signed by each party to it.

(c) The Agreement will be amended as follows:

(i) In clause 17.1, the definition of Convertible Loan will be deleted and replaced with:

“Convertible Loan” means:

- (a) the Novartis 2016 Convertible Loan; and
- (b) the Novartis 2020 Convertible Loan.

(ii) In clause 17.1, the definition of Subordination Agreement will be deleted and replaced with:

“Subordination Agreement” means:

- (a) the subordination agreement in respect of the Novartis 2016 Convertible Loan; and
- (b) the Novartis 2020 Subordination Agreement.”

(iii) In clause 17.1, the following definitions are included in alphabetical order:

“Novartis 2020 Convertible Loan” means the convertible loan pursuant to a loan note instrument dated on or about the Second Convertible Note Consent Effective Date between the Borrower (as the issuer) and Novartis (as the noteholder) as amended from time to time.

“Novartis 2016 Convertible Loan” means the convertible loan pursuant to the loan note instrument dated 3 June 2016 between the Borrower (as the issuer) and Novartis (as the noteholder) as amended by a deed of amendment dated 4 May 2017 and a second deed of amendment dated 31 October 2017.

“Second Convertible Note Consent Effective Date” has the meaning given to the term “Effective Date” in the amendment and waiver letter dated _____ 2020 between the Obligors, the Lenders, the Agent and the Security Agent.

“Novartis 2020 Subordination Agreement” means the subordination agreement dated on or about the Second Convertible Note Consent Effective Date in respect of the Novartis 2020 Convertible Loan.”

4. REPRESENTATIONS

Each Obligor confirms that on the date of this letter and on the Effective Date the warranties set out in the schedule:

- (i) are correct; and
- (ii) would also be correct if references to the Agreement were construed as references to the Agreement as amended by this letter.

5. MISCELLANEOUS

- (a) This letter is a Loan Document.
- (b) From the Effective Date, the Agreement and this letter will be read and construed as one document.

-
- (c) Except as otherwise provided in this letter, the Loan Documents remain in full force and effect.
 - (d) Except to the extent expressly waived in this letter, no waiver of any provision of any Loan Document is given by the terms of this letter and the Finance Parties expressly reserve all their rights and remedies in respect of any breach of, or other Default under, the Loan Documents.

6. GOVERNING LAW

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

EXECUTED as a Deed and delivered on the date above:

EXECUTED as a DEED by

MEREO BIOPHARMA GROUP PLC

acting by Denise Scots-Knight a director in the presence of a witness

/s/ Denise Scots-Knight

Director

/s/ Gemma Avery

Witness

Name:

Gemma Avery

Address:

76 Warecot Road

Brentwood CM15 9HE

Occupation:

Personal Assistant

EXECUTED as a DEED by

MEREO BIOPHARMA 1 LIMITED

acting by Denise Scots-Knight a director in the presence of a witness

/s/ Denise Scots-Knight

Director

/s/ Gemma Avery

Witness

Name:

Gemma Avery

Address:

76 Warecot Road

Brentwood CM15 9HE

Occupation:

Personal Assistant

EXECUTED as a DEED by

MEREO BIOPHARMA 2 LIMITED

acting by Denise Scots-Knight a director in the presence of a witness

/s/ Denise Scots-Knight

Director

/s/ Gemma Avery

Witness

Name:

Gemma Avery

Address:

76 Warecot Road

Brentwood CM15 9HE

Occupation:

Personal Assistant

EXECUTED as a DEED by

MEREO BIOPHARMA 3 LIMITED

acting by Denise Scots-Knight a director in the presence of a witness

/s/ Denise Scots-Knight

Director

/s/ Gemma Avery

Witness

Name:

Gemma Avery

Address:

76 Warecot Road

Brentwood CM15 9HE

Occupation:

Personal Assistant

EXECUTED as a DEED by

MEREO BIOPHARMA 4 LIMITED

acting by Denise Scots-Knight a director in the presence of a witness

/s/ Denise Scots-Knight

Director

/s/ Gemma Avery

Witness

Name:

Gemma Avery

Address:

76 Warescot Road

Brentwood CM15 9HE

Occupation:

Personal Assistant

Executed as a Deed by

MEREO BIOPHARMA IRELAND LIMITED

by its lawfully appointed attorney Charles Sermon in the presence of a witness

/s/ Charles Sermon

Charles Sermon

/s/ Gemma Avery

Witness

Name:

Gemma Avery

Address:

76 Warecot Road

Brentwood CM15 9HE

Occupation:

Personal Assistant

EXECUTED as a DEED by
NAVI SUBSIDIARY, INC.

/s/ Denise Scots-Knight

By: Denise Scots-Knight

/s/ Gemma Avery
Witness

Name:

Gemma Avery

Title:

Personal Assistant

EXECUTED as a DEED by
ONCOMED PHARMACEUTICALS, INC.

/s/ Denise Scots-Knight

By: Denise Scots-Knight

/s/ Gemma Avery
Witness

Name:

Gemma Avery

Title:

Personal Assistant

EXECUTED as a DEED by
MEREO US HOLDINGS INC.

By: Denise Scots-Knight

Name:

Title:

/s/ Denise Scots-Knight

/s/ Gemma Avery

Witness

Gemma Avery

Personal Assistant

The Lender, Agent and Security Agent

EXECUTED as a DEED by

KREOS CAPITAL V (UK) LIMITED

acting by Luca Colciago a director
in the presence of a witness

/s/ Luca Colciago

Director

/s/ Lauren Mahoney

Witness

Name:

Lauren Mahoney

Address:

25 Old Burlington St.

W1S 3AN, UK

Occupation:

Portfolio Administrator

The Lender

EXECUTED as a DEED by

SILICON VALLEY BANK

(a California corporation by Ian Murchie (authorised signatory)
being a person who, in accordance with the laws of that territory, is
acting under the authority of the corporation

/s/ Ian Murchie

Authorised signatory

SCHEDULE

Warranties

Each Warrantor, as the case may be, represents and warrants to the Finance Parties as follows:

1 DUE INCORPORATION AND AUTHORISATION; POWER AND AUTHORITY

- 1.1 The Borrower is a public company and each Guarantor is a private company with limited liability (other than Navi Sub, OncoMed Pharmaceuticals, Inc. and Mereo US Holdings, which is in each case a corporation), in each case duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has power to carry on its business as it is now being conducted and to own its property and other assets. The Borrower has previously delivered to the Agent Perfection Certificates relating to itself and each Guarantor. Each Obligor represents and warrants to the Finance Parties that: (a) its exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; and (b) it is an organisation of the type, and is incorporated in the jurisdiction, set out in the Perfection Certificate; and (c) the Perfection Certificate accurately sets out each Obligor's registered number; and (d) the Perfection Certificate accurately sets out such Obligor's corporate seat and its registered office as well as such Obligor's postal address if different from its registered office.
- 1.2 The execution, delivery and performance of this Deed and the other Loan Documents to which any Obligor is a party are within the corporate powers of such Obligor, have been duly authorised by all necessary corporate and other action and do not and will not conflict with (i) any law or regulation applicable to it; (ii) the constitutional documents of such Obligor or any other organisational documents; (iii) any agreement or instrument binding on such Obligor or (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect and customary filings with any Governmental Authority necessary to register or perfect any Lien created pursuant to the Loan Documents) or (v) constitute an event of default under any material agreement by which such Obligor is bound. Each Obligor is not in default under any agreement to which it is a party or by which it or its assets are bound in which the default could reasonably be expected to have a material adverse effect on such Obligor's business.

2 NOVARTIS 2016 CONVERTIBLE LOAN

- 2.1 The Novartis 2016 Convertible Loan has been converted into shares in the Borrower.

SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT (the “**Agreement**”), dated as of February 10, 2020, by and between **MEREO BIOPHARMA GROUP PLC**, a public limited company incorporated under the laws of England and Wales (the “**Company**”), and **ASPIRE CAPITAL FUND, LLC**, an Illinois limited liability company (the “**Buyer**”). Capitalized terms used herein and not otherwise defined herein are defined in Section 10 hereof.

WHEREAS:

Subject to the terms and conditions set forth in this Agreement, the Company wishes to issue to the Buyer, and the Buyer wishes to buy from the Company:

- (a) Three Million Dollars (\$3,000,000) of the Company’s ordinary shares, nominal value £0.003 per share (the “**Ordinary Shares**”); and
- (b) thereafter up to an additional Twenty-Five Million Dollars (\$25,000,000) of Ordinary Shares.

In each case such Ordinary Shares may be exchanged for American Depositary Shares (each American Depositary Share, an “**ADS**”), with each ADS representing five (5) Ordinary Shares, as determined in accordance with this Agreement. The ADSs to be issued to the Buyer in connection with any purchases of Ordinary Shares (the “**Purchase Ordinary Shares**”) pursuant to Section 1 of this Agreement being referred to as the “**Purchase ADSs**.” The Purchase Ordinary Shares underlying the Purchase ADSs, being referred to as and together with the Purchase ADSs as the “**Purchase Securities**”; and

The Purchase ADSs will be evidenced by American Depositary Receipts (“**ADRs**”) to be issued pursuant to the Deposit Agreement, dated as of April 23, 2019, among the Company, Citibank N.A., as depositary (the “**Depositary**”), and all owners and holders from time to time of ADSs issued thereunder (as amended, and as may hereafter be amended or otherwise modified in accordance with its terms, the “**Deposit Agreement**”). Each ADS represents five Ordinary Shares deposited pursuant to the Deposit Agreement.

NOW THEREFORE, the Company and the Buyer hereby agree as follows:

1. PURCHASE OF SECURITIES.

Subject to the terms and conditions set forth in this Agreement, the Company has the right to sell to the Buyer, and the Buyer has the obligation to purchase from the Company, Purchase Securities as follows:

- (a) **Initial Purchase: Commencement of Purchases of Securities.** The Buyer hereby subscribes (the “**Initial Purchase**”) for 11,432,925 Ordinary Shares (the “**Initial Purchase Ordinary Shares**”) and shall promptly pay to the Company as the purchase price therefor, via wire transfer, Three Million Dollars (\$3,000,000). Upon receipt by the Company of the Three Million Dollars (\$3,000,000) related to such Initial Purchase, the Company shall promptly (and not later than one Business Day thereafter) deliver notice to the Registrar of the Initial Purchase and instructions to its Registrar to promptly issue to the Buyer

11,432,925 Ordinary Shares and the 2,862,595 Commission Ordinary Shares (as defined in Section 4(e)) hereof) concurrently with Admission of those shares. Upon issuance, delivery and payment therefor as provided herein, such Initial Purchase Ordinary Shares shall be validly issued and fully paid and non-assessable. The Initial Purchase Ordinary Shares shall be issued to the Buyer in certificated form bearing the restrictive legend set forth in Section 4(e). Thereafter, the subscription and issue of Ordinary Shares and the related ADSs hereunder shall occur from time to time upon written notices by the Company to the Buyer on the terms and conditions as set forth herein following the satisfaction of the conditions (the “**Commencement**”) as set forth in Sections 6 and 7 below (the date of satisfaction of such conditions, the “**Commencement Date**”). The Purchase ADSs relating to the Initial Purchase Ordinary Shares (the “**Initial Purchase ADSs**”) shall be issued in connection with the Commencement unless the Buyer requests that they be issued sooner pursuant to Section 5 hereof.

(b) The Company’s Right to Require Regular Purchases. Subject to the terms and conditions of this Agreement, on any given Business Day after the Commencement Date, the Company shall have the right but not the obligation to direct the Buyer by its delivery to the Buyer of a Purchase Notice from time to time, and the Buyer thereupon shall have the obligation, to buy the number of Purchase ADSs specified in such notice, up to 150,000 Purchase ADSs per notice, on such Business Day that Purchase Notice is delivered to the Buyer (as long as such notice is delivered on or before 5:00 p.m. Eastern Time) (each such purchase, a “**Regular Purchase**”) at the Purchase Price on the Purchase Date; however, in no event shall the Purchase Amount of a Regular Purchase exceed Five Hundred Thousand Dollars (\$500,000) per Business Day. Upon receipt by the Company of full payment of the Purchase Amount related to such Regular Purchase, the Company shall (i) promptly (and not later than one Business Day thereafter) deliver notice to the Registrar of the Regular Purchase including instructions to its Registrar to promptly issue to the custodian of the Depositary the Ordinary Shares to be issued in connection with such Regular Purchase (concurrently with Admission of such shares) and the Ordinary Shares so issued shall be deposited with the Depositary pursuant to the Deposit Agreement, and (ii) upon such deposit, the Company shall promptly direct the Depositary to promptly issue an amount of ADSs equal to the Purchase ADSs to be purchased by the Buyer in connection with such Regular Purchase. The Company may deliver additional Purchase Notices to the Buyer from time to time so long as there is not more than one outstanding purchase (either a Regular Purchase or VWAP Purchase) that is not then fully completed i.e. the Buyer has fully paid for and received such Purchase ADSs. The amounts in this Section 1(b) shall be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction.

(c) VWAP Purchases. Subject to the terms and conditions of this Agreement, in addition to purchases of Purchase ADSs as described in Section 1(b) above, the Company shall also have the right but not the obligation to direct the Buyer by the Company’s delivery to the Buyer of a VWAP Purchase Notice from time to time as follows:

(i) with one Business Day’s prior written notice (as long as such notice is delivered on or before 5:00 p.m. Eastern Time on the Business Day immediately preceding the VWAP Purchase Date), and the Buyer thereupon shall have the obligation, to buy the VWAP Purchase ADS Percentage of the trading volume of the ADSs on the VWAP Purchase Date up to the VWAP Purchase ADS Volume Maximum on the VWAP Purchase Date (each such purchase, a “**VWAP Purchase**”) at the VWAP Purchase Price. The Company may only deliver a VWAP Purchase Notice to the Buyer on or before 5:00 p.m. Eastern Time on a date on which the Company also submits a Purchase Notice for a Regular Purchase of 150,000 Purchase ADSs to the Buyer. Any single VWAP Purchase Notice shall be limited to no more than 250,000 Purchase ADSs in connection

with such VWAP Purchase Notice. The VWAP Purchase Amount and the VWAP Purchase Price shall be determined at the end of the VWAP Purchase Date and confirmed by the Buyer and approved by the Company. However, the VWAP Purchase Amount and the VWAP Purchase Price shall be determined before the end of the VWAP Purchase Date at such time if during the VWAP Purchase Date either: (1) the Sale Price falls below the VWAP Minimum Price Threshold or (2) the trading volume of ADSs on the Principal Market exceeds the VWAP Purchase ADS Volume Maximum during normal trading hours. In such circumstances if:

- (A) the Sale Price falls below the VWAP Minimum Price Threshold during the VWAP Purchase Date, (1) the VWAP Purchase Amount shall be calculated using the VWAP Purchase ADS Percentage of the aggregate ADSs traded on the Principal Market for such portion of the VWAP Purchase Date prior to the time that the Sale Price fell below the VWAP Minimum Price Threshold and (2) the VWAP Purchase Price shall be calculated using the volume weighted average price of all ADSs sold during such portion of the VWAP Purchase Date prior to the time that the Sale Price fell below the VWAP Minimum Price Threshold.

OR

- (B) the trading volume of ADSs on the Principal Market exceeds the VWAP Purchase ADS Volume Maximum on the VWAP Purchase Date before normal trading hours end (meaning that the VWAP Purchase ADS Estimate has been reached at a time before the end of normal trading hours), the VWAP Purchase Amount and VWAP Purchase Price shall be calculated using the volume weighted average price of all ADSs sold during such portion of the VWAP Purchase Date prior to the time that the trading volume of ADSs on the Principal Market exceeds the VWAP Purchase ADS Volume Maximum.

(ii) By no later than 5:00 p.m. Eastern Time on any VWAP Purchase Date, the Buyer shall submit to the Company a written confirmation of the VWAP Purchase in form and substance reasonably acceptable to the Company setting forth the VWAP Purchase Amount and the VWAP Purchase Price, i.e. the exact amount of ADSs to be sold pursuant to such VWAP Purchase Notice and the exact price to be paid by the Buyer to the Company. Upon approval by the Company of the VWAP Purchase Amount and the VWAP Purchase Price and receipt by the Company of full payment of the Purchase Amount related to such VWAP Purchase, the Company shall (i) promptly (and not later than one Business Day thereafter) deliver notice to the Registrar of the VWAP Purchase including instructions to its Registrar to promptly issue to the custodian of the Depositary an amount of Ordinary Shares that the Company has confirmed to be issued in connection with such VWAP Purchase (concurrently with Admission of such shares) and the Ordinary Shares so issued shall be deposited with the Depositary pursuant to the Deposit Agreement, and (ii) upon such deposit, the Company shall promptly direct the Depositary to promptly issue an amount of ADSs equal to the Purchase ADSs to be purchased by the Buyer in connection with such VWAP Purchase.

The Company may deliver additional VWAP Purchase Notices to the Buyer from time to time so long as there is not more than one outstanding purchase (either a Regular Purchase or VWAP Purchase) that is not then fully completed i.e. the Buyer has fully paid for and has received such Purchase ADSs. The amounts in this Section 1(c) shall be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction.

(d) Payment for Purchase Securities. For each Regular Purchase, the Buyer shall pay to the Company an amount equal to the Purchase Amount as full payment for such Purchase ADSs via wire transfer of immediately available funds no later than one Business Day from receipt of a valid Purchase Notice and prior to the issuance of any Purchase Securities related to the Regular Purchase. For each VWAP Purchase, the Buyer shall pay to the Company an amount equal to the VWAP Purchase Amount as full payment for such Purchase ADSs via wire transfer of immediately available funds no later than one Business Day after the VWAP Purchase Date and prior to the issuance of any Purchase Securities related to such VWAP Purchase. All payments made under this Agreement shall be made in lawful money of the United States of America via wire transfer of immediately available funds to such account as the Company may from time to time designate by written notice in accordance with the provisions of this Agreement. Whenever any amount expressed to be due by the terms of this Agreement is due on any day that is not a Business Day and a day when banks generally are open in the City of London for the transaction of general banking business, the same shall instead be due on the next succeeding day that is a Business Day and is a day when banks generally are open in the City of London for the transaction of general banking business.

(e) Purchase Price Floor. The Company and the Buyer shall not effect any sales under this Agreement on any Purchase Date where the Closing Sale Price is less than the Floor Price. “**Floor Price**” means \$0.25 per ADS, which shall not be adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction.

(f) Records of Purchases. The Buyer and the Company shall each maintain records showing the remaining Available Amount at any given time and the dates and Purchase Amounts for each purchase, or shall use such other method reasonably satisfactory to the Buyer and the Company to reconcile the remaining Available Amount.

(g) Taxes and Fees of the Depository. The Company shall (to the extent that it would not be unlawful for it to do so under English law) pay any and all transfer, stamp or similar taxes and fees that may be payable with respect to the issuance and delivery of any Securities to the Buyer made under this Agreement, including any and all fees and expenses of the Depository or Registrar.

2. BUYER’S REPRESENTATIONS AND WARRANTIES.

The Buyer represents and warrants to the Company that as of the date hereof and as of the Commencement Date:

(a) Investment Purpose. The Buyer is entering into this Agreement and acquiring the Commission Ordinary Shares (as defined in Section 4(e)) hereof and any ADSs that may be issued for the Commission Ordinary Shares (the “**Commission ADSs**” and, together with Commission Ordinary Shares, the “**Commission Securities**”) and the Purchase Securities (the Purchase Securities and the Commission Securities are collectively referred to herein as the “**Securities**”) for its own account for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof; provided however, by making the representations herein, the Buyer does not agree to hold any of the Securities for any minimum or other specific term.

(b) Accredited Investor Status. The Buyer is an “accredited investor” as that term is defined in Rule 501(a)(3) of Regulation D of the 1933 Act.

(c) Reliance on Exemptions. The Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and the Buyer’s compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of the Buyer to acquire the Securities.

(d) Information. The Buyer has been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities that have been reasonably requested by the Buyer, including, without limitation, the SEC Documents (as defined in Section 3(f) hereof). The Buyer understands that its investment in the Securities involves a high degree of risk. The Buyer (i) is able to bear the economic risk of an investment in the Securities including a total loss, (ii) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the proposed investment in the Securities and (iii) has had an opportunity to ask questions of and receive answers from the officers of the Company concerning the financial condition and business of the Company and other matters related to an investment in the Securities. Neither such inquiries nor any other due diligence investigations conducted by the Buyer or its representatives shall modify, amend or affect the Buyer’s right to rely on the Company’s representations and warranties contained in Section 3 below. The Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(e) No Governmental Review. The Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(f) Transfer or Sale. The Buyer understands that except as provided in the Registration Rights Agreement (as defined in Section 4(a) hereof): (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder or (B) an exemption exists permitting such Securities to be sold, assigned or transferred without such registration; (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(g) Organization. The Buyer is a limited liability company duly organized and validly existing in good standing under the laws of the jurisdiction in which it is organized, and has the requisite organizational power and authority to own its properties and to carry on its business as now being conducted.

(h) Validity; Enforcement. This Agreement has been duly and validly authorized, executed and delivered on behalf of the Buyer and is a valid and binding agreement of the Buyer enforceable against the Buyer in accordance with its terms, subject as to enforceability to (i) general principles of equity and to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and (ii) public policy underlying any law, rule or regulation (including any federal or state securities law, rule or regulation) with regards to indemnification, contribution or exculpation. The execution and delivery of the Transaction Documents (as defined in Section 3(b) hereof) by the Buyer and the consummation by it of the transactions contemplated hereby and thereby do not conflict with the Buyer's certificate of organization or operating agreement or similar documents, and do not require further consent or authorization by the Buyer, its managers or its members.

(i) Residency. The Buyer is a resident of the State of Illinois.

(j) No Prior Short Selling. The Buyer represents and warrants to the Company that at no time prior to the date of this Agreement has any of the Buyer, its agents, representatives or affiliates engaged in or effected, in any manner whatsoever, directly or indirectly, any (i) "short sale" (as such term is defined in Section 242.200 of Regulation SHO of the 1934 Act) of the Securities or (ii) hedging transaction, which establishes a net short position with respect to the Securities.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Buyer that as of the date hereof and as of the Commencement Date:

(a) Organization and Qualification. The Company and its "Subsidiaries" (which for purposes of this Agreement means any entity in which the Company, directly or indirectly, owns more than 50% of the voting stock or capital stock or other similar equity interests) are corporations, partnerships, limited liability companies or other entities that are duly organized and validly existing in good standing under the laws of the jurisdiction in which they are incorporated or organized, and have the requisite corporate or organizational power and authority to own their properties and to carry on their business as now being conducted. Each of the Company and its Subsidiaries is duly qualified as a foreign corporation, partnership, limited liability company or other entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing could not reasonably be expected to have a Material Adverse Effect. As used in this Agreement, "**Material Adverse Effect**" means any material adverse effect on any of: (i) the business, properties, assets, operations, results of operations or financial condition of the Company and its Subsidiaries, if any, taken as a whole, or (ii) the authority or ability of the Company to perform its obligations under the Transaction Documents. The Company has no material Subsidiaries except as set forth on Schedule 3(a).

(b) Authorization; Enforcement; Validity. (i) The Company has the requisite power and authority to enter into and perform its obligations under this Agreement, the Registration Rights Agreement and each of the other agreements entered into by the parties on the Commencement Date (collectively, the "**Transaction Documents**"), and to issue the Securities in accordance with the terms hereof and thereof, (ii) the execution and delivery of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby, including without limitation,

the issuance of the Commission Securities and the Purchase Securities issuable under this Agreement have been duly authorized by the board of directors of the Company (the “**Board of Directors**”) and do not conflict with the Company’s Articles of Association (as defined below), and do not require further consent or authorization by the Company, its Board of Directors or its shareholders, except for any relevant application for Admission with respect to the issue of Securities and only for any Securities to be issued in connection with each VWAP Purchase or Regular Purchase which, prior to any such issuances, shall require an appropriate resolution(s) of the Board of Directors and/or the financing committee of the Board of Directors and may require shareholder authority to issue, and to disapply statutory pre-emption rights for, the Ordinary Shares in connection with that VWAP Purchase or Regular Purchase, (iii) this Agreement has been, and each other Transaction Document shall be on the Commencement Date, duly executed and delivered by the Company and (iv) this Agreement constitutes, and each other Transaction Document upon its execution on behalf of the Company, shall constitute, the valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as such enforceability may be limited by (y) general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors’ rights and remedies and (z) public policy underlying any law, rule or regulation (including any federal or state securities law, rule or regulation) with regards to indemnification, contribution or exculpation. The Board of Directors has approved the resolutions (the “**Signing Resolutions**”) substantially in the form as set forth as **Exhibit B** attached hereto, or referred to therein, to authorize this Agreement and the transactions contemplated hereby. The Signing Resolutions are valid, in full force and effect and have not been modified or supplemented in any material respect. The Company has delivered to the Buyer a true and correct copy of the Signing Resolutions as approved by the Board of Directors.

(c) **Capitalization.** As of the date hereof, the share capital of the Company is as disclosed in Schedule 3(c). All of the 97,959,622 Ordinary Shares issued and outstanding as of January 31, 2020, have been, validly issued and are fully paid and non-assessable. None of the Securities upon issuance shall be subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company. Except as disclosed in Schedule 3(c) (i) there are no outstanding debt securities of the Company or any of its Subsidiaries, (ii) there are no outstanding options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any securities of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional securities of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any securities of the Company or any of its Subsidiaries, (iii) except the Registration Rights Agreement, there are no material agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the 1933 Act on the Registration Statement, (iv) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries, (v) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities as described in this Agreement and (vi) the Company does not have any share appreciation rights or “phantom stock” plans or agreements or any similar plan or agreement. The Company has furnished or made available to the Buyer a true and correct copy of the Company’s Articles of Association, as amended and as in effect on the date hereof (the “**Articles of Association**”).

(d) Issuance of Securities. The Securities will, when issued, be duly authorized and, upon issuance (and payment therefore in the case of the Purchase Ordinary Shares) in accordance with the terms hereof, shall be (i) validly issued, fully paid and non-assessable and (ii) free from all taxes, liens and charges with respect to the issuance thereof and (iii) once the relevant Ordinary Shares are deposited with the Depository, entitled to the rights set forth in the Deposit Agreement. Upon the issuance of the Commission Ordinary Shares and Purchase Ordinary Shares in accordance with the terms hereof, they will be (A) promptly after issuance duly deposited with the Depository in accordance with the Deposit Agreement (except in the case of the Commission Ordinary Shares and the Initial Purchase Ordinary Shares, which may be duly deposited by the Buyer with the Depository in connection with the Commencement (or at any time prior to the Commencement)), (B) properly and validly allotted and issued, fully paid and nonassessable and (C) free from all taxes and liens with respect to the issuance thereof. The holders of the Commission Ordinary Shares and Purchase Ordinary Shares, upon issuance will be entitled to all rights accorded to a holder of Ordinary Shares. Upon issuance in accordance with the terms and conditions of this Agreement and the Deposit Agreement, the Commission ADSs and the Purchase ADSs shall be validly issued, fully paid and non-assessable and free from all taxes, liens and charges with respect to the issue thereof, and entitled to the rights set forth in the Deposit Agreement.

(e) No Conflicts. Except as disclosed in Schedule 3(e), the execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) result in a violation of the Articles of Association or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, or result, to the Company's knowledge, in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and the rules and regulations of the Principal Market applicable to the Company or any of its Subsidiaries) or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except in the case of conflicts, defaults, terminations, amendments, accelerations, cancellations and violations under clause (ii), which could not reasonably be expected to result in a Material Adverse Effect. Except as disclosed in Schedule 3(e), neither the Company nor its Subsidiaries is in violation of any term of or in default under its Articles of Association. Except as disclosed in Schedule 3(e), neither the Company nor any of its Subsidiaries is in violation of any term of or is in default under any material contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to the Company or its Subsidiaries, except for possible violations, defaults, terminations or amendments that could not reasonably be expected to have a Material Adverse Effect. The business of the Company and its Subsidiaries is not being conducted, and shall not be conducted, in violation of any law, ordinance, or regulation of any governmental entity, except for possible violations, the sanctions for which either individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. Except as specifically contemplated by this Agreement, reporting obligations under the 1934 Act or as required under the 1933 Act or applicable state securities laws or the filing of a Listing of Additional Shares Notification Form with the Principal Market, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency or any regulatory or self-regulatory agency in order for it to execute, deliver or perform any of its obligations under or contemplated by the Transaction Documents in accordance with the terms hereof or thereof. Except as disclosed in Schedule 3(e) and for reporting obligations under the 1934 Act, all consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence shall be obtained or effected on or prior to the Commencement Date. Except as disclosed in Schedule 3(e), the Company is not subject to any notices or

actions from or to the Principal Market, other than routine matters incident to listing on the Principal Market and not involving a violation of the rules of the Principal Market. Except as disclosed in Schedule 3(e), to the Company's knowledge, the Principal Market has not commenced any delisting proceedings against the Company.

(f) SEC Documents; Financial Statements. Except as disclosed in Schedule 3(f), since June 30, 2018, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**"). Except as disclosed in Schedule 3(f), as of their respective dates (except as they have been correctly amended), the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC (except as they may have been properly amended), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates (except as they have been properly amended), the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as disclosed in Schedule 3(f) or routine correspondence, such as comment letters and notices of effectiveness in connection with previously filed registration statements or periodic reports publicly available on EDGAR, to the Company's knowledge, the Company or any of its Subsidiaries are not on the date hereof the subject of any inquiry, investigation or action by the SEC.

(g) Absence of Certain Changes. Except as disclosed in Schedule 3(g), since June 30, 2019, there has been no material adverse change in the business, properties, operations, financial condition or results of operations of the Company or its Subsidiaries taken as a whole. For purposes of this Agreement, neither a decrease in cash or cash equivalents or in the market price of the Securities nor losses incurred in the ordinary course of the Company's business shall be deemed or considered a material adverse change. The Company has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to any Bankruptcy Law nor does the Company or any of its Subsidiaries have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy or insolvency proceedings. The Company is financially solvent and is generally able to pay its debts as they become due.

(h) Absence of Litigation. Except as disclosed in Schedule 3(h), to the Company's knowledge, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company or any of its Subsidiaries, threatened against the Company, the Securities or any of the Company's Subsidiaries or any of the Company's or the Company's Subsidiaries' officers or directors in their capacities as such, which could reasonably be expected to have a Material Adverse Effect (each, an "**Action**"). A description of each such Action, if any, is set forth in Schedule 3(h).

(i) Acknowledgment Regarding Buyer's Status. The Company acknowledges and agrees that the Buyer is acting solely in the capacity of arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby. The Company further acknowledges that the Buyer is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby and any advice given by the Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to the Buyer's purchase of the Securities. The Company further represents to the Buyer that the Company's decision to enter into the Transaction Documents has been based solely on the independent evaluation by the Company and its representatives and advisors.

(j) Intellectual Property Rights. To the Company's knowledge, the Company and its Subsidiaries own or possess adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights (collectively, "**Intellectual Property**") necessary to conduct their respective businesses as now conducted, except as set forth in Schedule 3(j) or to the extent that the failure to own, possess, license or otherwise hold adequate rights to use Intellectual Property would not, individually or in the aggregate, have a Material Adverse Effect. Except as disclosed in Schedule 3(j), to the Company's knowledge, none of the Company's active and registered Intellectual Property have expired or terminated, or, by the terms and conditions thereof, will expire or terminate within two years from the date of this Agreement, except as would not reasonably be expected to have a Material Adverse Effect. The Company and its Subsidiaries do not have any knowledge of any infringement by the Company or its Subsidiaries of any Intellectual Property of others and, except as set forth on Schedule 3(j), there is no claim, action or proceeding being made or brought against, or to the Company's knowledge, being threatened against, the Company or its Subsidiaries regarding Intellectual Property, which could reasonably be expected to have a Material Adverse Effect.

(k) Environmental Laws. To the Company's knowledge, the Company and its Subsidiaries (i) are in material compliance with any and all applicable foreign, English, U.S. federal, state and local laws and regulations relating to the protection of human health and safety or the environment and with respect to hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) have received all material permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in material compliance with all terms and conditions of any such permit, license or approval, except where, in each of the three foregoing clauses, the failure to so comply or receive such approvals could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(l) Title. The Company and its Subsidiaries have good and marketable title to all personal property owned by them that is material to the business of the Company and its Subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as are described in Schedule 3(l) or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries or could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Any real property and facilities held under lease by the Company and any of its Subsidiaries, to the Company's knowledge, are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries.

(m) Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be reasonable and customary in the businesses in which the Company and its Subsidiaries are engaged. To the Company's knowledge, since January 1, 2018, neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for and neither the Company nor any such Subsidiary, to the Company's knowledge, will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not reasonably be expected to have a Material Adverse Effect.

(n) Regulatory Permits. The Company and its Subsidiaries possess all material certificates, authorizations and permits issued by the appropriate English, U.S. federal, state or foreign regulatory authorities necessary to conduct their respective businesses as currently conducted, except when the failure to so possess such certificates, authorizations or permits could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any such Subsidiary has received any written notice of proceedings relating to the revocation or modification of any such material certificate, authorization or permit.

(o) Tax Status. The Company and each of its Subsidiaries has made or filed all foreign, English and U.S. federal and state income and all other material tax returns, reports and declarations required by any jurisdiction to which it is subject (unless and only to the extent that the Company and each of its Subsidiaries has set aside on its books reserves reasonably adequate for the payment of all unpaid and unreported taxes or filed valid extensions) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books reserves reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. To the Company's knowledge, there are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction.

(p) Transactions With Affiliates. Except as set forth on Schedule 3(p), and other than the grant or exercise of stock options or any other equity securities offered pursuant to duly adopted stock or incentive compensation plans as disclosed on Schedule 3(c), none of the officers, directors or employees of the Company is on the date hereof a party to any transaction with the Company or any of its Subsidiaries (other than for services as employees, officers and directors and reimbursement for expenses incurred on behalf of the Company), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a material interest or is an officer, director, trustee or general partner.

4. COVENANTS.

(a) Filing of Form 6-K and Registration Statement. The Company agrees that it shall on the date of this Agreement file a Report on Form 6-K disclosing this Agreement and the transaction contemplated hereby. The Company shall also file within five (5) Business Days from the date hereof a new registration statement covering the sale of the Securities by the Buyer in accordance with the terms of the Registration Rights Agreement between the Company and the Buyer, dated as of the date hereof ("**Registration Rights Agreement**").

(b) Blue Sky. The Company shall take such action, if any, as is reasonably necessary in order to obtain an exemption for or to qualify (i) the initial issuance of the Securities to the Buyer under this Agreement and (ii) any subsequent sale of the Securities by the Buyer, in each case, under applicable securities or "Blue Sky" laws of the states of the United States in such states as is reasonably requested by the Buyer from time to time, and shall provide evidence of any such action so taken to the Buyer at its written request; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(c) Listing. The Company shall promptly secure the listing of all of the Commission ADSs and Purchase ADSs upon each national securities exchange and automated quotation system that requires an application by the Company for listing, if any, upon which its ADSs are then listed (subject to official notice of issuance) and shall maintain such listing, so long as any other ADSs shall be so listed. The Company shall use its reasonable best efforts to maintain the ADS listing on the Principal Market in accordance with the requirements of the Registration Rights Agreement. Except as set forth in Schedule 4(c), neither the Company nor any of its Subsidiaries shall take any action that would be reasonably expected to result in the delisting or suspension of the ADSs on the Principal Market, unless the ADSs are promptly thereafter traded on the New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, or the Nasdaq Capital Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section.

(d) Limitation on Short Sales and Hedging Transactions. The Buyer agrees that beginning on the date of this Agreement and ending on the date of termination of this Agreement as provided in Section 11(k), the Buyer and its agents, representatives and affiliates shall not in any manner whatsoever enter into or effect, directly or indirectly, any (i) "short sale" (as such term is defined in Section 242.200 of Regulation SHO of the 1934 Act) of the Securities or (ii) hedging transaction, which establishes a net short position with respect to the Securities.

(e) Issuance of Commission Ordinary Shares and Initial Purchase Ordinary Shares. Concurrently with the issuance of the Initial Purchase Ordinary Shares, in consideration of the Buyer subscribing for the Initial Purchase Ordinary Shares and agreeing to subscribe for further Purchase Securities in accordance with the provisions of this Agreement, the Company shall pay to the Buyer a commission of Three Hundred Thousand Dollars (\$300,000) to be satisfied wholly by the issuance to the Buyer of 2,862,595 Ordinary Shares (the "**Commission Ordinary Shares**") credited as fully paid. The Commission Ordinary Shares and the Initial Purchase Ordinary Shares to be purchased pursuant to Section 1(a) hereof shall be issued in certificated or restricted book-entry form and (subject to Section 5 hereof) shall bear a restrictive legend substantially similar to the following:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, UNLESS SOLD PURSUANT TO: (1) RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (2) AN OPINION OF HOLDER'S COUNSEL, IN A CUSTOMARY FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS.

(f) Due Diligence. The Buyer shall have the right, from time to time as the Buyer may reasonably deem appropriate, to perform reasonable due diligence on the Company during normal business hours and subject to reasonable prior notice to the Company. The Company and its officers and employees shall provide information and reasonably cooperate with the Buyer in connection with any reasonable request by the Buyer related to the Buyer's due diligence of the Company, including, but not limited to, any such request made by the Buyer in connection with (i) the filing of the registration statement described in Section 4(a) hereof and (ii) the Commencement; provided, however, that at no time is the Company required to disclose inside information (within the meaning of the UE Market Abuse Regulation (EU596/2014) and all delegated or implementing regulations relating to that Regulation), material nonpublic information to the Buyer or breach any obligation of confidentiality or non-disclosure to a third party or make any disclosure that could cause a waiver of attorney-client privilege. The Company and the Buyer both agree and acknowledge that the Buyer has not been given any material non-public information relating to the Company except the Confidential Information (as defined in that certain Non-Disclosure Agreement dated January 31, 2020) which such Confidential Information (as defined in that certain Non-Disclosure Agreement dated January 31, 2020) shall no longer be Confidential Information or material non-public information upon the filing of the Report on Form6-K required under Section 4(a) hereof. Except as may be required by law, court order or governmental authority, each party hereto agrees not to disclose any Confidential Information of the other party to any third party and shall not use the Confidential Information of such other party for any purpose other than in connection with, or in furtherance of, the transactions contemplated hereby; provided, that to the extent such disclosure is required by law, court order or governmental authority, the receiving party shall provide the disclosing party with reasonable prior written notice of such disclosure and make a reasonable effort to assist the disclosing party in obtaining a protective order preventing or limiting the disclosure and/or requiring that the Confidential Information so disclosed be used only for the purposes for which the law, court order or governmental authority requires. Each party hereto acknowledges that the Confidential Information shall remain the property of the disclosing party and agrees that it shall take all reasonable measures to protect the secrecy of any Confidential Information disclosed by the other party.

(g) Disposition of Securities. The Buyer shall not sell or transfer any Securities except as provided in this Agreement, the Registration Rights Agreement and the "Plan of Distribution" section of the prospectus included in the Registration Statement (as defined in the Registration Rights Agreement). The Buyer shall not sell or transfer any Securities except pursuant to sales described in the "Plan of Distribution" section of the prospectus included in the Registration Statement or pursuant to Rule 144 under the 1933 Act. In the event of any sales of Securities pursuant to the Registration Statement, the Buyer will (i) effect such sales pursuant to the "Plan of Distribution" section of the prospectus included in the Registration Statement, and (ii) will comply with all applicable prospectus delivery requirements.

5. REGISTRAR AND DEPOSITARY INSTRUCTIONS.

Promptly upon the execution of this Agreement, the Company shall deliver to the Registrar documentation in reasonable form with respect to the issuance of the Commission Ordinary Shares and the Initial Purchase Ordinary Shares. Promptly after the Registration Statement has been declared effective by the SEC and prior to the Commencement, the Commission Ordinary Shares and the Initial Purchase Ordinary Shares shall be deposited by the Buyer with the Depositary in accordance with the provisions of the Deposit Agreement so that ADRs evidencing the Commission ADSs and the Initial Purchase ADSs may be issued by the Depositary to the Buyer. So long as Registration Statement has been declared effective by the SEC and the Buyer complies with its obligations in Section 4(g), all of the ADSs to be issued under this Agreement shall be issued without any restrictive legend unless the Buyer expressly consents otherwise. However, so long as the Buyer complies with the requirements of the Depositary, the Buyer, may at any time prior to the Registration Statement being declared effective by the SEC, deposit the Commission Ordinary Shares and the Initial Purchase Ordinary Shares with the Depositary in accordance with the provisions of the Deposit Agreement so that ADRs evidencing the Commission ADSs and the Initial Purchase ADSs may be issued by the Depositary to the Buyer. In such case, these ADSs may be issued with a restrictive legend as required by the Depositary. In relation to any deposit of Commission Ordinary Shares and Initial Purchase Ordinary Shares with the Depositary, the Company shall at the request of the Buyer provide reasonable assistance to the Buyer in connection with the issuance of the ADRs to evidence those Commission Ordinary Shares and Initial Purchase Ordinary Shares, which may include liaising with the Registrar regarding the processing of documentation lodged with Registrar by the Buyer.

6. CONDITIONS TO THE COMPANY'S RIGHT TO COMMENCE SALES OF SECURITIES UNDER THIS AGREEMENT.

The right of the Company hereunder to commence sales of the Purchase Securities (other than the Initial Purchase) is subject to the satisfaction of each of the following conditions on or before the Commencement Date (the date that the Company may begin sales of Purchase Securities other than the Initial Purchase):

(a) The Buyer shall have executed each of the Transaction Documents and delivered the same to the Company;

(b) The representations and warranties of the Buyer shall be true and correct as of the Commencement Date as though made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct in all material respects as of such specific date) and the Buyer shall have performed, satisfied and complied in all material respects with the covenants and agreements required by this Agreement to be performed, satisfied or complied with by the Buyer at or prior to the Commencement Date; and

(c) A registration statement covering the sale of the Commission ADSs and the Purchase ADSs by the Buyer shall have been declared effective under the 1933 Act by the SEC and no stop order with respect to the registration statement shall be pending or threatened by the SEC.

7. CONDITIONS TO THE BUYER'S OBLIGATION TO MAKE PURCHASES OF SECURITIES.

The obligation of the Buyer to buy Purchase Securities (other than the Initial Purchase) under this Agreement is subject to the satisfaction of each of the following conditions on or before the Commencement Date (the date that the Company may begin sales of Purchase Securities other than the Initial Purchase) and once such conditions have been initially satisfied, there shall not be any ongoing obligation to satisfy such conditions after the Commencement has occurred:

(a) The Company shall have executed each of the Transaction Documents and delivered the same to the Buyer;

(b) Assuming that the Buyer shall have surrendered the originally issued certificate(s) representing the Commission Ordinary Shares and the Initial Purchase Ordinary Shares, the Commission ADSs and the Initial Purchase ADSs shall have been issued (or reissued) to the Buyer without any restrictive legend;

(c) The ADSs shall be authorized for quotation on the Principal Market, trading in the ADSs shall not have been within the last 365 days suspended by the SEC or the Principal Market, other than a general halt in trading in the ADSs by the Principal Market under halt codes indicating pending or released material news, and the Securities shall be approved for listing upon the Principal Market;

(d) The Buyer shall have received the opinion of the Company's United Kingdom and United States legal counsel dated as of the Commencement Date in customary form and substance;

(e) The representations and warranties of the Company shall be true and correct in all material respects (except to the extent that any of such representations and warranties is already qualified as to materiality in Section 3 above, in which case, such representations and warranties shall be true and correct without further qualification) as of the date of this Agreement and as of the Commencement Date as though made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct in all material respects as of such specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company at or prior to the Commencement Date. The Buyer shall have received a certificate, executed by the CEO, President or CFO of the Company, dated as of the Commencement Date, to the foregoing effect in the form attached hereto as **Exhibit A**;

(f) The Board of Directors or a duly authorized committee thereof shall have adopted resolutions substantially in the form attached hereto as **Exhibit B**, or referred to therein, which shall be in full force and effect without any amendment or supplement thereto as of the Commencement Date;

(g) Registrar instructions and Depository instructions, in form acceptable to the Buyer and to the Company, shall have been signed by the Company and the Buyer and shall have been delivered to the Registrar and the Depository as applicable;

(h) The Company shall have delivered to the Buyer a certificate evidencing the good standing of the Company in England and Wales issued by the applicable authority of such jurisdiction as of a date within ten (10) Business Days of the Commencement Date;

(i) The Company shall have delivered to the Buyer a secretary's certificate executed by the Secretary of the Company, dated as of the Commencement Date, in the form attached hereto as **Exhibit C**;

(j) A registration statement covering the sale of (i) all of the Commission ADSs and the Initial Purchase ADSs and (ii) such number of additional Purchase ADSs as reasonably determined by the Company shall have been declared effective under the 1933 Act by the SEC and no stop order with respect thereto shall be pending or threatened by the SEC. The Company shall have prepared and delivered to the Buyer a final and complete form of prospectus, dated and current as of the Commencement Date, to be used by the Buyer in connection with any sales of any ADSs, and to be filed by the Company one (1) Business Day after the Commencement Date pursuant to Rule 424(b). The Company shall have made all filings under all applicable United Kingdom, English, United States federal and state securities laws necessary to consummate the issuance of the Commission Securities and the Purchase Securities pursuant to this Agreement in compliance with such laws; and

(k) No Event of Default has occurred and is continuing, or any event which, after notice and/or lapse of time, would become an Event of Default has occurred.

8. INDEMNIFICATION.

In consideration of the Buyer's execution and delivery of the Transaction Documents and acquiring the Securities hereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless the Buyer and all of its affiliates, members, officers, directors, and employees, and any of the foregoing person's agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all third party actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (b) any breach of any covenant, agreement or obligation of the Company contained in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, or (c) any cause of action, suit or claim brought or made against such Indemnitee and arising out of or resulting from the execution, delivery, performance or enforcement of the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, other than with respect to Indemnified Liabilities which directly and primarily result from (A) a breach of any of the Buyer's representations and warranties, covenants or agreements contained in this Agreement, or (B) the gross negligence, bad faith or willful misconduct of the Buyer or any other Indemnitee. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

9. EVENTS OF DEFAULT.

An “Event of Default” shall be deemed to have occurred at any time as any of the following events occurs:

- (a) during any period in which the effectiveness of any registration statement is required to be maintained pursuant to the terms of the Registration Rights Agreement, the effectiveness of such registration statement lapses for any reason (including, without limitation, the issuance of a stop order) or is unavailable to the Buyer for the sale of all of the Registrable Securities (as defined in the Registration Rights Agreement), and such lapse or unavailability continues for a period of ten (10) consecutive Business Days or for more than an aggregate of thirty (30) Business Days in any 365-day period, which is not in connection with a Permitted Delay (as defined in the Registration Rights Agreement), post-effective amendment to any such registration statement or the filing of a new registration statement; provided, however, that in connection with any post-effective amendment to such registration statement or filing of a new registration statement that is required to be declared effective by the SEC, such lapse or unavailability may continue for a period of no more than thirty (30) consecutive Business Days, which such period shall be extended for an additional thirty (30) Business Days if the Company receives a comment letter from the SEC in connection therewith;
- (b) the suspension from trading or failure of the ADSs to be listed on a Principal Market for a period of three (3) consecutive Business Days;
- (c) the delisting of the ADSs from the Principal Market, and the ADSs are not promptly thereafter trading on the New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, or the Nasdaq Capital Market;
- (d) the failure for any reason by the Registrar or the Depositary to issue Purchase Securities to the Buyer within five (5) Business Days after payment therefore by the Buyer has been received by the Company that the Buyer is entitled to receive under this Agreement;
- (e) the Company’s breach of any representation or warranty (as of the dates made), covenant or other term or condition under any Transaction Document if such breach could reasonably be expected to have a Material Adverse Effect and except, in the case of a breach of a covenant which is reasonably curable, only if such breach continues uncured for a period of at least five (5) Business Days;
- (f) if any Person commences a proceeding against the Company pursuant to or within the meaning of any Bankruptcy Law;
- (g) if the Company pursuant to or within the meaning of any Bankruptcy Law; (A) commences a voluntary case, (B) consents to the entry of an order for relief against it in an involuntary case, (C) consents to the appointment of a Custodian of it or for all or substantially all of its property, (D) makes a general assignment for the benefit of its creditors or (E) becomes insolvent; or
- (h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (A) is for relief against the Company in an involuntary case, (B) appoints a Custodian of the Company or for all or substantially all of its property, or (C) orders the liquidation of the Company or any Subsidiary.

So long as an Event of Default has occurred and is continuing, or if any event which, after notice and/or lapse of time, would become an Event of Default, has occurred and is continuing, or so long as the Closing Sale Price is below the Floor Price, the Company may not require and the Buyer shall not be obligated or permitted to purchase any Securities under this Agreement. If pursuant to or within the meaning of any Bankruptcy Law, the Company commences a voluntary case or any Person commences a proceeding against the Company, a Custodian is appointed for the Company or for all or substantially all of its property, or the Company makes a general assignment for the benefit of its creditors, (any of which would be an Event of Default as described in Sections 9(f), 9(g) and 9(h) hereof) this Agreement shall automatically terminate without any liability or payment to the Company without further action or notice by any Person. No such termination of this Agreement under Section 11(k)(i) shall affect the Company's or the Buyer's obligations under this Agreement with respect to pending purchases and the Company and the Buyer shall complete their respective obligations with respect to any pending purchases under this Agreement.

10. CERTAIN DEFINED TERMS.

For purposes of this Agreement, the following terms shall have the following meanings:

(a) "**1933 Act**" means the Securities Act of 1933, as amended.

(b) "**1934 Act**" means the Securities Exchange Act of 1934, as amended.

(c) "**Admission**" means admission of Ordinary Shares to the AIM market of London Stock Exchange plc in accordance with the AIM Rules for Companies;

(d) "**Available Amount**" means initially Twenty-Five Million Dollars (\$25,000,000) in the aggregate which amount shall be reduced by the Purchase Amount (excluding the Initial Purchase) each time the Buyer purchases Purchase Securities pursuant to Section 1 hereof but which amount shall not be reduced by the Commission Securities issued pursuant to Section 4.

(e) "**Bankruptcy Law**" means Title 11, U.S. Code, or any similar United Kingdom, English, United States federal or state law for the relief of debtors.

(f) "**Business Day**" means any day on which the Principal Market is open for trading during normal trading hours (i.e., 9:30 a.m. to 4:00 p.m. Eastern Time), including any day on which the Principal Market is open for trading for a period of time less than the customary time.

(g) "**Closing Sale Price**" means the last closing trade price for the ADSs on the Principal Market as reported by the Principal Market.

(h) "**Confidential Information**" means any information disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects (including, without limitation, documents, prototypes, samples, plant and equipment), which is designated as "Confidential," "Proprietary" or some similar designation. Information communicated orally shall be considered Confidential Information if such information is expressly identified as Confidential Information at the time of such initial disclosure and confirmed in writing as being Confidential Information within ten (10) Business Days after the initial disclosure. Confidential Information may also include information disclosed to a disclosing party by third parties. Confidential Information shall not, however, include any information

which (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (ii) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party as shown by the receiving party's files and records immediately prior to the time of disclosure; (iv) is obtained by the receiving party from a third party without a breach of such third party's obligations of confidentiality; or (v) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party's possession.

(i) "**Custodian**" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

(j) "**Eastern Time**" means the time of the fifth time zone west of Greenwich, England that includes the eastern United States.

(k) "**Maturity Date**" means the date that is thirty (30) months from the Commencement Date.

(l) "**Person**" means an individual or entity including any limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(m) "**Principal Market**" means the Nasdaq Global Market; provided however, that in the event the Company's ADSs are ever listed or traded on the New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, or the Nasdaq Capital Market, then the "Principal Market" shall mean such other market or exchange on which the Company's ADSs are then listed or traded.

(n) "**Purchase Amount**" means, with respect to any particular purchase made hereunder, the portion of the Available Amount to be purchased by the Buyer pursuant to the Initial Purchase or any other purchase pursuant to Section 1 hereof as set forth in a valid Purchase Notice or VWAP Purchase Notice which the Company delivers to the Buyer.

(o) "**Purchase Date**" means, with respect to any Regular Purchase made hereunder, the Business Day of receipt by the Buyer of a valid Purchase Notice that the Buyer is to buy Purchase Securities pursuant to Section 1(b) hereof.

(p) "**Purchase Notice**" shall mean an irrevocable written notice from the Company to the Buyer directing the Buyer to buy Purchase Securities pursuant to Section 1(b) hereof as specified by the Company therein at the applicable Purchase Price on the Purchase Date.

(q) "**Purchase Price**" means the lesser of (i) the lowest Sale Price of the ADSs on the Purchase Date or (ii) the arithmetic average of the three (3) lowest Closing Sale Prices for the ADSs during the ten (10) consecutive Business Days ending on the Business Day immediately preceding such Purchase Date (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction).

(r) “**Registrar**” means the Registrar of the Company as set forth in Section 11(f) hereof or such other person who is then serving as the Registrar for the Company in respect of the Ordinary Shares.

(s) “**Sale Price**” means any trade price for the ADSs on the Principal Market during normal trading hours, as reported by the Principal Market.

(t) “**SEC**” means the U.S. Securities and Exchange Commission.

(u) “**VWAP Minimum Price Threshold**” means, with respect to any particular VWAP Purchase Notice, the Sale Price on the VWAP Purchase Date equal to the greater of (i) 80% of the Closing Sale Price on the Business Day immediately preceding the VWAP Purchase Date or (ii) such higher price as set forth by the Company in the VWAP Purchase Notice.

(v) “**VWAP Purchase Amount**” means, with respect to any particular VWAP Purchase Notice, the portion of the Available Amount to be purchased by the Buyer pursuant to Section 1(c) hereof pursuant to a valid VWAP Purchase Notice which requires the Buyer to buy the VWAP Purchase ADS Percentage of the aggregate ADSs traded on the Principal Market during normal trading hours on the VWAP Purchase Date up to the VWAP Purchase ADS Volume Maximum, subject to the VWAP Minimum Price Threshold.

(w) “**VWAP Purchase Date**” means, with respect to any VWAP Purchase made hereunder, the Business Day immediately following the receipt by the Buyer of a valid VWAP Purchase Notice that the Buyer is to buy Purchase ADSs pursuant to Section 1(c) hereof.

(x) “**VWAP Purchase Notice**” shall mean an irrevocable written notice from the Company to the Buyer directing the Buyer to buy Purchase ADSs on the VWAP Purchase Date pursuant to Section 1(c) hereof as specified by the Company therein at the applicable VWAP Purchase Price with the applicable VWAP Purchase ADS Percentage specified therein.

(y) “**VWAP Purchase ADS Percentage**” means, with respect to any particular VWAP Purchase Notice pursuant to Section 1(c) hereof, the percentage set forth in the VWAP Purchase Notice which the Buyer will be required to buy as a specified percentage of the aggregate ADSs traded on the Principal Market during normal trading hours up to the VWAP Purchase ADS Volume Maximum on the VWAP Purchase Date subject to Section 1(c) hereof but in no event shall this percentage exceed thirty percent (30%) of such VWAP Purchase Date’s ADS trading volume of the ADSs on the Principal Market during normal trading hours.

(z) “**VWAP Purchase Price**” means the lesser of (i) the Closing Sale Price on the VWAP Purchase Date; or (ii) ninety-seven percent (97%) of volume weighted average price for the ADSs traded on the Principal Market during normal trading hours on (A) the VWAP Purchase Date if the aggregate ADSs traded on the Principal Market on the VWAP Purchase Date have not exceeded the VWAP Purchase ADS Volume Maximum and the Sale Price of ADSs has not fallen below the VWAP Minimum Price Threshold (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction), or (B) the portion of the VWAP Purchase Date until such time as the sooner to occur of (1) the time at which the aggregate ADSs traded on the Principal Market has exceeded the VWAP Purchase ADS Volume Maximum, or (2) the time at which the Sale Price of ADSs falls below the VWAP Minimum Price Threshold (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction).

(aa) “**VWAP Purchase ADS Estimate**” means the number of ADSs that the Company elects to set forth in a VWAP Purchase Notice in connection with a VWAP Purchase pursuant to Section 1(c) hereof which is the maximum number of ADSs that the Buyer may be obligated to buy in such VWAP Purchase but which shall not exceed 250,000 ADSs for any one VWAP Purchase (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction).

(bb) “**VWAP Purchase ADS Volume Maximum**” means a number of ADSs traded on the Principal Market during normal trading hours on the VWAP Purchase Date equal to: (i) the VWAP Purchase ADS Estimate, divided by (ii) the VWAP Purchase ADS Percentage (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction).

11. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. The corporate laws of England and Wales shall govern all issues concerning the relative rights of the Company and its shareholders. All other questions concerning the construction, validity, enforcement and interpretation of this Agreement and the other Transaction Documents shall be governed by the internal laws of the State of Illinois, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Illinois or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Illinois. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Chicago, for the adjudication of any dispute hereunder or under the other Transaction Documents or in connection herewith or therewith, or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile or pdf (or other electronic reproduction) signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile or PDF (or other electronic reproduction) signature.

(c) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(d) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(e) Entire Agreement. This Agreement and the Registration Rights Agreement supersede all other prior oral or written agreements between the Buyer, the Company, their affiliates and persons acting on their behalf with respect to the matters discussed herein, and this Agreement, the other Transaction Documents and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. Each of the Company and the Buyer acknowledges and agrees that it has not relied on, in any manner whatsoever, any representations or statements, written or oral, other than as expressly set forth in this Agreement.

(f) Notices. Any notices, consents or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); (iii) upon receipt, when sent by electronic message (provided the recipient responds to the message and confirmation of both electronic messages are kept on file by the sending party); or (iv) one (1) Business Day after timely deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Mereo Biopharma Group plc
4th Floor
One Cavendish Place
London W1G 0QF
United Kingdom
Telephone: +44 33 3023 7300
Attention: General Counsel
Email: legal@mereobiopharma.com

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

Mayer Brown LLP
1221 Avenue of the Americas
New York, NY 10020
Telephone: 1 212-506-2500
Facsimile: 1 212-262-1910
Attention: David Bakst
Email: DBakst@mayerbrown.com

and

Mayer Brown International LLP
201 Bishopsgate
London EC2M 2AF
United Kingdom
Telephone: +44 20 3130 3000
Facsimile: +44 20 3130 3001
Attention: Richard Smith
Email: RSmith@mayerbrown.com

If to the Buyer:

Aspire Capital Fund, LLC
155 North Wacker Drive, Suite 1600
Chicago, IL 60606
Telephone: 1 312-658-0400
Facsimile: 1 312-658-4005
Attention: Steven G. Martin
Email: smartin@aspirecapital.com

With a copy to (which shall not constitute delivery to the Buyer):

Morrison & Foerster LLP
2000 Pennsylvania Avenue, NW, Suite 6000
Washington, DC 20006
Telephone: 1 202-778-1611
Facsimile: 1 202-887-0763
Attention: Martin P. Dunn, Esq.
Email: mdunn@mofocom

If to the Registrar:

Link Asset Services
6th Floor, 65 Gresham Street
London EC2V 7NQ
United Kingdom
Telephone: +44 20 7397 6233
Attention: Louise Porter
Email: louise.porter@linkgroup.co.uk

or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party at least one (1) Business Day prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, and recipient facsimile number, (C) electronically generated by the sender's electronic mail containing the time, date and recipient email address or (D) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of receipt in accordance with clause (i), (ii), (iii) or (iv) above, respectively.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyer, including by merger or consolidation; provided, however, that any transaction, whether by merger, reorganization, restructuring, consolidation, financing or otherwise, whereby the Company remains the surviving entity immediately after such transaction shall not be deemed a succession or assignment. The Buyer may not assign its rights or obligations under this Agreement.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

(i) Publicity. The Buyer shall have the right to approve before issuance any press release, SEC filing or any other public disclosure made by or on behalf of the Company whatsoever with respect to, in any manner, the Buyer, its purchases hereunder or any aspect of this Agreement or the transactions contemplated hereby; provided, however, that the Company shall be entitled, without the prior approval of the Buyer, to make any press release or other public disclosure (including any filings with the SEC) with respect to such transactions as is required by applicable law and regulations so long as the Company and its counsel consult with the Buyer in connection with any such press release or other public disclosure at least one (1) Business Day prior to its release; provided, however, that the Company's obligations pursuant to this Section 11(i) shall not apply if the material provisions of such press release, SEC filing, or other public disclosure previously has been publicly disclosed by the Company in accordance with this Section 11(i). The Buyer must be provided with a copy thereof at least one (1) Business Day prior to any release or use by the Company thereof.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Termination. This Agreement may be terminated only as follows:

(i) If pursuant to or within the meaning of any Bankruptcy Law, the Company commences a voluntary case or any Person commences a proceeding against the Company, a Custodian is appointed for the Company or for all or substantially all of its property, or the Company makes a general assignment for the benefit of its creditors, (any of which would be an Event of Default as described in Sections 9(f), 9(g) and 9(h) hereof) this Agreement shall automatically terminate without any liability or payment to the Company without further action or notice by any Person. No such termination of this Agreement under this Section 11(k)(i) shall affect the Company's or the Buyer's obligations under this Agreement with respect to pending purchases and the Company and the Buyer shall complete their respective obligations with respect to any pending purchases under this Agreement.

(ii) In the event that the Commencement shall not have occurred the Company shall have the option to terminate this Agreement for any reason or for no reason without any liability whatsoever of either party to the other party under this Agreement except as set forth in Section 11(k)(viii) hereof.

(iii) In the event that the Commencement shall not have occurred on or before the one year anniversary of the date of this Agreement, due to the failure to satisfy any of the conditions set forth in Sections 6 and 7 above with respect to the Commencement, this Agreement shall automatically terminate without any liability or payment to the Company without further action or notice by any Person.

(iv) At any time after the Commencement Date, the Company shall have the option to terminate this Agreement for any reason or for no reason by delivering notice (a “**Company Termination Notice**”) to the Buyer electing to terminate this Agreement without any liability whatsoever of either party to the other party under this Agreement except as set forth in Section 11(k)(viii) hereof. The Company Termination Notice shall not be effective until one (1) Business Day after it has been received by the Buyer.

(v) This Agreement shall automatically terminate on the date that the Company sells and the Buyer purchases the full Available Amount as provided herein, without any action or notice on the part of any party and without any liability whatsoever of any party to any other party under this Agreement except as set forth in Section 11(k)(viii) hereof.

(vi) If by the Maturity Date for any reason or for no reason the full Available Amount under this Agreement has not been purchased as provided for in Section 1 of this Agreement, this Agreement shall automatically terminate on the Maturity Date, without any action or notice on the part of any party and without any liability whatsoever of any party to any other party under this Agreement except as set forth in Section 11(k)(viii) hereof.

(vii) Except as set forth in Sections 11(k)(i) (in respect of an Event of Default under Sections 9(f), 9(g) and 9(h)), 11(k)(v) and 11(k)(vi), any termination of this Agreement pursuant to this Section 11(k) shall be effected by written notice from the Company to the Buyer setting forth the basis for the termination hereof.

(viii) The representations and warranties of the Company and the Buyer contained in Sections 2, 3 and 5 hereof, the indemnification provisions set forth in Section 8 hereof and the agreements and covenants set forth in Sections 4(e), 4(g) and 11, shall survive the Commencement and any termination of this Agreement. No termination of this Agreement shall affect the Company’s or the Buyer’s rights or obligations (i) under the Registration Rights Agreement, which shall survive any such termination in accordance with its terms, or (ii) under this Agreement with respect to pending purchases and the Company and the Buyer shall complete their respective obligations with respect to any pending purchases under this Agreement.

(l) No Financial Advisor, Placement Agent, Broker or Finder: The Company represents and warrants to the Buyer that it has not engaged any financial advisor, placement agent, broker or finder in connection with the transactions contemplated hereby. The Buyer represents and warrants to the Company that it has not engaged any financial advisor, placement agent, broker or finder in connection with the transactions contemplated hereby. Each party shall be responsible for the payment of any fees or commissions, if any, of any financial advisor, placement agent, broker or finder engaged by such party relating to or arising out of the transactions contemplated hereby. Each party shall pay, and hold the other party harmless against, any liability, loss or expense (including, without limitation, attorneys’ fees and out of pocket expenses) arising in connection with any such claim.

(m) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(n) Failure or Indulgence Not Waiver. No failure or delay in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

* * * * *

IN WITNESS WHEREOF, the Buyer and the Company have caused this Securities Purchase Agreement to be duly executed as of the date first written above.

THE COMPANY:

MEREO BIOPHARMA GROUP PLC

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

Name: Denise Scots-Knight, Ph.D.

Title: Chief Executive Officer

BUYER:

ASPIRE CAPITAL FUND, LLC

BY: ASPIRE CAPITAL PARTNERS, LLC

BY: SGM HOLDINGS CORP.

By: /s/ Steven G. Martin

Name: Steven G. Martin

Title: President

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this “**Agreement**”), dated as of February 10, 2020, by and between **MEREO BIOPHARMA GROUP PLC**, a public limited company incorporated under the laws of England and Wales (the “**Company**”), and **ASPIRE CAPITAL FUND, LLC**, an Illinois limited liability company (together with its permitted assigns, the “**Buyer**”). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement by and between the parties hereto, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the “**Purchase Agreement**”).

WHEREAS:

A. Upon the terms and subject to the conditions of the Purchase Agreement, the Company has agreed to issue to the Buyer, and the Buyer has agreed to purchase, (i) Three Million Dollars (\$3,000,000) of the Company’s ordinary shares, nominal value £0.003 per share (the “**Ordinary Shares**”); and (ii) thereafter, up to an additional Twenty-Five Million Dollars (\$25,000,000) of the Company’s Ordinary Shares, pursuant to Section 1 of the Purchase Agreement. In each case, such Ordinary Shares may be exchanged for American Depositary Shares (“**ADSs**” and together with the Ordinary Shares, the “**Purchase Securities**”), each ADS representing five (5) Ordinary Shares, as determined in accordance with the Purchase Agreement.

B. The Company has agreed to issue to the Buyer such number of Ordinary Shares underlying the ADSs as is required pursuant to Section 4(e) of the Purchase Agreement (the “**Commission Securities**” and together with the Purchase Securities, the “**Securities**”).

C. To induce the Buyer to enter into the Purchase Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the “**1933 Act**”), and applicable state securities laws.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Buyer hereby agree as follows:

1. DEFINITIONS.

As used in this Agreement, the following terms shall have the following meanings:

a. “**Person**” means any person or entity including any corporation, a limited liability company, an association, a partnership, an organization, a business, an individual, a governmental or political subdivision thereof or a governmental agency.

b. “**Register**,” “**registered**,” and “**registration**” refer to a registration effected by preparing and filing one or more registration statements of the Company in compliance with the 1933 Act and pursuant to Rule 415 under the 1933 Act or any successor rule providing for offering securities on a continuous basis (“**Rule 415**”), and the declaration or ordering of effectiveness of such registration statement(s) by the U.S. Securities and Exchange Commission (the “**SEC**”).

c. **“Registrable Securities”** means (i) all of the Commission ADSs and Initial Purchase ADSs and (ii) such number of additional Securities as reasonably determined by the Company, which may from time to time be, issued or issuable to the Buyer upon purchases of the Available Amount under the Purchase Agreement, and any securities issued or issuable with respect to the Securities or the Purchase Agreement as a result of any stock split, stock dividend, recapitalization, exchange or similar event, without regard to any limitation on purchases under the Purchase Agreement.

d. **“Registration Statement”** means a registration statement of the Company covering only the sale of the Registrable Securities.

2. REGISTRATION.

a. **Mandatory Registration.** The Company shall within five (5) Business Days from the date hereof file with the SEC the Registration Statement. The Registration Statement shall register only the Registrable Securities and no other securities of the Company. Except as provided herein, the Buyer and its counsel shall have a reasonable opportunity to review and comment upon such Registration Statement or any amendment to such Registration Statement and any related prospectus prior to its filing with the SEC. The Buyer shall furnish all information reasonably requested by the Company for inclusion therein. The Company shall use its reasonable best efforts to have the Registration Statement or any amendment declared effective by the SEC as soon as reasonably practicable. Subject to Permitted Delays (as defined below) and Section 3(e), the Company shall use reasonable best efforts to keep the Registration Statement effective pursuant to Rule 415 promulgated under the 1933 Act and available for sales of all of the Registrable Securities at all times until the earlier of (i) the date as of which the Buyer may sell all of the Registrable Securities without restriction pursuant to Rule 144 promulgated under the 1933 Act (or successor thereto) or (ii) the date on which the Buyer shall have sold all the Registrable Securities and no Available Amount remains under the Purchase Agreement (the **“Registration Period”**). Except as contemplated in Section 3(e), and except with respect to the information furnished in writing to the Company by the Buyer expressly for use in connection with the preparation of the Registration Statement and any amendments or supplements thereto or prospectus contained therein (as to which the Company makes no representation or warranty), the Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall 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, in light of the circumstances under which they were made, not misleading.

b. **Rule 424 Prospectus.** The Company shall, to the extent required by applicable securities regulations, from time to time file with the SEC, pursuant to Rule 424 promulgated under the 1933 Act, a prospectus and prospectus supplements, if any, to be used in connection with sales of the Registrable Securities under the Registration Statement. The Buyer and its counsel shall have two (2) Business Days to review and comment upon such prospectus prior to its filing with the SEC. The Buyer shall use its reasonable best efforts to comment upon such prospectus within two (2) Business Days from the date the Buyer receives the final version of such prospectus.

c. **Sufficient Number of Securities Registered.** In the event the number of securities available under the Registration Statement is insufficient to cover the Registrable Securities, the Company shall, to the extent necessary and permissible, amend the Registration Statement or file a new registration statement (a **“New Registration Statement”**), so as to cover all such Registrable Securities as soon as reasonably practicable, but in any event not later than ten (10) Business Days after the necessity therefor arises. The Company shall use its reasonable best efforts to have such amendment and/or New Registration Statement become effective as soon as reasonably practicable following the filing thereof.

3. RELATED OBLIGATIONS.

With respect to the Registration Statement and whenever any Registrable Securities are to be registered pursuant to Sections 2(a) and (c), including on any New Registration Statement, the Company shall use its reasonable best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof and, pursuant thereto, the Company shall have the following obligations:

a. The Company shall prepare and file with the SEC such amendments (including post-effective amendments) and supplements to any Registration Statement and the prospectus used in connection with such Registration Statement, as may be necessary to keep the Registration Statement or any New Registration Statement effective at all times during the Registration Period, subject to Permitted Delays and Section 3(e) hereof and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company covered by the Registration Statement or any New Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement. Should the Company file a post-effective amendment to the Registration Statement or a New Registration Statement, the Company will use its reasonable best efforts to have such filing declared effective by the SEC within thirty (30) consecutive Business Days following the date of filing, which such period shall be extended for an additional thirty (30) Business Days if the Company receives a comment letter from the SEC in connection therewith. If (i) there is material non-public information regarding the Company which the Company's Board of Directors reasonably determines not to be in the Company's best interest to disclose and which the Company is not otherwise required to disclose or (ii) there is a significant business opportunity (including, but not limited to, the acquisition or disposition of assets (other than in the ordinary course of business) or any merger, consolidation, tender offer or other similar transaction) available to the Company which the Company's Board of Directors reasonably determines not to be in the Company's best interest to disclose and which the Company would be required to disclose under a Registration Statement or a New Registration Statement, then the Company may postpone or suspend filing or effectiveness of such Registration Statement or New Registration Statement or use of the prospectus under the Registration Statement or New Registration Statement for a period not to exceed thirty (30) consecutive days, provided that the Company may not postpone or suspend its obligation under this Section 3(a) for more than sixty (60) days in the aggregate during any twelve (12) month period (each, a "**Permitted Delay**").

b. The Company shall submit to the Buyer for review and comment any disclosure in the Registration Statement, any New Registration Statement and all amendments and supplements thereto (other than prospectus supplements that consist only of a copy of a filed Form 20-F or a Report on Form 6-K or any amendment as a result of the Company's filing of a document that is incorporated by reference into the Registration Statement or New Registration Statement) containing information provided by the Buyer for inclusion in such document and any descriptions or disclosure regarding the Buyer, the Purchase Agreement, including the transaction contemplated thereby, or this Agreement at least two (2) Business Days prior to their filing with the SEC, and not file any document in a form to which Buyer reasonably and timely objects. Upon request of the Buyer, the Company shall provide to the Buyer all disclosure in the Registration Statement or any New Registration Statement and all amendments and supplements thereto (other than prospectus supplements that consist only of a copy of a filed Form 20-F

or Report on Form 6-K or any amendment as a result of the Company's filing of a document that is incorporated by reference into the Registration Statement or New Registration Statement) at least two (2) Business Days prior to their filing with the SEC, and not file any document in a form to which Buyer reasonably and timely objects. The Buyer shall use its reasonable best efforts to comment upon the Registration Statement or any New Registration Statement and any amendments or supplements thereto within two (2) Business Days from the date the Buyer receives the final version thereof. The Company shall furnish to the Buyer, without charge, any correspondence from the SEC or the staff of the SEC to the Company or its representatives relating to the Registration Statement or any New Registration Statement.

c. Upon request of the Buyer, the Company shall furnish to the Buyer, (i) promptly after the same is prepared and filed with the SEC, at least one copy of the Registration Statement and any amendment(s) thereto, including all financial statements and schedules, all documents incorporated therein by reference and all exhibits, (ii) upon the effectiveness of a Registration Statement, a copy of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as the Buyer may reasonably request) and (iii) such other documents, including copies of any preliminary or final prospectus, as the Buyer may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by the Buyer.

d. The Company shall use reasonable best efforts to (i) register and qualify, unless an exemption from registration and qualification is available, the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of such jurisdictions in the United States as the Buyer reasonably requests, (ii) subject to Permitted Delays, prepare and file in those jurisdictions, such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify the Buyer who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

e. Subject to Permitted Delays, as promptly as reasonably practicable after becoming aware of such event or facts, the Company shall notify the Buyer in writing if the Company has determined that the prospectus included in any Registration Statement, as then in effect, includes an untrue statement of a material fact or omits 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, and as promptly as reasonably practical (taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of premature disclosure of such event or facts) prepare a prospectus supplement or amendment to such Registration Statement to correct such untrue statement or omission, and, upon the Buyer's request, deliver a copy of such prospectus supplement or amendment to the Buyer. In providing this notice to the Buyer, the Company shall not include any other information about the facts underlying the Company's determination and shall not in any way communicate any material nonpublic information about the Company or the Securities to

the Buyer. The Company shall also promptly notify the Buyer in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to the Buyer by facsimile or e-mail on the same day of such effectiveness), (ii) of any request by the SEC for amendments or supplements to any Registration Statement or related prospectus or related information, and (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate. In no event shall the delivery of a notice under this Section 3(e), or the resulting unavailability of a Registration Statement, without regard to its duration, for disposition of securities by Buyer be considered a breach by the Company of its obligations under this Agreement. The preceding sentence in this Section 3(e) does not limit whether an event of default has occurred as set forth in Section 9(a) of the Purchase Agreement.

f. The Company shall use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of any Registration Statement, or the suspension of the qualification of any Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest practical time and to notify the Buyer of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

g. The Company shall (i) cause all the Registrable Securities to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, or (ii) secure designation and quotation of all the Registrable Securities if the Principal Market (as such term is defined in the Purchase Agreement) is an automated quotation system. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section.

h. The Company shall cooperate with the Buyer to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to any Registration Statement and enable such certificates to be in such denominations or amounts as the Buyer may reasonably request and registered in such names as the Buyer may request.

i. The Company shall at all times provide a transfer agent and registrar with respect to its Securities.

j. If reasonably requested by the Buyer, the Company shall (i) promptly incorporate in a prospectus supplement or post-effective amendment to the Registration Statement such information as the Buyer believes should be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities; (ii) make all required filings of such prospectus supplement or post-effective amendment as promptly as practicable once notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement (including by means of any document incorporated therein by reference).

k. The Company shall use its reasonable best efforts to cause the Registrable Securities covered by any Registration Statement to be registered with or approved by such other governmental agencies or authorities in the United States as may be necessary to consummate the disposition of such Registrable Securities.

l. Within two (2) Business Days after any Registration Statement is ordered effective by the SEC, the Company shall deliver to the Transfer Agent for such Registrable Securities (with copies to the Buyer) confirmation that such Registration Statement has been declared effective by the SEC in the form attached hereto as Exhibit A. Thereafter, if reasonably requested by the Buyer at any time, the Company shall deliver to the Buyer a written confirmation of whether or not the effectiveness of such Registration Statement has lapsed at any time for any reason (including, without limitation, the issuance of a stop order) and whether or not the Registration Statement is currently effective and available to the Buyer for sale of all of the Registrable Securities.

m. The Company agrees to take all other reasonable actions as necessary and reasonably requested by the Buyer to expedite and facilitate disposition by the Buyer of Registrable Securities pursuant to any Registration Statement.

4. OBLIGATIONS OF THE BUYER.

a. The Buyer has furnished to the Company in Exhibit B hereto such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it as required to effect the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request. The Company shall notify the Buyer in writing of any other information the Company reasonably requires from the Buyer in connection with any Registration Statement hereunder. The Buyer will as promptly as practicable notify the Company of any material change in the information set forth in Exhibit B, other than changes in its ownership of the Registrable Securities.

b. The Buyer agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any amendments and supplements to any Registration Statement hereunder.

c. The Buyer agrees that, upon receipt of any notice from the Company of the happening of any event or existence of facts of the kind described in Section 3(f) or any notice of the kind described in the first sentence of Section 3(e), the Buyer will immediately discontinue disposition of Registrable Securities pursuant to any registration statement(s) covering such Registrable Securities until the Buyer's receipt (which may be accomplished through electronic delivery) of the copies of the filed supplemented or amended registration statement and/or prospectus contemplated by Section 3(f) or the first sentence of Section 3(e). In addition, upon receipt of any notice from the Company of the kind described in the first sentence of Section 3(e), the Buyer will immediately discontinue purchases or sales of any securities of the Company unless such purchases or sales are in compliance with applicable U.S. securities laws. Notwithstanding anything to the contrary, the Company shall cause its Transfer Agent to deliver as promptly as practicable Securities without any restrictive legend in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which the Buyer has received a Purchase Notice or VWAP Purchase Notice (both as defined in the Purchase Agreement) prior to the Buyer's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(f) or the first sentence of Section 3(e) and for which the Buyer has not yet settled.

5. EXPENSES OF REGISTRATION.

All reasonable expenses of the Company, other than sales or brokerage commissions and fees and disbursements of counsel for the Buyer, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, and fees and disbursements of counsel for the Company, shall be paid by the Company.

6. INDEMNIFICATION.

a. To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend the Buyer, each Person, if any, who controls the Buyer, the members, the directors, officers, partners, employees, agents, representatives of the Buyer and each Person, if any, who controls the Buyer within the meaning of the 1933 Act or the Securities Exchange Act of 1934, as amended (the "**1934 Act**") (each, an "**Indemnified Person**"), against any third party losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs, reasonable attorneys' fees, amounts paid in settlement (with the prior consent of the Company, such consent not to be unreasonably withheld) or reasonable expenses, (collectively, "**Claims**") reasonably incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency or body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in the Registration Statement, any New Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered ("**Blue Sky Filing**"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, or (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to the Registration Statement or any New Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively, "**Violations**"). The Company shall reimburse each Indemnified Person promptly as such expenses are incurred and are due and payable, for any reasonable legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (A) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by the Buyer or such Indemnified Person expressly for use in connection with the preparation of the Registration Statement, any New Registration Statement or any such amendment thereof or supplement thereto, if such prospectus was timely made available by the Company; (B) with respect to any superseded prospectus, shall not inure to the benefit of any such person from whom the person asserting any such Claim purchased the Registrable Securities that are the subject thereof (or to the benefit of any other Indemnified Person) if the untrue statement or omission of material fact contained in the superseded

prospectus was corrected in the revised prospectus, as then amended or supplemented, if such revised prospectus was timely made available by the Company pursuant to Section 3(c) or Section 3(e), and the Indemnified Person was promptly advised in writing not to use the incorrect prospectus prior to the use giving rise to a violation; (C) shall not be available to the extent such Claim is based on a failure of the Buyer to deliver, or to cause to be delivered, the prospectus made available by the Company, if such prospectus was theretofore made available by the Company pursuant to Section 3(c) or Section 3(e); and (D) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of the Registrable Securities by the Buyer pursuant to Section 9.

b. In connection with the Registration Statement or any New Registration Statement or prospectus, the Buyer agrees to indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement or any New Registration Statement, each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (collectively and together with an Indemnified Person, an “**Indemnified Party**”), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information about the Buyer set forth on Exhibit B attached hereto or updated from time to time in writing by the Buyer and furnished to the Company by the Buyer expressly for use in the Registration Statement or any New Registration Statement or from the failure of the Buyer to deliver or to cause to be delivered the prospectus made available by the Company, if such prospectus was timely made available by the Company pursuant to Section 3(c) or Section 3(e); and, subject to Section 6(d), the Buyer will reimburse any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Buyer, which consent shall not be unreasonably withheld; provided, further, however, that the Buyer shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to the Buyer as a result of the sale of Registrable Securities pursuant to such registration statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of the Registrable Securities by the Buyer pursuant to Section 9.

c. Promptly after receipt by an Indemnified Person or Indemnified Party under this Section 6 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be, and upon such notice, the indemnifying party shall not be liable to the Indemnified Person or Indemnified Party for any legal or other expenses subsequently incurred by the Indemnified Person or Indemnified Party in connection with the defense thereof; provided, however, that an Indemnified Person or Indemnified Party (together with all other Indemnified Persons and Indemnified Parties that may be represented without

conflict by one counsel) shall have the right to retain its own counsel with the fees and expenses to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. The Indemnified Party or Indemnified Person shall cooperate with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person which relates to such action or claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person fully apprised as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the consent of the Indemnified Party or Indemnified Person, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person of a release from all liability in respect to such claim or litigation. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this Section 6, except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

d. The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred. Any person receiving a payment pursuant to this Section 6 which person is later determined to not be entitled to such payment shall return such payment (including reimbursement of expenses) to the person making it.

e. The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. CONTRIBUTION.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however, that: (i) no seller of Registrable Securities guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any party who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities.

8. REPORTS AND DISCLOSURE UNDER THE SECURITIES ACTS.

With a view to making available to the Buyer the benefits of Rule 144 promulgated under the 1933 Act or any other similar rule or regulation of the SEC that may at any time permit the Buyer to sell securities of the Company to the public without registration (“**Rule 144**”), the Company agrees, at the Company’s sole expense, to:

- a. use its reasonable best efforts to make and keep public information available, as those terms are understood and defined in Rule 144;
- b. use its reasonable best efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements and the filing of such reports and other documents is required to satisfy the current public information requirements of Rule 144;
- c. furnish to the Buyer so long as the Buyer owns Registrable Securities, as promptly as practicable at Buyer’s request, (i) a written statement by the Company that it has complied in all material respects with the requirements of Rule 144(c)(1)(i) and (ii), and (ii) such other information, if any, as may be reasonably requested to permit the Buyer to sell such securities pursuant to Rule 144 without registration; and
- d. take such additional action as is reasonably requested by the Buyer to enable the Buyer to sell the Registrable Securities pursuant to Rule 144, including, without limitation, delivering all such legal opinions, consents, certificates, resolutions and instructions to the Company’s Transfer Agent as may be reasonably requested from time to time by the Buyer and otherwise provide reasonable cooperation to the Buyer and the Buyer’s broker to effect such sale of securities pursuant to Rule 144.

The Company agrees that damages may be an inadequate remedy for any breach of the terms and provisions of this Section 8 and that Buyer shall, whether or not it is pursuing any remedies at law, be entitled to seek equitable relief in the form of a preliminary or permanent injunctions, without having to post any bond or other security, upon any breach or threatened breach of any such terms or provisions.

9. ASSIGNMENT OF REGISTRATION RIGHTS.

The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyer; provided, however, that any transaction, whether by merger, reorganization, restructuring, consolidation, financing or otherwise, whereby the Company remains the surviving entity immediately after such transaction shall not be deemed an assignment. The Buyer may not assign its rights under this Agreement without the prior written consent of the Company.

10. AMENDMENT OF REGISTRATION RIGHTS.

Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Buyer.

11. MISCELLANEOUS.

a. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); (iii) upon receipt, when sent by electronic message (provided the recipient responds to the message and confirmation of both electronic messages are kept on file by the sending party); or (iv) one (1) Business Day after timely deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Mereo Biopharma Group plc
4th Floor
One Cavendish Place
London W1G 0QF
United Kingdom
Telephone: +44 33 3023 7300
Facsimile:
Attention: General Counsel
Email: legal@mereobiopharma.com

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

Mayer Brown LLP
1221 Avenue of the Americas
New York, NY 10020
Telephone: 1 212-506-2500
Facsimile: 1 212-262-1910
Attention: David Bakst
Email: DBakst@mayerbrown.com

and

Mayer Brown International LLP
201 Bishopsgate
London EC2M 2AF
United Kingdom
Telephone: +44 20 3130 3000
Facsimile: +44 20 3130 3001
Attention: Richard Smith
Email: RSmith@mayerbrown.com

If to the Buyer:

Aspire Capital Fund, LLC
155 North Wacker Drive, Suite 1600
Chicago, IL 60606

Telephone: 1 312-658-0400
Facsimile: 1 312-658-4005
Attention: Steven G. Martin
Email: smartin@aspirecapital.com

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

Morrison & Foerster LLP
2000 Pennsylvania Avenue, NW, Suite 6000
Washington, DC 20006
Telephone: 1 202-778-1611
Facsimile: 1 202-887-0763
Attention: Martin P. Dunn, Esq.
Email: mdunn@mofo.com

or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party at least one (1) Business Day prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, and recipient facsimile number, (C) electronically generated by the sender's electronic mail containing the time, date and recipient email address or (D) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of receipt in accordance with clause (i), (ii), (iii) or (iv) above, respectively. Any party to this Agreement may give any notice or other communication hereunder using any other means (including messenger service, ordinary mail or electronic mail), but no such notice or other communication shall be deemed to have been duly given unless it actually is received by the party for whom it is intended.

b. No failure or delay in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

c. The corporate laws of England and Wales shall govern all issues concerning the relative rights of the Company and its stockholders. All other questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Illinois, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Illinois or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Illinois. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Chicago for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of

any provision of this Agreement in any other jurisdiction. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HERewith OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

d. This Agreement, the Purchase Agreement and the other Transaction Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, the Purchase Agreement and the other Transaction Documents supersede all other prior oral or written agreements between the Buyer, the Company, their affiliates and persons acting on their behalf with respect to the subject matter hereof and thereof.

e. Subject to the requirements of Section 9, this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto.

f. The headings in this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

g. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile or pdf (or other electronic reproduction of a) signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile or pdf (or other electronic reproduction of a) signature.

h. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

i. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

j. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

* * * * *

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed as of day and year first above written.

THE COMPANY:

MEREO BIOPHARMA GROUP PLC

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

Name: Denise Scots-Knight, Ph.D.

Title: Chief Executive Officer

BUYER:

ASPIRE CAPITAL FUND, LLC

BY: ASPIRE CAPITAL PARTNERS, LLC

BY: SGM HOLDINGS CORP.

By: /s/ Steven G. Martin

Name: Steven G. Martin

Title: President

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED UNDER THE MARKET ABUSE REGULATION (EU) NO. 596/2014. UPON PUBLICATION OF THIS ANNOUNCEMENT THIS INFORMATION IS NOW CONSIDERED IN THE PUBLIC DOMAIN.

Mereo BioPharma Enters into a \$5 Million Convertible Equity Financing with Novartis and Announces a Securities Purchase Agreement with Aspire Capital Fund, LLC for up to \$28 Million

London and Redwood City, Calif., February 10, 2020 - Mereo BioPharma Group plc (NASDAQ: MREO, AIM: MPH), “Mereo” or the “Company,” a clinical stage biopharmaceutical company focused on rare diseases, today announced that it has entered into a \$5 million convertible equity financing with Novartis Pharma (AG) (“Novartis”) and concurrently entered into a Securities Purchase Agreement to issue up to \$28 million of the Company’s ordinary shares exchangeable for American Depositary Shares (“ADSs”), including a \$3 million initial purchase, with Aspire Capital Fund, LLC (“Aspire Capital”), a Chicago-based institutional investor. Proceeds from these transactions are intended to be used by Mereo for general corporate purposes, including clinical trial activity and working capital.

“These transactions provide us with an efficient and flexible source of capital as we continue to prepare for our upcoming Type B End-of-Phase 2 meeting with the FDA to discuss the positive data from our recently-completed Phase 2b ASTEROID study with setrusumab in adult patients with osteogenesis imperfecta (“OI”), as well as our proposed pivotal study design in pediatric OI patients. The EMA supports the initiation of the planned pivotal pediatric Phase 3 study in Europe on the basis of the previously approved pediatric investigational plan (PIP),” said Dr. Denise Scots-Knight, Chief Executive Officer of Mereo. “We are very pleased to have secured financing from both Novartis and Aspire, and we look forward to the continued advancement of our pipeline in 2020.”

About the Novartis Convertible Equity Financing

Under the terms of the convertible equity financing, Novartis will purchase \$5 million in a convertible loan note (the “Loan Note”). The Loan Note is convertible at any time at a fixed price of £0.265 per ordinary share. The maturity of the Loan Note is three years from issuance, and it bears an interest rate of 6% per annum. In connection with the Loan Note issuance, the Company also issued a warrant instrument to Novartis to purchase up to 1,449,614 of the Company’s ordinary shares, which are exercisable at an exercise price of £0.265 per ordinary share at any time before the close of business on February 10, 2025. The Loan Note will be subordinate to Mereo’s outstanding loan agreement with Silicon Valley Bank and Kreos Capital.

About the Aspire Capital Securities Purchase Agreement

Under the terms of the Securities Purchase Agreement (the “Agreement”), Aspire Capital has made an initial investment of \$3 million to purchase 11,432,925 of the Company’s ordinary shares (equivalent to 2,286,585 ADSs) at a price equivalent to \$1.31 per ADS, which represents a 16% discount over Mereo’s ADS closing stock price of \$1.56 on February 8, 2020. Under the terms of the Agreement, Aspire Capital has also committed to subscribe at Mereo’s request from time to time during a 30-month period for up to an additional \$25 million of Mereo’s ordinary shares exchangeable for ADSs at prices based on the ADS market price at the time of each sale. There are no warrants, derivatives, or other share classes associated with the Agreement and Mereo will retain full control over the timing of any subscriptions to be made under the Agreement and the amount of ordinary shares to be subscribed by Aspire Capital. Further, there are no restrictions on future financings and there are no financial covenants, participation rights, rights of first refusal, or penalties in the Agreement. Mereo has the right to terminate the Agreement at any time, at its discretion, without any additional cost or penalty. In consideration for Aspire Capital’s initial investment and its commitment to purchase up to an additional \$25 million ADSs, Mereo has agreed to pay Aspire Capital a commission to be satisfied wholly by the issue to Aspire Capital of a further 2,862,595 of the Company’s ordinary shares (equivalent to 572,519 ADSs). Additional detail regarding the Loan Note, the Agreement and the related registration rights agreement is set forth in Mereo’s Report on Form 6-K filed today with the SEC.

Related Party Transactions

As at February 10, 2020, Novartis holds approximately 16.03% of Mereo's issued and outstanding ordinary share capital and as such is considered to be a related party of the Company as defined by the AIM Rules. The convertible equity financing with Novartis therefore constitutes a related party transaction pursuant to AIM Rule 13.

The Directors of Mereo, having consulted with the Company's nominated adviser, Cantor Fitzgerald Europe, consider the terms of the convertible equity financing are fair and reasonable insofar as its shareholders are concerned.

Following completion of these transactions, the Company continues to explore additional equity funding and partnering transactions for its pipeline with third parties to extend the current forecasted cash runway from mid-2020 and to fund the initiation of the planned pivotal Phase 3 study for setrusumab in pediatric patients with osteogenesis imperfecta (OI) following the upcoming Type B End-of-Phase 2 meeting with the U.S. Food and Drug Administration (FDA) this quarter.

Admission and Total Voting Rights

Application has been made for 14,295,520 new ordinary shares of £0.003 each (the "New Shares") to be admitted to trading on AIM ("Admission") in connection with Aspire Capital's initial investment and it is expected that Admission will take place at 8.00 a.m. (BST) on February 11, 2020. These New Shares will rank *pari passu* with the existing ordinary shares in the capital of the Company.

The New Shares represent approximately 12.7% of the enlarged issued share capital of Mereo. Following Admission, the total number of shares in issue will be 112,255,142 ordinary shares of £0.003 each, each with voting rights, none of which are held in treasury. Therefore, the total number of voting rights in the Company will be 112,255,142. Shareholders may use this figure as the denominator for the calculations by which they will determine if they are required to notify their interest in, or to notify a change to their interest in, the issued share capital of Mereo, pursuant to the Disclosure Guidance and Transparency Rules.

The information contained in this press release shall not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any offer, solicitation or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referenced in this press release have not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration statement requirements of the Securities Act of 1933.

About Aspire Capital Fund, LLC

Aspire Capital Fund, LLC is a Chicago-based, long-only investment fund focused on making open market and direct equity investments in publicly traded companies. Aspire Capital Fund, LLC is managed by Aspire Capital Partners, LLC. Aspire Capital is principally focused on investing in healthcare.

About Mereo BioPharma

Mereo BioPharma is a biopharmaceutical company focused on the development and commercialization of innovative therapeutics that aim to improve outcomes for patients with rare diseases. Mereo's strategy is to selectively acquire product candidates for rare diseases that have already received significant investment from pharmaceutical and large biotechnology companies and that have substantial preclinical, clinical and manufacturing data packages. Mereo's lead rare disease product candidate, setrusumab, has completed a Phase 2b dose ranging study in adult patients with

osteogenesis imperfecta (“OI”). Mereo’s second lead product candidate, alvelestat, is being investigated in a Phase 2 proof-of-concept clinical trial in patients with alpha-1 antitrypsin deficiency (“AATD”). Mereo’s broader pipeline consists of additional clinical-stage product candidates; acumapimod for the treatment of acute exacerbations of chronic obstructive pulmonary disease (“AECOPD”), leflutrolole for the treatment of hypogonadotropic hypogonadism (“HH”) in obese men, and etigilimab for patients with advanced or metastatic solid tumors.

Additional Information

The person responsible for arranging the release of this information on behalf of the Company is Charles Sermon General Counsel

The information contained in this Announcement is for information purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this Announcement or its accuracy, fairness or completeness.

This Announcement does not constitute a prospectus or offering memorandum or an offer in respect of any securities and is not intended to provide the basis for any decision in respect of the Company or other evaluation of any securities of the Company or any other entity and should not be considered as a recommendation that any investor should subscribe for, purchase, otherwise acquire, sell or otherwise dispose of any such securities.

Forward-Looking Statements

This Announcement contains “forward-looking statements.” All statements other than statements of historical fact contained in this Announcement are forward-looking statements within the meaning of Section 27A of the United States Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements usually relate to future events and anticipated revenues, earnings, cash flows or other aspects of our operations or operating results. Forward-looking statements are often identified by the words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” “may,” “estimate,” “outlook” and similar expressions, including the negative thereof. The absence of these words, however, does not mean that the statements are not forward-looking. These forward-looking statements are based on the Company’s current expectations, beliefs and assumptions concerning future developments and business conditions and their potential effect on the Company. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting the Company will be those that it anticipates.

Factors that could cause actual results to differ materially from those in the forward-looking statements include risks relating to unanticipated costs, liabilities or delays; failure or delays in research and development programs, including expected timing of topline data for the Phase 2 proof-of-concept clinical trial evaluating the Company’s second lead product candidate, alvelestat, in patients with alpha-1 antitrypsin deficiency; the safety and efficacy of the Company’s product candidates and the likelihood of clinical data to be positive and of such product candidates to be approved by the applicable regulatory authorities; unanticipated changes relating to competitive factors in the Company’s industry; risks relating to the Company’s capitalization, resources and ownership structure, including as a result of circumstances affecting the Company’s former principal shareholder; the availability of sufficient resources for company operations and to conduct or continue planned clinical development programs, including the Company’s ability to continue as a going concern; changes in law or regulations affecting the Company.

All of the Company’s forward-looking statements involve known and unknown risks and uncertainties (some of which are significant or beyond its control) and assumptions that could cause actual results to differ materially from the Company’s historical experience and its present expectations or projections. The foregoing factors and the other risks and uncertainties that affect the Company’s business, including

those described in its Annual Report on Form 20-F, Reports on Form 6-K and other documents filed from time to time by the Company with the United States Securities and Exchange Commission (the "SEC") and those described in other documents the Company may publish from time to time should be carefully considered. The Company wishes to caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except to the extent required by law.

Mereo BioPharma Contacts:

Mereo

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