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Mereo BioPharma Group plc
("Mereo" or the "Company")

Mereo receives EMA PRIME designation for BPS-804 to treat osteogenesis imperfecta

BPS-804 to receive EMA ongoing advice with the potential for accelerated regulatory assessment in Europe

London, 13 November 2017 – Mereo BioPharma Group plc (AIM: MPH), a multi-asset, clinical stage, biopharmaceutical company focused on rare and specialty diseases, today announces that the European Medicines Agency (EMA) has granted BPS-804 PRIority MEdicines (PRIME) designation for the treatment of osteogenesis imperfecta (OI), or "brittle bone disease." OI is a debilitating disease for which there is no current treatment approved by the U.S. Food and Drug Administration (FDA) or the EMA. Mereo announced commencement of a Phase 2b trial for BPS-804 in adult patients with OI in May 2017.

The EMA PRIME programme provides early collaborative input to clinical development including scientific advice and health-technology-assessment in order to facilitate rapid access for patients to novel drugs in areas of high unmet medical need once they are approved. Since its inception in 2016, only 31 of 137 requests for PRIME have been granted. Under the PRIME programme, a marketing authorisation application (MAA) in Europe for BPS-804 for OI could be eligible for an accelerated regulatory assessment (150 days instead of 210 days).

As previously announced, BPS-804 for OI has also been accepted into the EMA's Adaptive Pathways Programme and has been granted orphan drug status in both the US and EU.

BPS-804 is a fully humanised monoclonal antibody that inhibits sclerostin, a protein which inhibits the activity of bone-forming cells. The mechanism of action of BPS-804 could be particularly well suited for the treatment of OI and has the potential to become a novel treatment that could reduce fractures and improve patient quality of life.

Dr Denise Scots-Knight, Chief Executive Officer of Mereo BioPharma Group plc commented:

"*We are delighted that the EMA has awarded BPS-804 a PRIME designation for OI. We believe this is further recognition that OI is a disease with a high unmet medical need and that BPS-804 has the potential to provide a much needed novel treatment option for these patients. We look forward to collaborating closely with the EMA through both PRIME and the Adaptive Pathways Programme to expedite the development of BPS-804 and potentially accelerate availability of this therapy for patients."*

About OI

OI is a rare genetic disorder that is characterized by fragile bones and reduced bone mass resulting in bones that break easily, loose joints and weakened teeth. In severe cases patients may experience hundreds of fractures in a lifetime. In addition, people with OI often suffer muscle weakness, early hearing loss, fatigue, curved bones, scoliosis, respiratory

problems and short stature. The majority of cases of OI (estimated at approximately 90%) are caused by a dominant mutation in a gene coding for type I collagen, a key component of healthy bone. Current treatment of OI is supportive, focusing on minimizing fractures and maximizing mobility, but to date, there are no EMA or FDA approved treatments.

About PRIME

The PRIME initiative is a programme launched by the EMA to enhance support for the development of treatments in diseases of high unmet medical need which may offer a significant therapeutic benefit over existing treatment options or address a disease where there are currently no treatment options. PRIME is designed to accelerate availability of these new treatment options to patients.

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About Mereo

Mereo is a multi-asset biopharmaceutical company focused on the acquisition, development and commercialization of innovative therapeutics that improve outcomes for patients with rare and speciality diseases. Mereo's current portfolio consists of four clinical-stage product candidates, all of which were acquired or licensed from large pharmaceutical companies: BPS-804 for the treatment of OI; AZD-9668 (alvelestat) for the treatment of alpha-1 antitrypsin deficiency (AATD), BGS-649 for the treatment of hypogonadotropic hypogonadism (HH) in obese men and BCT-197 (acumapimod) for the treatment of acute exacerbations of chronic obstructive pulmonary disease (AECOPD). Each of these product candidates has demonstrated either positive preclinical and clinical data for the Company's target indications or data in related indications. Mereo has commenced large, randomised, placebo controlled Phase 2 clinical trials for three of its product candidates, two of which are

fully enrolled (BGS-649 and BCT-197). The Company intends to commence additional late-stage clinical trials in 2018.