

Mereo Biopharma Group PLC
EIN: 98-1500014
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Part II, Box 14:

On April 23, 2019, pursuant to the Agreement and Plan of Merger and Reorganization, dated as of December 5, 2018 (the "Merger Agreement"), an indirect, wholly-owned subsidiary of Mereo Biopharma Group PLC ("Mereo") merged (the "Merger") with and into OncoMed Pharmaceuticals, Inc. ("OncoMed"), and OncoMed continued as the surviving corporation in the Merger and an indirect, wholly-owned subsidiary of Mereo. Pursuant to the Merger, OncoMed stockholders received, in exchange for each share of OncoMed common stock owned immediately prior to the Merger (1) a number of Mereo ordinary shares ("Mereo Shares") or American Depositary Shares (the "Mereo ADSs"), each representing five Mereo Shares, determined by reference to the exchange ratio set forth in the Merger Agreement, and (2) one contingent value right ("CVR"), representing the right to receive contingent consideration upon the achievement of certain milestones relating to certain OncoMed products (the CVRs and the Mereo ADSs, the "Merger Consideration"). The exchange ratio of OncoMed shares for ADSs was 0.127694. No fractional Mereo Shares or Mereo ADSs were issued in connection with the Merger, and any such fractional share was rounded down to the nearest whole share, with no cash being paid for any fractional share eliminated by such rounding.

Part II, Box 15:

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders.

Further discussion of the material U.S. federal income tax consequences of the Merger can be found in Form F-4 for Mereo as filed with the Securities and Exchange Commission on March 15, 2019, under the heading "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS" (available at: <https://www.sec.gov/Archives/edgar/data/1719714/000119312519076867/d680874df4a.htm>) ("Form F-4").

The following discussion applies only to a U.S. Holder (as defined in Form F-4) of OncoMed common stock that holds OncoMed common stock as a capital asset and that receives Mereo ADSs or Mereo Shares as Merger Consideration or with respect to a CVR and holds such Mereo ADSs or Mereo Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended for U.S. federal income tax purposes.

As discussed in Form F-4, the receipt of the Merger Consideration in exchange for shares of OncoMed common stock pursuant to the Merger was a taxable transaction for U.S. federal income tax purposes. Accordingly, a U.S. Holder of OncoMed common stock will recognize capital gain or loss equal to the difference between:

- i. the shareholder's adjusted tax basis in the shares of OncoMed common stock exchanged and
- ii. the fair market value of the Merger Consideration received in the Merger.

The amount of gain or loss a holder of OncoMed common stock recognizes, and the timing and potentially the character of a portion of such gain or loss, depends in part on the U.S. federal income tax treatment of the CVRs, with respect to which there is substantial uncertainty. If the value of the CVRs cannot be “reasonably ascertained,” the receipt of the CVRs would generally qualify as an “open transaction.” Under such treatment, a U.S. Holder’s initial tax basis in the Mereo ADSs will equal the fair market value of the Mereo ADSs on the date of the closing of the Merger. If the value of the CVRs can be “reasonably ascertained,” the transaction should generally be treated as “closed” for U.S. federal income tax purposes, in which event a U.S. Holder’s initial tax basis in the Merger Consideration will equal the fair market value of such consideration on the date of the closing of the Merger. Mereo and its affiliates and OncoMed do not intend to obtain or report any valuation of the CVRs that may be used by OncoMed stockholders for this purpose.

The fair market value of each Mereo ADS, at the time of Merger, was equal to \$10.73.

Part II, Box 16:

The fair market value of each Mereo ADS, at the time of Merger, was equal to \$10.73. Mereo and its affiliates and OncoMed do not intend to obtain or report any valuation of the CVRs that may be used by OncoMed stockholders.

Part II, Box 17:

Sections 1001, 1012, 1221, 1223

Part II, Box 18:

As discussed in Part II, Box 15, loss may be recognized in the Merger.

Part II, Box 19:

The reportable year for this transaction is the calendar year 2019.