asx announcement

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ACCESS TO RETAIL OFFER BOOKLET FOR 1 FOR 4 PRO-RATA NON-RENOUNCEABLE ENTITLEMENT OFFER

Melbourne, Australia; December 8, 2023: Mesoblast Limited (ASX:MSB; Nasdaq:MESO), global leader in allogeneic cellular medicines for inflammatory diseases, announced on Monday 4 December 2023 a 1 for 4 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**). The retail component of the Entitlement Offer (**Retail Entitlement Offer**) opens today and is expected to close at 5.00pm (Melbourne time) on Tuesday, 19 December 2023 (unless extended) (**Retail Entitlement Offer Period**).

Attached is a copy of the Retail Offer Booklet which will be made available to eligible retail shareholders, either by email along with an Entitlement and Acceptance Form (if they have elected to receive electronic communications only) or otherwise a letter will be despatched by post containing the details of the MSB Entitlement Offer website together with an Entitlement and Acceptance Form. A copy of both the Retail Offer Booklet and Entitlement and Acceptance Form can also be accessed by eligible retail shareholders through https://events.miraqle.com/MSB-2023offer. On request through the Offer Information Line (details below), Mesoblast will mail a physical copy of the Retail Offer Booklet and Entitlement and Acceptance Form to an eligible retail shareholder.

The Retail Offer Booklet is an important document for eligible retail shareholders. Eligible retail shareholders should carefully read the Retail Offer Booklet in its entirety before they decide whether to participate in the Retail Entitlement Offer.

Also attached is a copy of a letter despatched to retail shareholders who are ineligible to participate in the Entitlement Offer, notifying them of the Entitlement Offer and their ineligibility to participate.

If you have any questions in relation to the Retail Entitlement Offer, please contact the Mesoblast Offer Information Line on 1800 883 072 (if calling from within Australia) and +61 1800 883 072 (if calling from outside Australia) from 8:30am and 5:30pm (AEDT) Monday to Friday during the Retail Entitlement Offer Period, or visit the MSB Entitlement Offer website at https://events.miraqle.com/MSB-2023offer.

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities referred to herein have not been registered under the United States Securities Act of 1933 (the US Securities Act), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and other applicable US state securities laws.

About Mesoblast

Mesoblast (the Company) is a world leader in developing allogeneic (off-the-shelf) cellular medicines for the treatment of severe and life-threatening inflammatory conditions. The Company has leveraged its proprietary mesenchymal lineage cell therapy technology platform to establish a broad portfolio of late-stage product candidates which respond to severe inflammation by releasing anti-inflammatory factors that counter and modulate multiple effector arms of the immune system, resulting in significant reduction of the damaging inflammatory process.

Mesoblast has a strong and extensive global intellectual property portfolio with protection extending through to at least 2041 in all major markets. The Company's proprietary manufacturing processes yield industrial-scale, cryopreserved, off-the-shelf, cellular medicines. These cell therapies, with defined pharmaceutical release criteria, are planned to be readily available to patients worldwide.

Mesoblast is developing product candidates for distinct indications based on its remestemcel-L and rexlemestrocel-L allogeneic stromal cell technology platforms. Remestemcel-L is being developed for inflammatory diseases in children and adults including steroid refractory acute graft versus host disease, biologic-resistant inflammatory bowel disease, and acute respiratory distress syndrome. Rexlemestrocel-L is in development for advanced chronic heart failure and chronic low back pain. Two products have been commercialized in Japan and Europe by Mesoblast's licensees, and the Company has established commercial partnerships in Europe and China for certain Phase 3 assets.

Mesoblast has locations in Australia, the United States and Singapore and is listed on the Australian Securities Exchange (MSB) and on the Nasdaq (MESO). For more information, please see www.mesoblast.com, LinkedIn: Mesoblast Limited and Twitter: @Mesoblast

Forward-Looking Statements

This press release includes forward-looking statements that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Forward-looking statements should not be read as a guarantee of future performance or results, and actual results may differ from the results anticipated in these forward-looking statements, and the differences may be material and adverse. Forward-looking statements include, but are not limited to, statements about: the initiation, timing, progress and results of Mesoblast's preclinical and clinical studies, and Mesoblast's research and development programs; Mesoblast's ability to advance product candidates into, enroll and successfully complete, clinical studies, including multi-national clinical trials; Mesoblast's ability to advance its manufacturing capabilities; the timing or likelihood of regulatory filings and approvals, manufacturing activities and product marketing activities, if any; the commercialization of Mesoblast's product candidates, if approved; regulatory or public perceptions and market acceptance surrounding the use of stem-cell based therapies; the potential for Mesoblast's product candidates, if any are approved, to be withdrawn from the market due to patient adverse events or deaths; the potential benefits of strategic collaboration agreements and Mesoblast's ability to enter into and maintain established strategic collaborations; Mesoblast's ability to establish and maintain intellectual property on its product candidates and Mesoblast's ability to successfully defend these in cases of alleged infringement; the scope of protection Mesoblast is able to establish and maintain for intellectual property rights covering its product candidates and technology; estimates of Mesoblast's expenses, future revenues, capital requirements and its needs for additional financing; Mesoblast's financial performance; developments relating to Mesoblast's competitors and industry; and the pricing and reimbursement of Mesoblast's product candidates, if approved. You should read this press release together with our risk factors, in our most recently filed reports with the SEC or on our website. Uncertainties and risks that may cause Mesoblast's actual results, performance or achievements to be materially different from those which may be expressed or implied by such statements, and accordingly, you should not place undue reliance on these forward-looking statements. We do not undertake any obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Release authorized by the Chief Executive.

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Mesoblast Limited
ACN 109 431 870

Retail Entitlement Offer

Details of a 1 for 4 pro-rata accelerated non-renounceable entitlement offer of new ordinary shares in Mesoblast Limited at an offer price of A$0.30 per New Share to raise up to approximately A$61 million.

The Retail Entitlement Offer opens on 8 December 2023 and closes at 5.00pm (Melbourne time) on 19 December 2023 (unless extended).

This Retail Offer Booklet is an important document and requires your immediate attention. It should be read in its entirety before you decide whether to participate in the Retail Entitlement Offer. If you have any questions about any part of the Retail Offer Booklet you should consult your professional adviser.

This Retail Offer Booklet is dated 8 December 2023.

This Retail Offer Booklet must not be released to US wire services or distributed in the United States or any other country outside Australia or New Zealand.

Retail Offer Booklet

Important information

Defined terms used in these important notices have the meaning given in this Retail Offer Booklet – please refer to the Glossary on page 80.

NOT FOR RELEASE TO UNITED STATES WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

This Retail Offer Booklet has been issued by Mesoblast Limited ACN 109 431 870 (**MSB** or **Company**).

The information in this Retail Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

International offer restrictions

This Retail Offer Booklet must not be released to US wire services or distributed in the United States. This Retail Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product to a Shareholder in the United States and neither this document nor anything attached to this document shall form the basis of any contract or commitment to a Shareholder in the United States.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares may be made, in countries other than Australia and New Zealand. No action has been taken to register or qualify the Retail Entitlement Offer or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia. The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

In particular, this Retail Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or any other jurisdiction in which, or to any person to whom, such an offer would be illegal.

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable Unites States state securities laws.

Future and past performance

This Retail Offer Booklet may contain certain forward-looking statements. The words *anticipate, believe, expect, project, forecast, estimate, likely, intend, should, could, may, target, plan, consider, foresee, aim, will* and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance of the New Shares or any return on any investment made under this Retail Offer Booklet. An investment in New Shares involves known and unknown risks, uncertainties and other factors, many of which are outside the control of MSB. These factors may include the initiation, timing, progress and results of MSB's clinical studies, and Mesoblast's research and development programs; MSB's ability to advance product candidates into, enroll and successfully complete, clinical studies, including multi-national clinical trials; MSB's ability to advance its manufacturing capabilities; the timing or likelihood of regulatory filings and approvals, changes in the collaboration arrangements with third parties for the development and commercialisation of MSB products, risks associated with the manufacturing of MSB products, the successful commercialisation of MSB products, protection of MSB intellectual property, fluctuations in the value of the Australian dollar, damage to MSB's relationships with its customers, suppliers and service providers, increased competition, loss of key personnel, litigation and disputes, interest rate risk, market price fluctuations, general geo-political and economic conditions, taxation, regulatory issues and changes in law and accounting policies.

You should read this Retail Offer Booklet together with 'Risk Factors' section in Mesoblast's annual financial report on Form 20-F for the year ended 30 June 2023 which is available at https://investorsmedia.mesoblast.com/static-files/a33adba4-2dc8-42b9-8f7d-b0ece048b0cc. There can be no assurance that actual outcomes will not differ materially from these statements.

This Retail Offer Booklet is not financial product or investment advice nor a recommendation to acquire New Shares or Additional New Shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

MSB is not licensed to provide financial product advice in respect of New Shares or any other financial products. No cooling off regime applies to Applications under the Retail Entitlement Offer.

An investment in New Shares or Additional New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of MSB, including possible loss of income and principal invested and some of these risks are detailed in the Investor Presentation. These risks could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Booklet. MSB does not guarantee any particular rate of return or the performance of MSB, nor does it guarantee the repayment of capital from MSB or any particular tax treatment. In considering an investment in New Shares, investors should have regard to (among other things) the risks and disclaimers outlined in this Retail Offer Booklet.

Past performance information given in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied on as (and is not) an indication of future performance. The historical information in this Retail Offer Booklet is, or is based on, information that has been released to the market. For further information, please see past announcements released to ASX.

Key dates

This Retail Offer Booklet is dated 8 December 2023.

The following are key indicative dates relating to the Entitlement Offer.

Activity	Date
Announcement of the Placement and Entitlement Offer	4 December 2023
Shares recommence trading on the ASX	5 December 2023
Retail Entitlement Offer Record Date (7.00pm Melbourne time)	6 December 2023
Retail Entitlement Offer opens	8 December 2023
Retail Offer Booklet and Entitlement and Acceptance Forms made available to Eligible Retail Shareholders	8 December 2023
Settlement of Shares issued under the Placement and Institutional Entitlement Offer	11 December 2023
Allotment and commencement of trading of Shares issued under the Placement and Institutional Entitlement Offer	12 December 2023
Retail Entitlement Offer closes (5.00pm Melbourne time)	19 December 2023*
Settlement of New Shares issued under the Retail Entitlement Offer	27 December 2023*
Allotment of New Shares issued under the Retail Entitlement Offer	28 December 2023*
Commencement of normal trading of New Shares issued under the Retail Entitlement Offer	29 December 2023*
Dispatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	29 December 2023*

Dates and times after the opening of the Retail Entitlement Offer are indicative only and are subject to change. Any material changes will be notified to ASX. All dates and times are references to Melbourne, Australia time.

In respect of the dates marked above with an asterisk (*), Mesoblast reserves the right to amend any or all of these dates and times, the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws and regulations. In particular, Mesoblast reserves the right to extend the closing date for the Retail Entitlement Offer (**Closing Date**) and/or accept late applications under the Entitlement Offer without prior notice. Any extension of the Closing Date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms (if paying by EFT) or pay for their New Shares by BPay® as soon as possible after the Retail Entitlement Offer opens.

Directors' letter

1 for 4 pro-rata accelerated non-renounceable entitlement offer of New MSB Shares at A$0.30 per New Share

Dear shareholders,

On behalf of the Board of Mesoblast Limited (**MSB** or **Company**), the Directors are pleased to invite you to participate in our recently announced 1 for 4 pro-rata accelerated non-renounceable entitlement offer of new MSB shares (**New Shares**) at an issue price of A$0.30 per New Share, which together with a placement to institutional investors, aims to raise up to approximately A$97.0 million (**Entitlement Offer**) comprising an accelerated institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**). Bell Potter Securities Limited ACN 006 390 772 is acting as lead manager and sole bookrunner (**Lead Manager**).

As announced to the ASX on 5 December 2023, the Company has successfully completed:

- the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**); and
- the institutional placement of 119,855,720 new fully paid ordinary shares in Mesoblast to new and existing institutional investors at an offer price of A$0.30 per New Share (**Placement**).

The Institutional Entitlement Offer and Placement will raise approximately A$55 million.

This retail offer booklet (**Retail Offer Booklet**) relates to the Retail Entitlement Offer.

Under the Retail Entitlement Offer, MSB is offering Eligible Retail Shareholders 1 New Share for every 4 Existing Shares held by that Eligible Retail Shareholder on the Record Date of 7:00pm (Melbourne time) on 6 December 2023 (**Entitlement**).

New Shares offered under the Entitlement Offer will be issued at a price of A$0.30 per New Share, which represents an approximate 25.9% discount to Mesoblast's last close price of A$0.405 on 30 November 2023. The offer price of A$0.30 per New Share (**Issue Price**), is the same price as the shares offered under the Institutional Entitlement Offer and the Placement.

If you take up your Entitlement in full, you may also apply for additional New Shares under the Top-Up Facility (**Additional New Shares**) (refer to Section 1.3 of this Retail Offer Booklet for more information). Additional New Shares will only be available to the extent that there are Entitlements that are not taken up by Eligible Retail Shareholders. Allocations under the Top-Up Facility will be determined by MSB in its sole and absolute discretion, including by applying a pro rata scale-back mechanism and any allotment of Additional New Shares is not guaranteed.

A maximum of approximately A$42 million is able to be raised under the Retail Entitlement Offer. Should there be any shortfall of New Shares under the Entitlement Offer and Top-Up Facility, the Directors reserve the right to issue the shortfall of New Shares available for a period of up to three months following the Closing Date at a price no less than offered under the Entitlement Offer.

The proceeds from the Placement and Entitlement Offer and existing cash reserves will be used to fund the adult Phase 3 registration trials for steroid refractory acute graft versus host disease (**SR-aGVHD**) and for chronic lower back pain (**CLBP**), and general corporate purposes.

Details of the Retail Entitlement Offer and how to participate and take advantage of the Retail Entitlement Offer can be found in this Retail Offer Booklet, which is available online at https://events.miraqle.com/MSB-2023offer.

The closing date for the receipt of your Entitlement and Acceptance Form (if paying by EFT) and Application Monies for the Retail Entitlement Offer is 5.00pm (Melbourne time) on 19 December 2023.

If you decide to take this opportunity to increase your investment in MSB please ensure that, before this time, your completed Entitlement and Acceptance Form and Application Monies are received by the Share Registry, Link Market Services, or you have paid your Application Monies through BPAY® in accordance with the instructions set out in the Entitlement and Acceptance Form and 'Required Actions' Section of this Retail Offer Booklet.

We encourage you to read the entirety of this Retail Offer Booklet carefully before you decide to participate in the Retail Entitlement Offer. Shareholders who are in any doubt as to how they should respond to this Retail Entitlement Offer should consult their stockbroker, accountant, solicitor or other independent professional adviser.

If you require further assistance in relation to the details of the Retail Entitlement Offer, please do not hesitate to contact MSB's Offer Information Line on 1800 883 072 (within Australia) or +61 1800 883 072 (from outside Australia) at any time between 8.30am to 5.30pm (Melbourne time), Monday to Friday, during the Offer Period or visit the MSB Entitlement Offer website at https://events.miraqle.com/MSB-2023offer.

We look forward to your consideration of this Retail Entitlement Offer and your continued support.

Yours faithfully,

Joseph Swedish, Chairman

on behalf of the Board
Mesoblast Limited

Summary of options available to you

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- take up all of your Entitlement and, if you wish, also apply for Additional New Shares under the Top-Up Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for that lapsed Entitlement.

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on 19 December 2023.

Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	• You may elect to apply for New Shares at the Issue Price (see Section 2 for instructions on how to take up your Entitlement). • The New Shares will rank equally in all respects with Existing Shares. • If you take up all of your Entitlement, you may also apply for Additional New Shares under the Top-Up Facility (see Section 2 for instructions on how to apply for Additional New Shares). There is no guarantee that you will be allocated any Additional New Shares under the Top-Up Facility.
2. Take up part of your Entitlement	• If you do not take up your Entitlement in full, those Entitlements not taken up will lapse and you will not receive any payment or value for them. • You will not be entitled to apply for Additional New Shares under the Top-Up Facility. • If you do not take up your Entitlement in full, your proportionate equity interest in MSB will be diluted as a result of the Entitlement Offer.
3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	• If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means your Entitlements are non-transferrable and cannot be sold, traded on the ASX or any other exchange, nor can they be privately transferred. • If you do not take up your Entitlement your proportionate equity interest in MSB will be diluted as a result of the Entitlement Offer.

Entitlement Offer overview

1. Details of the Entitlement Offer

1.1 The Entitlement Offer

MSB is conducting a capital raising comprising a placement to new and existing institutional investors and a 1 for 4 pro-rata accelerated non-renounceable entitlement offer to institutional and retail Shareholders as at the Record Date in Australia or New Zealand and eligible foreign institutional Shareholders in Permitted Jurisdictions. The capital raising is being conducted at the same Issue Price of A$0.30 per New Share.

Institutional Entitlement Offer

On 5 December 2023, MSB announced that it had successfully completed the Placement and the Institutional Entitlement Offer raising approximately A$55 million. Settlement of the Institutional Entitlement Offer is expected to occur on 11 December 2023. Shares to be issued under the Institutional Entitlement Offer are expected to be allotted and commence trading on 12 December 2023.

Retail Entitlement Offer

Each Eligible Retail Shareholder is entitled to subscribe for 1 New Share for every 4 Existing Shares held by that Eligible Retail Shareholder on the Record Date. The Retail Entitlement Offer is non-renounceable. This means that Shareholders who do not take up their Entitlements by 5.00pm (Melbourne time) on the Closing Date of 19 December 2023, will not receive any payment or value for those Entitlements, and their proportionate equity interest in MSB will be diluted.

The Entitlement Offer is being made under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73)* which allows rights issues to be made without a prospectus, provided certain conditions are satisfied. As a result, it is important for Eligible Retail Shareholders to read and understand the information on MSB and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please refer to this Retail Offer Booklet and MSB's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au, using the code, 'MSB'.

The number of new Shares for which you are entitled to apply is shown on the MSB Entitlement Offer website or Entitlement and Acceptance Form. If you have more than one registered holding of Shares, you will have more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Fractional entitlements to New Shares will be rounded up to the nearest whole number of New Shares.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares then on issue, including in respect of entitlement to any dividends. If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

To qualify for the Retail Entitlement Offer, you must:

(a) be registered as a Shareholder at 7.00pm (Melbourne time) on the Record Date;

(b) have an address in Australia or New Zealand as recorded on MSB's share register as at the Record Date;

(c) not be in the United States and not be acting for the account or benefit of a person in the United States (to the extent such person holds Mesoblast shares for the account or benefit of such person in the United States);

(d) not have received an offer (other than as nominee) under the Institutional Entitlement Offer (and not have been treated as an ineligible institutional Shareholder under the Institutional Entitlement Offer); and

(e) be eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other formal offer document to be lodged or registered,

(**Eligible Retail Shareholder**).

Retail Shareholders who are not Eligible Retail Shareholders are '**Ineligible Retail Shareholders**'. MSB reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to obtain independent professional advice as to how to proceed.

By receiving this Retail Offer Booklet, you will be taken to have acknowledged and agreed that determination of eligibility of investors for the purposes of the institutional or retail offer components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of MSB, and each of MSB affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

1.2 Purpose of the Placement and Entitlement Offer

The proceeds of the Placement and the Entitlement Offer and existing cash reserves will be used to fund the adult Phase 3 registration trials for SR-aGVHD and for CLBP, and general corporate purposes.

Further details regarding the use of funds are set out on in the Investor Presentation included in this Retail Offer Booklet.

1.3 Top-Up Facility

Eligible Retail Shareholders who take up their Entitlements in full may also apply for Additional New Shares in excess of their Entitlement at the Issue Price in a 'top-up' facility (**Top-Up Facility**). Please note that New Shares in excess of Entitlements will only be allocated to Eligible Retail Shareholders if there are sufficient New Shares available and to the extent that MSB determines in its absolute discretion based on the Allocation Policy outlined below.

Any New Shares in excess of Entitlements will be limited by the Allocation Policy and also to the extent that there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements.

Allocation Policy

The Allocation Policy is that each Eligible Retail Shareholder that:

(a) takes up their Entitlement in full; and

(b) subscribes for Additional New Shares under the Top-Up Facility,

will be allocated the number of Additional New Shares they applied for. However, there may be a scale-back applied.

In addition, Eligible Retail Shareholders should be aware that:

(a) there is no guarantee that any application in the Top-Up Facility will be successful and MSB reserves the right to issue any shortfall by way of the Top-Up Facility or by other means and reserves the right to satisfy applications in the Top-Up Facility in its sole and complete discretion, including by applying a pro rata scale-back mechanism or allocating part of the shortfall to Institutional Investors;

(b) applications in the Top-Up Facility have the same closing date as the Retail Entitlement Offer (being, 19 December 2023);

(c) the issue price of Additional New Shares under the Top-Up Facility is the same as the Issue Price, A$0.30 per Additional New Share;

(d) MSB will not issue Additional New Shares under the Top-Up Facility where to do so would result in a breach of its constitution, the Corporations Act or the ASX Listing Rules; and

(e) Directors of and other Listing Rule 10.11 parties in relation to, MSB will not be eligible to participate in the Top-Up Facility for Additional New Shares.

Scale-back

If there are oversubscription applications under the Top-Up Facility, MSB reserves the right to scale back applications for Additional New Shares on a pro rata or any other basis as MSB determines in its sole and absolute discretion.

In the event of a scale-back, the difference between the Application Monies received, and the number of Additional New Shares allocated to you multiplied by the Issue Price will be refunded following allotment. No interest will be paid on any Application Monies received and returned.

1.4 Shortfall

No material impact on control is expected to arise as a result of any Shareholder taking up its entitlements under the Entitlement Offer or participating in the Top-Up Facility.

The Directors reserve the right to place any shortfall to Institutional Investors in and outside Australia within 3 months after the Closing Date at a price per Share no less than the Issue Price in accordance with the ASX Listing Rules. The basis of allocation of any other shortfall will be determined by the Directors of MSB at their discretion, taking into account whether investors are existing shareholders, MSB's register and any potential control impacts. The shortfall may not be placed to Listing Rule 10.11 parties in relation to MSB.

1.5 Issue of New Shares

New Shares under the Retail Entitlement Offer are expected to be issued on or about 28 December 2023, with trading commencing on ASX on or about 29 December 2023 (subject to variation at the discretion of MSB). Fractional entitlements to New Shares will be rounded up to the nearest whole number of New Shares.

MSB reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

1.6 ASX quotation

MSB will apply for official quotation of New Shares and any Additional New Shares issued under the Retail Entitlement Offer. If permission for quotation is not granted by ASX, the New Shares and any Additional New Shares will not be issued and Application Monies will be refunded (without interest) as soon as practicable.

1.7 Application Monies

Until New Shares and Additional New Shares are issued, MSB will hold the Application Monies in one or more bank accounts in Australia. The account(s) will be established and kept solely for the purpose of depositing Application Monies and retaining those funds for as long as required.

Any interest accrued on Application Monies will not be paid to the relevant Eligible Retail Shareholder, including if the Retail Entitlement Offer is cancelled or withdrawn. Subject to applicable law, MSB reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares and Additional New Shares.

1.8 Market prices for Shares on ASX

The Issue Price of A$0.30 per New Share under the Entitlement Offer represents a 25.9% discount to Mesoblast's last close price of A$0.405 on 30 November 2023.

1.9 Foreign Shareholders

The New Shares being offered under this Retail Offer Booklet are being offered to Retail Shareholders with registered addresses as at the Record Date in Australia or New Zealand.

The Retail Entitlement Offer will not be offered to Ineligible Retail Shareholders. MSB has determined that it is not economically viable to make offers to Ineligible Retail Shareholders due to the cost of meeting compliance requirements with securities laws in each applicable jurisdiction in which Ineligible Retail Shareholders reside. MSB reserves the right in its absolute discretion to make the Retail Entitlement Offer to a Shareholder with an address in MSB's share register outside Australia or New Zealand if MSB is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable.

This Retail Offer Booklet does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia or New Zealand.

The distribution of this Retail Offer Booklet outside Australia or New Zealand may be restricted by law. In particular, this document or any copy of it must not be distributed or released in the United States. If you come into possession of this Retail Offer Booklet, you must observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

Please refer to Section 6 of this Retail Offer Booklet for further information in relation to the foreign jurisdictions in which this Retail Entitlement Offer may be made.

1.10 Nominees and custodians

Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participated under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Booklet or accept the Retail Entitlement Offer on behalf of any person in the United States, or any other jurisdiction outside Australia or New Zealand. MSB is not required to determine whether or not any registered shareholder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares.

1.11 Taxation implications

You should be aware that there may be taxation implications associated with participating in the Retail Entitlement Offer and receiving New Shares (and any Additional New Shares). The taxation consequences of participating in the Retail Entitlement Offer and/or receiving New Shares (and any Additional New Shares) may vary depending on the individual circumstances of each Shareholder.

Please refer to Section 7 of this Retail Offer Booklet for a general discussion of the Australian tax consequences of the Retail Entitlement Offer for Eligible Retail Shareholders who hold their Shares as capital assets.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares and Additional New Shares under this Retail Offer Booklet.

1.12 Risks

There are a number of risks associated with an investment in MSB which may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price. You should consider the key risk factors which are set out in the Risk Factors section of the Investor Presentation included in this Retail Offer Booklet. This list is not exhaustive. For a more detailed discussion, see the 'Risk Factors' section in Mesoblast's annual financial report on Form 20-F for the year ended 30 June 2023 which is available at https://investorsmedia.mesoblast.com/static-files/a33adba4-2dc8-42b9-8f7d-b0ece048b0cc.

1.13 Regular reporting and disclosure

MSB is a 'disclosing entity' for the purposes of the Corporations Act and accordingly is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require MSB to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, MSB has an obligation (subject to a limited exception) to notify ASX once it is, or becomes, aware of information concerning MSB which a reasonable person would expect to have a material effect on the price or value of MSB's securities. All announcements made by MSB to ASX are available from ASX's website (www.asx.com.au) and from MSB's website (www.mesoblast.com).

Additionally, MSB is required to prepare and lodge with ASX yearly and half yearly financial statements accompanied by a directors' statement and report, and an audit or review report. These reports are released to ASX and published on MSB and ASX websites. You should also have regard to any further announcements which may be made by MSB to ASX after the date of this Retail Offer Booklet.

1.14 Rights and liabilities attaching to New Shares

New Shares and any Additional New Shares issued under this Retail Offer Booklet will be fully paid ordinary shares in the capital of MSB and will rank equally with all Existing Shares then on issue.

The rights and liabilities attaching to Shares are set out in MSB's constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Rules. MSB's constitution may only be varied by a special resolution passed in a general meeting by 75% of the votes cast by Shareholders present in person or by proxy (and entitled to vote) at the meeting.

1.15 Disclaimer

No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer described in this Retail Offer Booklet, which is not contained in this Retail Offer Booklet. Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by MSB in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of MSB, or any other person, warrants or guarantees the future performance of MSB or any return on any investment made pursuant to this Retail Offer Booklet.

1.16 Financial amounts

Money as expressed in this Retail Offer Booklet is in Australian dollars unless otherwise indicated. Any discrepancies between totals in tables and sums of components in tables in this Retail Offer Booklet and between those figures and figures referred to in other parts of this document may be due to rounding.

1.17 Privacy

Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of your Shares) to be included in the public register of members of MSB. Information is collected to administer your Shares. Your personal information may be disclosed to MSB. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory. The Share Registry's privacy policy is available on its website, with a link accessible here: https://www.linkgroup.com/docs/Link_Group_Privacy_Policy.pdf.

1.18 Governing Law

This Retail Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each Applicant for New Shares (including any Additional New Shares) submits to the non exclusive jurisdiction of the courts of Victoria, Australia.

2. Required Actions

2.1 Eligible Retail Shareholders – Australia and New Zealand

If you are an Eligible Retail Shareholder, you may:

(a) take up all of your Entitlement and, if you wish, also apply for Additional New Shares under the Top-Up Facility;

(b) take up part of your Entitlement and allow the balance to lapse; or

(c) decline to exercise your Entitlement, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement, or you wish to also apply for Additional New Shares you should:

(a) read this Retail Offer Booklet in full;

(b) consider the risks associated with the Entitlement Offer, as summarised in the Risk Factors section of the Investor Presentation included in this Retail Offer Booklet, in light of your personal circumstances;

(c) decide whether to participate in the Retail Entitlement Offer; and

(d) make payment and apply for New Shares by either:

BPAY®

Make payment through BPAY® in accordance with the payment instructions on the Entitlement and Acceptance Form, available on the MSB Entitlement Offer website at https://events.miraqle.com/MSB-2023offer.

If you pay by BPAY® you do not need to return the Entitlement and Acceptance Form.

We strongly urge you to apply by paying through BPAY®[1] if possible. This is the fastest and easiest way to apply, as you do not need to return the Entitlement and Acceptance Form enclosed with this Booklet if you choose this option.

EFT

Complete the Entitlement and Acceptance Form available at https://events.miraqle.com/MSB-2023offer in accordance with the instructions set out on the form. You can request an Entitlement and Acceptance Form from the Share Registry on 1800 883 072 (within Australia) or +61 1800 883 072 (outside Australia) between 8.30am and 5.30pm (Melbourne time).

Return the completed Entitlement and Acceptance Form together with payment in accordance with Section 2.2 and the payment instructions on the Entitlement and Acceptance Form. Please email the completed Entitlement and Acceptance Form to capitalmarkets@linkmarketservices.com.au. Relevant instructions are available on the Entitlement and Acceptance Form and on the MSB Entitlement Offer website at https://events.miraqle.com/MSB-2023offer.

Eligible Retail Shareholders in New Zealand should ensure that their Entitlement and Acceptance Form and Application Monies are received early by 5.00pm (Melbourne time) on 19 December 2023 (or such other date as may be determined by MSB).

2.2 Payment

The Issue Price of A$0.30 per New Share is payable on taking up your Entitlement. For all Australian and New Zealand Eligible Retail Shareholders payments must be received by 5.00pm (Melbourne time) on 19 December 2023 (or such other date as may be determined by MSB).

Shareholders should be aware of the time required to process payments by BPAY® or EFT in choosing the appropriate application and payment method. **Any late payment of Application Monies will not be accepted and monies will be refunded to the Shareholder without interest.**

Payment will only be accepted in Australian currency and must be:

(a) through the BPAY® facility according to the instructions set out on the Entitlement and Acceptance Form; or

(b) for New Zealand based Shareholders without an Australian bank account, by EFT according to the instructions set out on the Entitlement and Acceptance Form. You can contact the information line on 1800 883 072 (within Australia) or +61 1800 883 072 (outside Australia) between 8.30am and 5.30pm (Melbourne time) for alternate electronic payment instructions.

Cash and cheques will not be accepted. Receipts for payment will not be issued. If you provide insufficient funds to meet the Application Monies due to take up all or part of your Entitlement, you may be taken by MSB to have applied for such lower number of New Shares as your cleared Application Monies will pay, or your Application may be rejected and monies refunded to the Shareholder without interest.

1 BPAY and the BPAY logo are registered trade marks of BPAY Pty Ltd ABN 69 079 137 518.

If you pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to the Allocation Policy and any scale-back determined by MSB in its sole and absolute discretion).

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded to you as soon as practicable (but only where the amount is A$5.00 or greater). You are not entitled to any interest that accrues on any Application Monies received or returned (wholly or partially).

Your completed Entitlement and Acceptance Form or BPAY® acceptance, once received by the Share Registry, cannot be withdrawn.

2.3 Declining all or part of your Entitlement

If you decide not to take up all or part of your Entitlement, the Entitlement which is unexercised will lapse and may be taken up by Eligible Retail Shareholders under the Top-Up Facility or allocated to Institutional Investors. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and cannot be traded on the ASX nor any other financial markets, nor can it be privately transferred.

If you decide not to participate in the Retail Entitlement Offer, you do not need to fill out or return the accompanying Entitlement and Acceptance Form. By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your proportionate interest in MSB will also be diluted to the extent that New Shares are issued under the Entitlement Offer.

2.4 Ineligible Retail Shareholders

If you are an Ineligible Retail Shareholder, you may not take up any of, or do anything in relation to, your Entitlement under the Retail Entitlement Offer.

2.5 Warranties made on acceptance of Retail Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY® or EFT, you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting, are an Eligible Retail Shareholder or otherwise eligible to participate.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY® or EFT, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

(a) you are an Eligible Retail Shareholder;

(b) you are not in the United States and you are not acting for the account or benefit of any person in the United States in connection with the purchase of New Shares (including any Additional New Shares) in the Retail Entitlement Offer and you are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares (including any Additional New Shares) under the Retail Entitlement Offer and under any applicable laws and regulations;

(c) you understand that the New Shares (including any Additional New Shares) have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and the New Shares (including any Additional New Shares) may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;

(d) you and each person on whose account you are acting have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;

(e) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is:

  (i) resident in Australia or New Zealand, and

  (ii) is not in the United States or elsewhere outside Australia or New Zealand,

(f) you are acquiring New Shares (including any Additional New Shares) outside the United States in 'offshore transactions' as defined and in reliance on Regulation S under the US Securities Act;

(g) you and each person on whose account you are acting have not sent and will not send any materials, or copies thereof, relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;

(h) you acknowledge that you have read and understand this Retail Offer Booklet and your Entitlement and Acceptance Form in their entirety;

(i) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet, and MSB's constitution;

(j) you authorise MSB to register you as the holder(s) of New Shares (including any Additional New Shares) allotted to you;

(k) you declare that all details and statements in your Entitlement and Acceptance Form are complete and accurate;

(l) if you are a natural person, you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under your Entitlement and Acceptance Form;

(m) you acknowledge that after MSB receives your Entitlement and Acceptance Form or any payment of Application Monies through BPAY® or EFT, you may not withdraw your Application or funds provided except as allowed by law;

(n) you agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies through BPAY® or EFT, at the Issue Price;

(o) you authorise MSB, the Lead Manager, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares (including any Additional New Shares) to be issued to you, including to act on instructions of the Share Registry on using the contact details set out in your Entitlement and Acceptance Form;

(p) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;

(q) you acknowledge that the information contained in this Retail Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;

(r) you acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in MSB and is given in the context of MSB's past and ongoing continuous disclosure announcements to ASX;

(s) you acknowledge the statement of risks in the Risk Factors section of MSB's Investor Presentation included in this Retail Offer Booklet and that investments in MSB are subject to risk;

(t) you acknowledge that none of MSB, the Lead Manager, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of MSB, nor do they guarantee the repayment of capital;

(u) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;

(v) you authorise MSB to correct any errors in your Entitlement and Acceptance Form or other form provided by you;

(w) you represent and warrant (for the benefit of MSB, the Lead Manager and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are an Eligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;

(x) you acknowledge and agree that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was made by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of MSB, and MSB and its respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;

(y) you represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and your Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares (including any Additional New Shares) and that you are otherwise eligible to participate in the Retail Entitlement Offer; and

(z) if in the future you decide to sell or otherwise transfer the New Shares (and/or any Additional New Shares), you will only do so in the regular way transactions on the ASX are conducted or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States.

If you take up and pay for all or part of your Entitlement before the Closing Date, you will be issued your New Shares on or about 28 December 2023, but they will only commence trading on ASX on a normal basis on or about 29 December 2023. If you apply for Additional New Shares under the Top-Up Facility then, to the extent your application for Additional New Shares is accepted (in whole or part), you will be issued the Additional New Shares on the same day. MSB's decision on the number (if any) of Additional New Shares to be allocated to you will be final and binding.

Subject to the Listing Rules, the Directors reserve the right to change the Closing Date in their absolute discretion and without notice.

2.6 Refunds

Any Application Monies received for more than your final allocation of New Shares and any Additional New Shares will be refunded as soon as practicable after the Closing Date (except where the amount is less than A$5.00). No interest will be paid to Applicants on any Application Monies received or refunded.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the Closing Date. If you wish to advise or change your banking instructions with the Share Registry you may do so by contacting the Share Registry at 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time between 8:30am and 5:00pm (Melbourne time) Monday to Friday.

2.7 Withdrawals

You cannot, in most circumstances, withdraw your Application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares or any Additional New Shares.

2.8 Confirmation of your Application and managing your holding

You may access information on your holding, including your Record Date balance and the issue of New Shares and any Additional New Shares from this Retail Entitlement Offer, and manage the standing instructions the Share Registry records on your holding on the Share Registry website, https://investorcentre.linkgroup.com/Login/Login. To access the Investor Centre section of this website you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), postcode and you will need to pass the security challenge on the site.

asx announcement

Not for release to US wire services or distribution in the United States

PLACEMENT AND ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER TO RAISE UP TO A$97.0M

Melbourne, Australia; December 4, 2023: Mesoblast Limited (ASX:MSB; Nasdaq:MESO) today announced a placement and entitlement offer to raise up to A$97.0 million.

Key Highlights
The Placement and Entitlement Offer has been structured as:

- an institutional placement of up to approximately 120 million new fully paid ordinary shares in Mesoblast at an offer price of A$0.30 per new share (**Offer Price**) to raise up to A$36.0 million (**Placement**); and
- a 1 for 4 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Mesoblast to existing eligible shareholders (**Entitlement Offer**), at the Offer Price per new share to raise up to approximately A$61 million, comprising an accelerated institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**).
- In addition to being able to apply for New Shares under the Retail Entitlement Offer, Eligible retail shareholders who have taken up all of their Entitlement will also have the ability to apply for additional New Shares under a 'top-up' facility (**Top-Up Facility**).

Approximately 323 million shares will be issued under the Placement and Entitlement Offer (**New Shares**) which represents approximately 39.7% of current shares on issue.

The Offer Price of A$0.30 per New Share represents a discount of:

- 20.0% to the theoretical ex-rights price (**TERP**)[1] of A$0.375; and
- 25.9% to Mesoblast's last close price of A$0.405 on 30 November 2023.

The New Shares will rank equally with existing fully paid ordinary shares on issue in Mesoblast. Bell Potter Securities Limited will act as the sole lead manager and sole bookrunner of the Placement and Entitlement Offer (**Lead Manager**).

Use of Proceeds
Proceeds from the Placement and Entitlement Offer and existing cash reserves will be used to fund the adult Phase 3 registration trials for steroid-refractory acute-graft versus host disease and for chronic lower back pain, and general corporate purposes.

About the Entitlement Offer
Under the Entitlement Offer, existing eligible shareholders are invited to subscribe for 1 New Share for every 4 existing Mesoblast shares (**Entitlement**) held as at 7.00 pm (Melbourne time) on 6 December 2023 (**Record Date**) at the Offer Price.

New Shares issued under the Entitlement Offer will rank equally with existing Mesoblast shares on issue from the date of allotment.

As the Entitlement Offer is non-renounceable, shareholders who do not take up their Entitlement will not receive any value in respect of the Entitlement that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of the entitlements they would have received had they been eligible to participate in the Entitlement Offer.

Institutional Entitlement Offer
Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from 4 December 2023 to 5 December 2023.

Eligible institutional shareholders can choose to take up all, part, or none of their Entitlement (**Institutional Entitlement**).

Institutional Entitlements cannot be traded on the ASX. Institutional Entitlements which are not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer, and Institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered for sale under a 'top-up' facility to existing institutional shareholders and to other institutional and sophisticated investors.

Retail Entitlement Offer
Eligible retail shareholders with a registered address in Australia and New Zealand on the Record Date will be invited to participate in the Retail Entitlement Offer at the same Offer Price as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on 8 December 2023 and close at 5.00pm (Melbourne time) on 19 December 2023.

Eligible retail shareholders will be sent or have made available to them an offer booklet (**Retail Offer Booklet**) including a personalised entitlement and acceptance form on 8 December 2023. The Retail Offer Booklet will provide the details of how to participate in the Retail Entitlement Offer. A copy of the Retail Offer Booklet will also be lodged with the ASX on 8 December 2023. Eligible retail shareholders may apply to take up all, part, or none of their Entitlement.

In addition to being able to apply for New Shares under the Retail Entitlement Offer, Eligible retail shareholders who have taken up all of their Entitlement will also have the ability to apply for additional New Shares under the Top-Up Facility. Eligible retail shareholders are not assured of being allocated any New Shares in excess of their Entitlement under the Top-Up Facility. New Shares allocated under the Top-Up Facility will be allocated in accordance with the allocation policy outlined in the Retail Offer Booklet. Mesoblast retains absolute discretion regarding allocation under the Top-Up Facility. Retail Entitlement Offer shortfall shares not taken up by eligible retail shareholders may be allocated to existing institutional shareholders and to other institutional and sophisticated investors.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and the accompanying personalised entitlement and acceptance form in their entirety.

Those shareholders who Mesoblast determines to be ineligible shareholders will also be notified.

Investor Presentation
For further information, please refer to the Investor Presentation also lodged today with the ASX.

Entitlement Offer Key Dates

Event	Date
Announcement of Entitlement Offer	4 December 2023
Institutional Entitlement Offer opens	4 December 2023
Institutional Entitlement Offer closes	4 December 2023
Institutional Shortfall Bookbuild	4 December 2023
Trading halt lifted and shares recommence trading on ASX	5 December 2023
Record Date for determining eligibility to participate in the Entitlement Offer	6 December 2023
Retail Entitlement Offer opens	8 December 2023

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Event	Date
Despatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to Eligible Retail Shareholders	8 December 2023
Settlement of Institutional Entitlement Offer	11 December 2023
Allotment and normal trading of New Shares under the Institutional Entitlement Offer	12 December 2023
Retail Entitlement Offer closes	19 December 2023
Settlement of Retail Entitlement Offer	27 December 2023
Allotment of New Shares issued under the Retail Entitlement Offer	28 December 2023
Quotation of New Shares issued under the Retail Entitlement Offer	29 December 2023
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	29 December 2023

Entitlement Offer key dates are indicative only and subject to change. Any material changes will be notified to ASX. All dates and times are references to Melbourne, Australia time.

Mesoblast reserves the right to amend any or all of these dates and times, subject to the consent of the Lead Manager, *the Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws and regulations. In particular, Mesoblast reserves the right to extend the closing dates for either the Institutional Entitlement Offer or Retail Entitlement Offer (**Closing Dates**) and/or accept late applications under the Entitlement Offer without prior notice. Any extension of the Closing Dates may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their personalised entitlement and acceptance forms as soon as possible after the Entitlement Offer opens.

Additional Information

Further details on the Placement and Entitlement Offer are set out in the investor presentation also lodged with ASX today. The investor presentation contains important information, including a summary of key risks associated with an investment in Mesoblast and foreign selling restrictions with respect to the Placement and Entitlement Offer. Any person considering an investment in Mesoblast should read the investor presentation and seek their own independent advice before making any decision in this regard.

If you have any questions in relation to the Placement and Entitlement Offer, please contact the Mesoblast Offer Information Line on 1800 883 072 (if calling from within Australia) and +61 1800 883 072 (if calling from outside Australia). For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities referred to herein have not been registered under the United States Securities Act of 1933 (the US Securities Act), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and other applicable US state securities laws.

Footnotes

1. The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which Mesoblast fully paid ordinary shares should trade at immediately after the ex-date for the Entitlement Offer, and is calculated based on the maximum size of the Entitlement Offer together with the Placement. The

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TERP is a theoretical calculation only and the actual price at which Mesoblast shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Mesoblast's closing price of A$0.405 on 30 November 2023.

About Mesoblast

Mesoblast (the Company) is a world leader in developing allogeneic (off-the-shelf) cellular medicines for the treatment of severe and life-threatening inflammatory conditions. The Company has leveraged its proprietary mesenchymal lineage cell therapy technology platform to establish a broad portfolio of late-stage product candidates which respond to severe inflammation by releasing anti-inflammatory factors that counter and modulate multiple effector arms of the immune system, resulting in significant reduction of the damaging inflammatory process.

Mesoblast has a strong and extensive global intellectual property portfolio with protection extending through to at least 2041 in all major markets. The Company's proprietary manufacturing processes yield industrial-scale, cryopreserved, off-the-shelf, cellular medicines. These cell therapies, with defined pharmaceutical release criteria, are planned to be readily available to patients worldwide.

Mesoblast is developing product candidates for distinct indications based on its remestemcel-L and rexlemestrocel-L allogeneic stromal cell technology platforms. Remestemcel-L is being developed for inflammatory diseases in children and adults including steroid refractory acute graft versus host disease, biologic-resistant inflammatory bowel disease, and acute respiratory distress syndrome. Rexlemestrocel-L is in development for advanced chronic heart failure and chronic low back pain. Two products have been commercialized in Japan and Europe by Mesoblast's licensees, and the Company has established commercial partnerships in Europe and China for certain Phase 3 assets.

Mesoblast has locations in Australia, the United States and Singapore and is listed on the Australian Securities Exchange (MSB) and on the Nasdaq (MESO). For more information, please see www.mesoblast.com, LinkedIn: Mesoblast Limited and Twitter: @Mesoblast

Forward-Looking Statements

This announcement includes forward-looking statements that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Forward-looking statements should not be read as a guarantee of future performance or results, and actual results may differ from the results anticipated in these forward-looking statements, and the differences may be material and adverse. Forward-looking statements include, but are not limited to, statements about: the initiation, timing, progress and results of Mesoblast's preclinical and clinical studies, and Mesoblast's research and development programs; Mesoblast's ability to advance product candidates into, enrol and successfully complete, clinical studies, including multi-national clinical trials; Mesoblast's ability to advance its manufacturing capabilities; the timing or likelihood of regulatory filings and approvals (including any future decision that the FDA may make on the BLA for remestemcel-L for paediatric patients with SR-aGVHD), manufacturing activities and product marketing activities, if any; the commercialization of Mesoblast's product candidates, if approved; regulatory or public perceptions and market acceptance surrounding the use of stem-cell based therapies; the potential for Mesoblast's product candidates, if any are approved, to be withdrawn from the market due to patient adverse events or deaths; the potential benefits of strategic collaboration agreements and Mesoblast's ability to enter into and maintain established strategic collaborations; Mesoblast's ability to establish and maintain intellectual property on its product candidates and Mesoblast's ability to successfully defend these in cases of alleged infringement; the scope of protection Mesoblast is able to establish and maintain for intellectual property rights covering its product candidates and technology; estimates of Mesoblast's expenses, future revenues, capital requirements and its needs for additional financing; Mesoblast's financial performance; developments relating to Mesoblast's competitors and industry; and the pricing and reimbursement of Mesoblast's product candidates, if approved. You should read this announcement together with our risk factors in our most recently filed reports with the SEC or on our website.

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Uncertainties and risks that may cause Mesoblast's actual results, performance or achievements to be materially different from those which may be expressed or implied by such statements, and accordingly, you should not place undue reliance on these forward-looking statements. We do not undertake any obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Release authorized by the Board of Mesoblast Limited.

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asx announcement

Not for release to US wire services or distribution in the United States

MESOBLAST SUCCESSFULLY COMPLETES PLACEMENT AND ACCELERATED INSTITUTIONAL ENTITLEMENT OFFER

Melbourne, Australia; December 5, 2023: Mesoblast Limited (ASX:MSB; Nasdaq:MESO), global leader in allogeneic cellular medicines for inflammatory diseases, today announced it has received firm commitments for its institutional placement (**Placement**) and the accelerated institutional component (**Institutional Entitlement Offer**) of the 1 for 4 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares in Mesoblast (**New Shares**) to existing eligible shareholders, announced on Monday, 4 December 2023.

The Placement and Accelerated component of the Institutional Entitlement Offer will raise approximately A$55 million at an issue price of A$0.30 per New Share (**Offer Price**). The Placement was oversubscribed and will raise approximately A$36 million.

The offer was well supported by existing shareholders as well as attracting new institutional shareholders to the register. Chief Executive Officer, Dr Silviu Itescu has committed to taking up a majority of his Entitlement in the Accelerated Institutional Offer.

Chief Executive Dr Silviu Itescu said "I would like to acknowledge the ongoing support from our key institutional shareholders who have participated alongside myself and welcome new investors in the accelerated component of our placement and entitlement offer. The funds raised will allow Mesoblast to achieve its key objectives for 2024, as outlined at the AGM."

The New Shares to be issued under the Placement and Institutional Entitlement Offer will be issued on 12 December 2023 and are expected to commence trading on the ASX on the same day.

The retail entitlement offer (**Retail Entitlement Offer**), at the same Offer Price, will be open to eligible retail shareholders from 8 December 2023 through to 19 December 2023 (**Retail Entitlement Offer Period**), with eligible retail shareholders having the opportunity to apply for additional New Shares above their entitlement under a top-up facility. A maximum of approximately A$42 million is able to be raised under the Retail Entitlement Offer.

Proceeds raised from the Placement and Institutional Entitlement Offer, proceeds raised from the Retail Entitlement Offer, and existing cash reserves will be used to fund the adult Phase 3 registration trials for steroid refractory acute graph versus host disease and for chronic low back pain, and general corporate purposes.

Bell Potter Securities acted as Sole Lead Manager and Sole Bookrunner to the Offer.

Retail Entitlement Offer

Retail investors who hold Mesoblast shares as at 7.00pm (Melbourne time) on Wednesday, 6 December 2023 and have a registered address in Australia or New Zealand (**Eligible Retail Shareholders**) will be offered the opportunity to participate in the Retail Entitlement Offer at the same Offer Price, and at the same offer ratio (of 1 New Share for every 4 existing fully paid ordinary shares in Mesoblast held), as offered under the Institutional Entitlement Offer. Eligible Retail Shareholders will also have the opportunity to apply for additional New Shares above their entitlement as part of the Retail Entitlement Offer under a top-up facility.

An offer booklet containing information in respect of the Retail Entitlement Offer (**Retail Offer Booklet**) is to be lodged with the ASX on Friday 8 December 2023, and then despatched or otherwise made available to Eligible Retail Shareholders on or around that same day. The Retail Offer Booklet and accompanying personalised entitlement and acceptance forms will contain instructions on how to apply for New Shares under the Retail Entitlement Offer. Key dates in relation to the Retail Entitlement Offer will be detailed in the Retail Offer Booklet. Eligible Retail Shareholders are encouraged to carefully read the Retail Offer Booklet in full before deciding whether to subscribe for New Shares.

If you have any questions in relation to the Retail Entitlement Offer, please contact the Mesoblast Offer Information Line on 1800 883 072 (if calling from within Australia) and +61 1800 883 072 (if calling from outside Australia) from 8:30am and 5:30pm (AEDT) Monday to Friday from Friday 8 December 2023 until the close of the Retail Entitlement Offer Period.

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities referred to herein have not been registered under the *United States Securities Act of 1933* (the **US Securities Act**), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and other applicable US state securities laws.

About Mesoblast

Mesoblast (the Company) is a world leader in developing allogeneic (off-the-shelf) cellular medicines for the treatment of severe and life-threatening inflammatory conditions. The Company has leveraged its proprietary mesenchymal lineage cell therapy technology platform to establish a broad portfolio of late-stage product candidates which respond to severe inflammation by releasing anti-inflammatory factors that counter and modulate multiple effector arms of the immune system, resulting in significant reduction of the damaging inflammatory process.

Mesoblast has a strong and extensive global intellectual property portfolio with protection extending through to at least 2041 in all major markets. The Company's proprietary manufacturing processes yield industrial-scale, cryopreserved, off-the-shelf, cellular medicines. These cell therapies, with defined pharmaceutical release criteria, are planned to be readily available to patients worldwide.

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commercialization of Mesoblast's product candidates, if approved; regulatory or public perceptions and market acceptance surrounding the use of stem-cell based therapies; the potential for Mesoblast's product candidates, if any are approved, to be withdrawn from the market due to patient adverse events or deaths; the potential benefits of strategic collaboration agreements and Mesoblast's ability to enter into and maintain established strategic collaborations; Mesoblast's ability to establish and maintain intellectual property on its product candidates and Mesoblast's ability to successfully defend these in cases of alleged infringement; the scope of protection Mesoblast is able to establish and maintain for intellectual property rights covering its product candidates and technology; estimates of Mesoblast's expenses, future revenues, capital requirements and its needs for additional financing; Mesoblast's financial performance; developments relating to Mesoblast's competitors and industry; and the pricing and reimbursement of Mesoblast's product candidates, if approved. You should read this announcement together with our risk factors in our most recently filed reports with the SEC or on our website. Uncertainties and risks that may cause Mesoblast's actual results, performance or achievements to be materially different from those which may be expressed or implied by such statements, and accordingly, you should not place undue reliance on these forward-looking statements. We do not undertake any obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Release authorized by the Chief Executive.

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mesoblast

Global Leader in Allogeneic Cellular Medicines for Inflammatory Diseases

Capital Raising Presentation

1 for 4 Accelerated Non-Renounceable Entitlement Offer
together with an Institutional Placement

4 December 2023

ASX: MSB; Nasdaq: MESO

Important Notice and Disclaimer

This presentation has been prepared by Mesoblast Limited (ACN 68 109 431 870) (**Mesoblast** or **Company**) in relation to an accelerated non-renounceable pro-rata entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares in Mesoblast (**New Shares**), and a placement of New Shares to certain institutional and sophisticated investors (**Placement** or **Institutional Placement**) (the Entitlement Offer and Placement together, the **Offer**) The Entitlement Offer will be made to:
(a) eligible institutional shareholders of Mesoblast (**Institutional Entitlement Offer**); and
(b) eligible retail shareholders of Mesoblast (**Retail Entitlement Offer**),
(collectively, **Entitlement Offer**), under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**), as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Legislative Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73.

Summary Information
This presentation contains summary information about Mesoblast and its associated entities and their activities current as at the date of this presentation.

The information contained in this presentation is of a general nature only and does not purport to include or summarise all information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Mesoblast's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au, and with the U.S. Securities and Exchange Commission (**SEC**), which are available at www.sec.gov. Certain information in this presentation has been sourced from persons other than Mesoblast. While steps have been taken to review that information, Mesoblast, its advisers, and their affiliates are not in a position to warrant its accuracy.

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Not an offer
This Presentation is not an offer or an invitation to acquire New Shares or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission (**ASIC**)) or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

The Retail Entitlement Offer will be made on the basis of the information to be contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand (**Retail Offer Booklet**), and made available following its lodgement with ASX. Any eligible retail shareholder in Australia and New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet in deciding to apply under that offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and application form.

Not for release to US wire services or distribution in the United States

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No investment or financial product advice

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Forward looking statements

This presentation contains certain forward looking statements about future events, including Mesoblast's expectations about the effect of the funds raised under the Offer. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements relating to the future performance of Mesoblast and the outcome and effects of the Offer and the use of proceeds. While due care and attention has been used in the preparation of such forward-looking statements, forward looking statements are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of Mesoblast and its directors), as well as various risk factors, some of which are described in the "Key Risks" section of this Presentation, which may cause the actual results or performance of Mesoblast to be materially different from any future results, strategies, objectives, expectations, estimates, intentions or performance expressed or implied by such forward looking statements, Accordingly, the forward looking statements should not be relied on as an indication of future value or for any other purpose. No representation or warranty, express or implied, is made as to the fairness, accuracy, reasonableness, completeness or correctness of any such forward-looking statements.

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Financial data

All dollar values are expressed in Australian dollars ($ or AUD) unless stated otherwise. All references starting with "FY" refer to the financial year for Mesoblast ended 30 June. For example, "FY 23" refers to the financial year ended 30 June 2023.

Investors should note that this Presentation contains pro forma financial information. The pro forma historical financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of Mesoblast's views on its, nor anyone else's, future financial condition and/or performance. The pro forma historical financial information has been prepared by Mesoblast in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia.

Effect of rounding

A number of figures, amounts, estimates, calculation of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Disclaimer

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To the maximum extent permitted by law, Mesoblast, the lead manager and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents: (i) exclude and disclaim all liability for any expenses, losses, damages or costs incurred by any investor as a result of that investor's participation in or failure to participate in the Offer (or any component of the Offer) and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise; (ii) make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation; and (iii) with regard to the lead manager, and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents, take no responsibility for any part of this Presentation or the Offer.

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Offer Summary

Structure and size ("The Offer")	1 for 4 pro-rata accelerated non-renounceable Entitlement Offer together with a Placement to raise up to A$97.0 million before costs through issuing approximately 323.4 million new shares (39.7% of current issued capital)
Offer price	Offer Price of A$0.30 per New Share under the Placement and the Entitlement Offer ("Offer Price"), which represents: ▪ 25.9% discount to the last traded price of A$0.405 on ASX on 30 November 2023 ▪ 20.0% discount to TERP[1] of A$0.375
Placement	An institutional placement of up to approximately 120 million new fully paid ordinary shares at an offer price of A$0.30 per share to raise up to approximately A$36 million to be conducted on 4 December 2023
Entitlement Offer	An Entitlement Offer of up to approximately 203 million new fully paid ordinary shares to be issued to existing eligible shareholders at an offer price of A$0.30 per share to raise up to approximately A$61 million ▪ The Retail Entitlement Offer will open on 9:00am (Sydney time) 8 December 2023 and close on 5:00pm (Sydney time) 19 December 2023 ▪ eligible retail shareholders may also apply for additional New Shares in excess of their Entitlement under the Retail Entitlement Offer
Founder / CEO Commitment	Mesoblast Chief Executive and Founder Silviu Itescu, intends to take up a majority of his Entitlement
Ranking	New Shares issued will rank equally with existing fully paid ordinary shares in Mesoblast from the time of issue
Record Date	7.00pm (AEDT) 6 December 2023
Allocation Policy	The Directors reserve the right to issue the shortfall at their discretion. The allocation policy of Mesoblast in such event is to allocate shortfall to existing Institutional Securityholders or new Institutional Investors as the Directors determine in their sole and absolute discretion.

1 The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which Mesoblast shares should trade at immediately after the ex-date for the Offer, and is calculated based on the maximum size of the Entitlement Offer together with the Placement. The TERP is a theoretical calculation only and the actual price at which Mesoblast shares trade immediately after the ex-date for the Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Mesoblast's closing price of A$0.405 on 30 November 2023.

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Financials and Use of Proceeds

- Cash balance at September 30, 2023 was US$53.2 million, with net operating cash spend of US$14.2 million for the quarter.
- Management and the Board have put in place a plan that focuses on preservation of cash by implementing significant cost containment strategies and enacting substantial payroll reductions.
- Net operating cash usage over the past two years reduced by 37% to US$63.3 million in FY2023. We have implemented a cost containment plan to achieve a further targeted 23% reduction (US$15 million) in projected FY2024 annual net operating cash spend compared with FY2023, which will be partially offset by investment in our Phase 3 programs for adults with steroid-refractory acute graft versus host disease (SR-aGVHD) and chronic low back pain (CLBP).
- Proceeds from the Offer and existing cash reserves will be used to fund the adult Phase 3 registration trials for SR-aGVHD and for CLBP, and general corporate purposes.

Sources and Uses of Funds

Sources of funds	US$ million[1]
The Offer (net of offer costs)	61.6
Existing cash as at September 30, 2023	53.2
Total	**114.8**

Uses of funds[2]	US$ million
Proceeds from The Offer to fund Adult Phase 3 registration trials for steroid-refractory acute graft versus host disease (SR-aGVHD) and for chronic low back pain (CLBP) and general corporate purposes	61.6
Total	**61.6**

(1) A$92.3 million translated at 0.6672 AUD:USD exchange rate published by the Financial Times on close of business on 1 December 2023 net of offer costs of A$4.7m.
(2) Assumes total A$97.0 million offer size

Pro Forma Balance Sheet

US$m

	30 June 2023[1] (audited)	30 June 2023[2] Pro forma
Cash and cash equivalents	71.3	132.9
Other assets	598.1	598.1
Total Assets	**669.4**	731.0
Current liabilities	42.0	42.0
Non-current liabilities	125.6	125.6
Total Liabilities	**167.6**	167.6
Issued Capital	1,249.1	1,310.7
Reserves	73.5	73.5
Accumulated Losses	(820.8)	(820.8)
Total Equity	**501.8**	563.4

(1) Extracted from the audited financial statements for the year ended 30 June 2023 (as disclosed in the Form 20-F announced on the ASX on 31 August 2023 and available at Mesoblast.com).

(2) Cash and cash equivalents and issued capital adjusted for the US$61.6m equity raise (A$92.3m translated at 0.6672 AUD:USD exchange rate published by the Financial Times on close of business 1 December 2023) net of offer costs of US$3.1m.

Indicative Offer Timetable

Event	Date
Announcement of the Offer	4 December 2023
Placement and Institutional Entitlement Offer opens	4 December 2023
Placement and Institutional Entitlement Offer closes	4 December 2023
Trading halt lifted and Mesoblast shares recommence trading on ASX	5 December 2023
Record Date for determining entitlement to subscribe for New Shares	7.00pm (AEDT)[1] 6 December 2023
Retail Entitlement Offer opens	9.00am (AEDT)[1] 8 December 2023
Retail Entitlement Offer Booklet despatched to Eligible Retail Shareholders	8 December 2023
Settlement of applications in the Placement and Institutional Entitlement Offer	11 December 2023
Allotment and normal trading of New Shares issued under the Placement & Institutional Entitlement Offer	12 December 2023
Retail Entitlement Offer closes	5.00pm (AEDT)[1] 19 December 2023
Settlement of Retail Entitlement Offer	27 December 2023
Allotment of New Shares issued under the Retail Entitlement Offer	28 December 2023
Quotation of New shares under the Retail Entitlement Offer	29 December 2023
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	29 December 2023

All dates and times are indicative and subject to change without notice

[1] *Australian Eastern Daylight Time*

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Our Mission

Mesoblast is committed to bringing to market innovative cellular medicines to treat serious and life-threatening illnesses

Corporate Vision

To be world's leading, most innovative, and highly respected cellular medicines company

To use our proprietary technologies to develop cellular medicine products that are life-saving and that improve quality of life

To establish an organization that attracts motivated people working towards achieving a common goal

To deliver appropriate returns for our shareholders

Investment Highlights

Novel Allogeneic Cell Therapy Platform	Developing off-the-shelf, allogeneic cellular medicines based on proprietary mesenchymal stromal cell (MSC) technology platforms to enable treatment without the need for donor matching or immunosuppression
Remestemcel-L for *Pediatric* SR-aGVHD	Single-arm pivotal Phase 3 trial completed; primary endpoint successfully met Long-term data shows durability of survival benefit >4 years Additional potency assay data to be presented to FDA
Remestemcel-L for *Adult* SR-aGVHD	Market size for adult population approx. 5-fold larger than pediatric The pivotal trial is expected to be conducted by BMT CTN, a body responsible for approximately 80% of all US transplants, at a fraction of the cost of a traditional CRO
Rexlemestrocel-L for CLBP	First randomized controlled Phase 3 trial completed, RMAT granted by FDA for discogenic pain Agreement on 12-month pain reduction endpoint for FDA approval, confirmatory trial needed Start-up activities for this trial significantly advanced with investigators, trial sites & CRO
Rexlemestrocel-L for Heart Disease	First Phase 3 completed for heart failure with reduced ejection fraction (HFrEF) Class II/III patients. RMAT granted by FDA for end-stage HFrEF patients with an LVAD. Randomized controlled trial in pediatric congenital heart disease patients published

SR-aGVHD = Steroid-Refractory Graft v Host Disease
FDA = United States Food and Drug Administration
BMT CTN = Bone Marrow Transplant Clinical Trials Network
RMAT = Regenerative Medicine Advanced Therapy
LVAD = Left Ventricular Assist Device
CRO = Contract Research Organization

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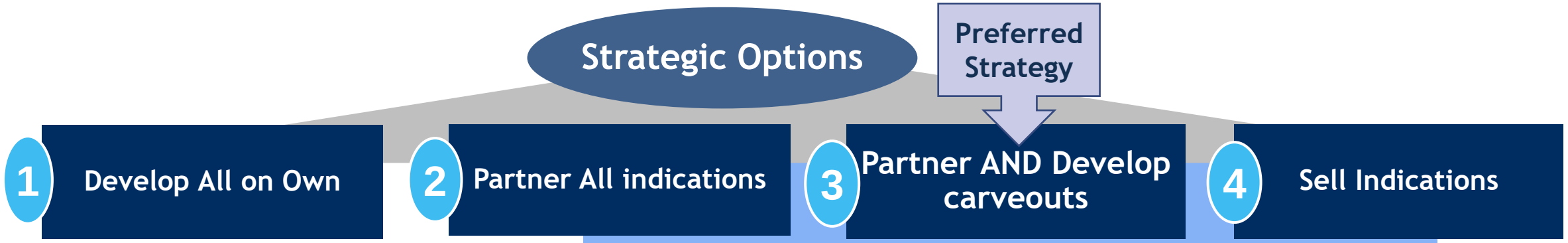
Corporate Level Strategic Options Evaluated and Set



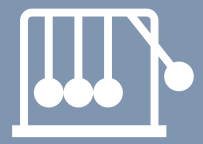
- ✓ Potential immediate financial rewards through partnership
- ✓ Diminished development and commercial costs if partner large indications
- ✓ Invest in smaller or orphan indications with lower development and commercialization costs
- ✓ Attain high level of shareholder value by demonstrating range capabilities

Tactical Execution Of Corporate Strategy

Intellectual Capital

Our **Patents** & our **People**

Manufacturing Strategy for Product Delineation and Life-Cycle



Advancing our **Clinical Pipeline**

Securing a **Robust Financial Base**

Go to market **Direct** versus **Partnership**

Building a **Strong Brand**

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Setting Key Strategic Priorities for 2024

1. **Seeking first regulatory approval in the US**
   - Additional potency assay data, provide to FDA
   - Commence adult SR-aGVHD Phase 3 trial
   - Continue to seek pediatric SR-aGVHD approval and launch
2. **Further advancement of MPC therapies**
   - Enrollment of CLBP second Phase 3 trial
   - FDA regulatory discussions re HFrEF in adults and congenital heart disease in children
3. **Optimize manufacturing/CMC**
   - Manufacturing key to product delineation, pricing strategies, and partnering
   - Optimize separate potency assays for each product
   - 3D manufacturing to support commercial requirements and reduction in COGS
4. **Strengthen financial position overall**
   - Obtain global scale partnership(s), to fund clinical programs and enterprise build
   - Obtain and maintain 2 years of cash flow position at minimum
   - Monetize assets inc royalty streams and 3rd generation products (cell + gene)
5. **Culture, structure, governance and talent**
   - Attract, retain and develop key talent across the enterprise
   - Align and build when needed the capabilities to support the plan

FDA = United States Food and Drug Administration
SR-aGVHD = Steroid-Refractory Acute Graft v Host Disease
HFrRF = Heart Failure with Reduced Ejection Fraction
CLBP = Chronic Low Back Pain
MPC = Mesenchymal Precursor Cells
CMC = Chemistry, Manufacturing, Controls

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Global Intellectual Property (IP) Estate

Provides Substantial Competitive Advantage

- Extensive patent portfolio with protection extending through 2040
- Over 1,100 patents and patent applications (82 patent families) across all major jurisdictions
- Covers composition of matter, manufacturing, and therapeutic applications of mesenchymal lineage cells
- Provides strong global protection in areas of our core commercial focus against cell-based competitor products
- Outside our core areas, may grant rights to third parties requiring access to our patent portfolio to commercialize their products
- Track record of managing intellectual property
  - Royalty agreement and income received from JCR Pharmaceuticals in Japan for treatment of aGVHD
  - Patent license granted to TiGenix, S.A.U., a wholly owned subsidiary of Takeda, on its worldwide sales of its product Alofisel® for the treatment of complex perianal fistulas in Crohn's disease

Markets
Global coverage including U.S., Europe, China, and Japan

Therapeutic Areas
Core commercial and non-core indications

Sources
Allogeneic / Autologous (Bone Marrow, Adipose, Dental Pulp, Placental), Pluripotent (iPS)

Commercial-scale Manufacturing Process and Facilities

- Scalable allogeneic “off-the-shelf” cellular platforms
- Manufacturing meets stringent criteria of international regulatory agencies
- Robust quality assurance processes ensure final product with batch-to-batch consistency and reproducibility
- Manufacturing innovations to meet increasing capacity requirements, improve yields and reduce cost of goods
  - Proprietary xeno-free technologies
  - Scaled-up 2D manufacturing
  - 3D bioreactors for high volume indications

Manufacturing Remestemcel-L

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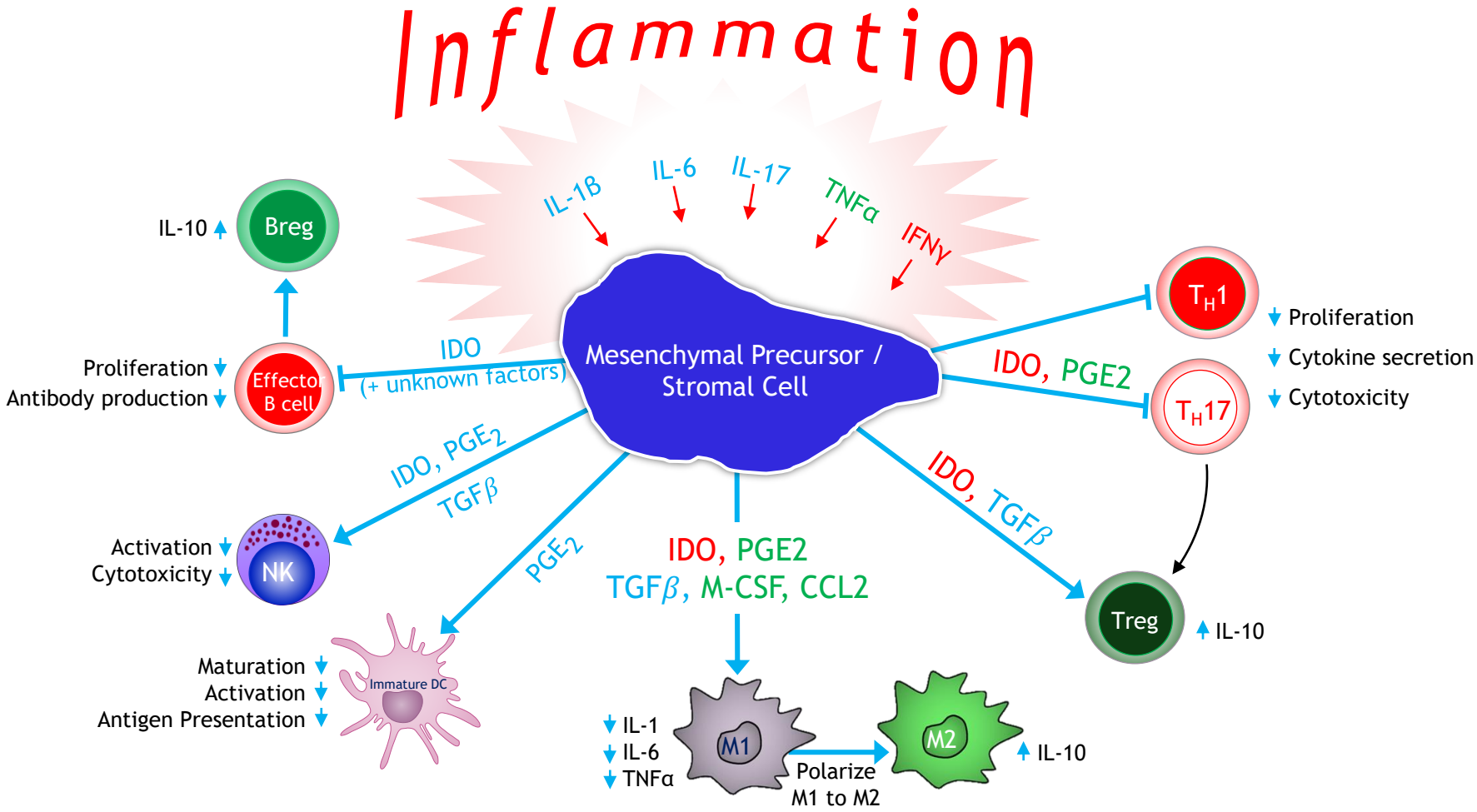
Platform Technology – Shared Mechanism of Action Across Our Products

Our mesenchymal precursor/stromal cells respond to and are activated by multiple inflammatory cytokines through surface receptors, resulting in orchestration of an anti-inflammatory cascade



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Late-Stage Clinical Pipeline

Based on the Proprietary Allogeneic Mesenchymal Stromal Cell Platform

Product	Indication	Phase 2	Phase 3	Regulatory Filing	Approved
Remestemcel-L	Pediatric SR-aGVHD				
Remestemcel-L	Adult SR-aGVHD Crohn's				
Rexlemestrocel-L	CLBP				
Rexlemestrocel-L	HFrEF				

SR-aGVHD = Steroid-Refractory Acute Graft Versus Host Disease; CLBP = Chronic Low Back Pain; HFrEF = Heart Failure with Reduced Ejection Fraction

This chart is figurative and does not purport to show individual trial progress within a clinical program

Notes:

- JCR Pharmaceuticals Co., Ltd. (JCR), has the right to develop mesenchymal stromal cells (MSCs) in certain fields for the Japanese market, including for the treatment of hematological malignancies, such as Graft vs Host Disease, and for hypoxic ischemic encephalopathy (HIE).
- Grünenthal has an exclusive license to develop and commercialize rexlemestrocel-L for chronic low back pain in Europe and Latin America/Caribbean.
- Tasly Pharmaceuticals has exclusive rights for rexlemestrocel-L for the treatment or prevention of chronic heart failure in China.

Clinical Program Milestones - Next 12 Months

		Target Date	Status
RYONCIL Adult & Pediatric SR-aGVHD (remestemcel-L)	• Currently finalizing additional potency assay data on commercial inventory to provide to FDA	Q1 CY2024	In progress
	• Planned meeting with the FDA regarding potency assay data for the pediatric BLA	Q1 CY2024	Planned
	• Completion and submission to FDA of protocol for adult SR-aGVHD Phase 3 trial in partnership with BMT CTN	Q1 CY2024	In progress
	• Commence patient enrollment for adult SR-aGVHD trial	Q2 CY2024	Planned
Inflammatory Pain (rexlemestrocel-L)	• CLBP Phase 3 trial start-up activities with investigators, trial sites & contract research organization (CRO)	Q4 CY2023	In progress
	• Phase 3 CLBP patient screening/enrollment initiates and completes	Q1-Q4 CY2024	Planned
REVASCOR Adult & Pediatric Heart Disease (rexlemestrocel-L)	• Meet with the FDA under RMAT to discuss the potential pathway to approval in adults with HFrEF based on LVAD and DREAM-HF trials	Q1 CY2024	In progress
	• Meeting with FDA on congenital heart disease pathway to approval in pediatric patients based on results of randomized, controlled trial	Q1 CY2024	Planned

SR-aGVHD = Steroid-Refractory Graft v Host Disease
FDA = United States Food and Drug Administration
BMT CTN = Bone Marrow Transplant Clinical Trials Network
RMAT = Regenerative Medicine Advanced Therapy
LVAD = Left Ventricular Assist Device
HFrRF = Heart Failure with Reduced Ejection Fraction

Pathway to Approval for RYONCIL in Pediatric Patients with SR-aGVHD

- During the Biologics License Application (BLA) review Mesoblast made substantial progress towards bringing this cutting-edge product to market with a completed FDA inspection of our manufacturing process.
- In August FDA provided a complete response requiring Mesoblast to provide additional potency assay data confirming that product used in the Phase 3 trial is similar to product intended for commercial release, as measured by a standardized potency assay.
- At the Type A meeting in September, Mesoblast presented clinical data indicating that treatment with the improved RYONCIL product version of remestemcel-L, manufactured using the current process inspected by FDA, resulted in consistently high survival rates in children with SR-aGVHD.
- Similarly high survival rates were seen whether using product made for the Phase 3 clinical trial MSB-GVHD001 between 2015-2018 or made with the validated manufacturing process proposed for commercial release and used under Emergency Investigational New Drug (EIND) protocol through 2023.
- Mesoblast believes that the totality of these clinical studies, together with additional potency assay data currently being generated using the IL-2R alpha inhibition potency assay in place during the pediatric Phase 3 trial, will both support approval for the pediatric indication and provide a link between the RYONCIL product that was used in the pediatric Phase 3 trial and available commercial inventory.

Pathway to Approval for RYONCIL in Adult Patients with SR-aGVHD

- Survival in adults with SR-aGVHD who have failed at least one additional agent, such as ruxolitinib, remains as low as 20-30% by 100 days, a patient population with no approved therapies.[1,2]
- In contrast, 100-day survival was 63% after remestemcel-L treatment was used under expanded access in 71 patients aged 12 and older with SR-aGVHD who failed to respond to at least one additional agent, such as ruxolitinib.
- In its September 2023 draft guidance to industry for development of agents to treat aGVHD, the FDA stated that a marketing application in a population with refractory aGVHD where there are no approved therapies might be supported by positive results from a single-arm trial.[3]
- Mesoblast intends to commence a Phase 3 trial of RYONCIL in adults and adolescents, a market approx. 5-fold larger than pediatric, who are refractory to both corticosteroids and a second line agent such as ruxolitinib, for whom there are no approved therapies.
- The trial is expected to be conducted by the Blood and Marrow Transplant Clinical Trials Network (BMT CTN), a body responsible for approximately 80% of all US transplants, at a fraction of the cost of a traditional contract research organization (CRO).

1. Jagasia M et al. Ruxolitinib for the treatment of steroid-refractory acute GVHD (REACH1): a multicenter, open-label phase 2 trial. Blood. 2020 May 14; 135(20): 1739–1749.
2. Abedin S, et al. Ruxolitinib resistance or intolerance in steroid-refractory acute graft versus-host disease — a real-world outcomes analysis. British Journal of Haematology, 2021;195:429–43.
3. US FDA. Graft-versus-Host Diseases: Developing Drugs, Biological Products, and Certain Devices for Prevention or Treatment Guidance for Industry. Draft Guidance. Sep 2023

Financial Highlights

- Revenue from royalties, predominantly on sales of TEMCELL® HS Inj.[1] sold in Japan by our licensee, were US$7.5 million for the year ended June 30, 2023.
- Cash balance at September 30, 2023 was US$53.2 million, with net operating cash spend of US$14.2 million for the quarter.
- Management and the Board have put in place a plan that focuses on preservation of cash by implementing significant cost containment strategies and enacting substantial payroll reductions.
- Net operating cash usage over the past two years reduced by 37% to US$63.3 million in FY2023. We have implemented a cost containment plan to achieve a further targeted 23% reduction (US$15 million) in projected FY2024 annual net operating cash spend compared with FY2023, which will be partially offset by investment in our Phase 3 programs for adults with SR-aGVHD and CLBP.
- These activities to preserve cash are complemented by initiatives currently underway to increase cash inflows which would by design enable us to prudently invest in our Phase 3 programs. In this regard, we are working on corporate initiatives to strengthen our balance sheet, including royalty monetization and strategic partnerships to both access existing commercial distribution channels and supplement costs of development.

1. TEMCELL® HS Inj. is a registered trademark of JCR Pharmaceuticals Co. Ltd.

Rexlemestrocel-L

Chronic Low Back Pain due to Degenerative Disc Disease (CLBP)

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Chronic Low Back Pain Due to Degenerative Disc Disease (CLBP) Impacts 7M+

Rexlemestrocel-L represents a potential new paradigm for the treatment of CLBP

Burden of Illness

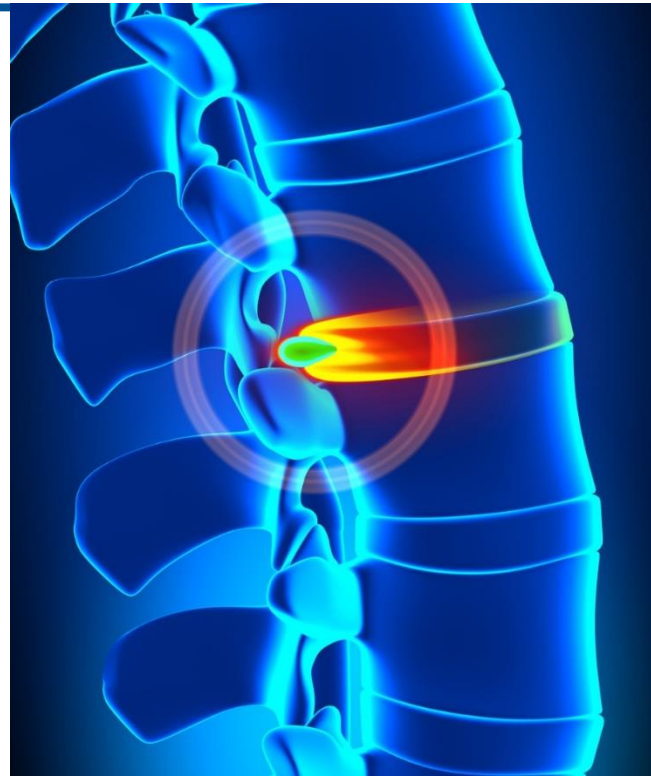
- Back pain causes more disability than any other condition[1]
- Inflicts substantial direct and indirect costs on the healthcare system,[1] including excessive use of opioids in this patient population

Treatment Options

- Minimal treatment options for patients with chronic low back pain (CLBP) who fail conservative therapy include opioids and surgery
- 50% of opioid prescriptions are for CLBP[2]
- Durable improvement in pain has potential to reduce opioid use and may prevent surgical intervention

Market Opportunity

- Over 7m patients are estimated to suffer from CLBP due to degenerative disc disease (DDD) in each of the U.S. and E.U.5 [2-4]



1. Williams, J., NG, Nawi, Pelzter, K. (2015) Risk factors and disability associated with low back pain in older adults in low-and middle-income countries. Results from the WHO Study on global ageing and adult health (SAGE). PloS One. 2015; 10(6): e0127880., 2.Decision Resources: Chronic Pain December 2015., 3. LEK & NCI opinion leader interviews, and secondary analysis., 4. Navigant: Commercial Assessment for a Proprietary Cell-Based Therapy for DDD in the U.S. and the EU3 – August 2014.

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Rexlemestrocel-L / CLBP – Program Summary

Regulatory Alignment

Gained alignment with the FDA on the appropriate pivotal Phase 3 study

Seeks to replicate the significant reduction in pain seen at 12 and 24 months in our first Phase 3 trial

Phase 3 Protocol

FDA has agreed with Mesoblast plans for mean **pain reduction at 12 months as the primary endpoint** of the pivotal trial

Functional improvement and reduction in opioid use as secondary endpoints

Product Manufacturing

Product has been manufactured for use in the pivotal Phase 3 study

Potency assays are in place for product release

Pivotal P3 Trial

RMAT designation for CLBP received from FDA this year

Start-up activities for this trial significantly advanced with investigators, trial sites & CRO

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Regenerative Medicine Advanced Therapy (RMAT) Designation Granted by FDA for Rexlemestrocel-L in the treatment of CLBP

- RMAT designation provides all the benefits of Breakthrough and Fast Track designations, including rolling review and eligibility for priority review on filing of a Biologics License Application (BLA)

- Results from the trial showed that:

  - A single injection of rexlemestrocel-L+HA into the lumbar disc resulted in significant reduction in pain compared with saline control at 12 and 24 months across all subjects (n=404)

  - Pain reduction through 36 months was seen in the subset of patients using opioids at baseline (n=168) with the rexlemestrocel-L+HA group having substantially greater reduction at all time points compared with saline controls

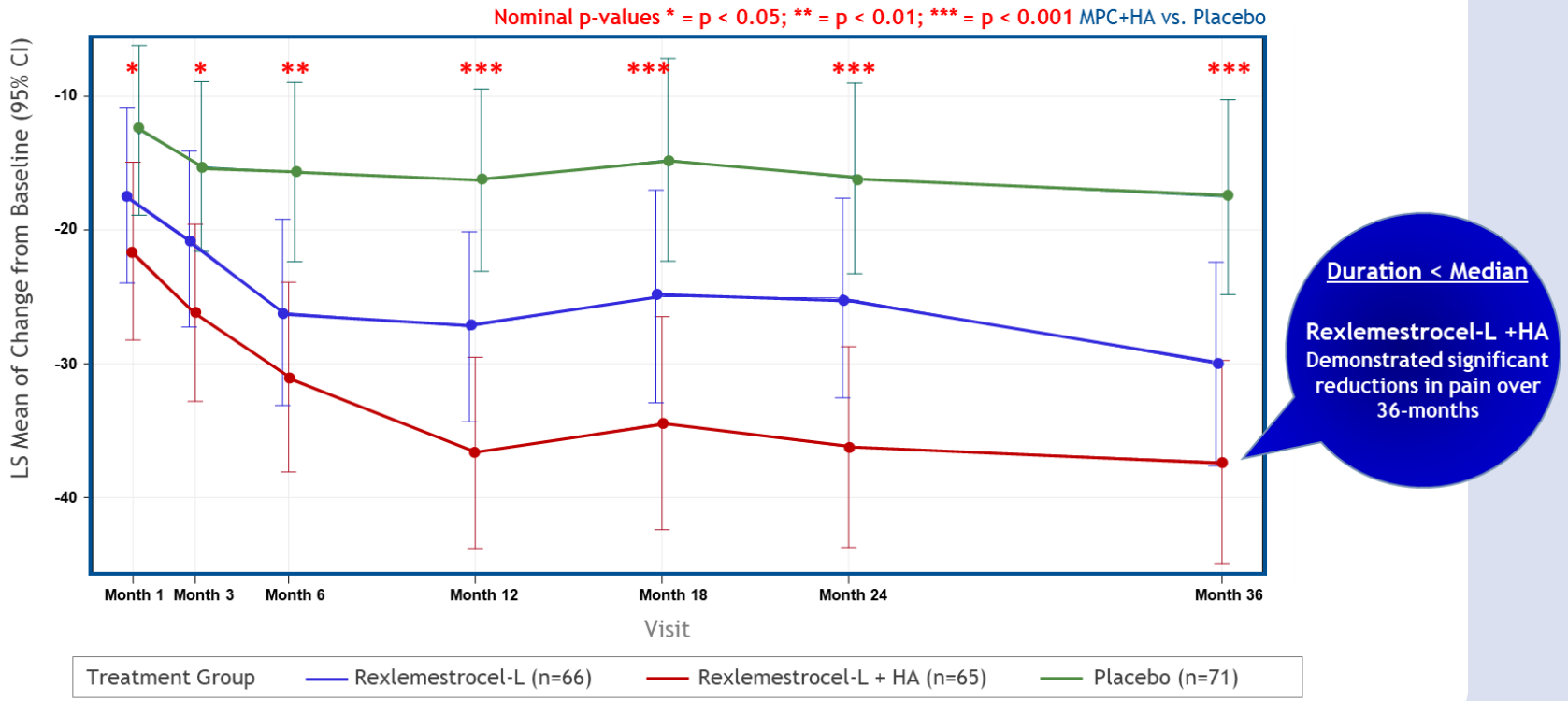
  - Among patients on opioids at baseline, despite instructions to maintain existing therapies throughout the trial, at 36 months 28% who received rexlemestrocel-L+HA were not taking an opioid compared with 8% of saline treated controls

Phase 3 Trial Outcomes based on a Single Injection of Rexlemestrocel-L + HA

Results in More than Three Years of Pain Reduction

Greatest pain reduction was observed in the pre-specified population of subjects with CLBP duration shorter than the baseline study median of 68 months (n=202) with significantly greater reduction (nominal p-value < 0.05) at all time points analyzed over 36 months compared with saline controls

LS Mean VAS Change in Low Back Pain from Baseline - Duration CLBP < 68 Month Median Baseline Duration (n=202)



VAS=Visual Analog Score; HA=Hyaluronic Acid

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Rexlemestrocel-L

Chronic Heart Failure Reduced Ejection Fraction (HFrEF)

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Rexlemestrocel-L / HFrEF - Program Summary

Defining the Regulatory Path to FDA Approval

Significant Need

Cardiovascular disease remains the leading cause of death in the US

CHF is a progressive disease with a high mortality approaching 50% at 5 years, and at least 75% after an initial hospitalization

Promising Data

Recent data from the DREAM-HF P3 trial showed improved LVEF at 12 months, preceding long-term reduction in MACE events across all treated patients

LVEF is a potential early surrogate endpoint

Targeting Inflammation

Effects on LVEF and MACE outcomes are enhanced in patients with active inflammation

Trial results from class II to end-stage HFrEF now support a MOA by which rexlemestrocel-L reverses inflammation-related endothelial dysfunction

FDA Meeting

Mesoblast plans to meet with the FDA under its RMAT designation to discuss the potential pathway to approval

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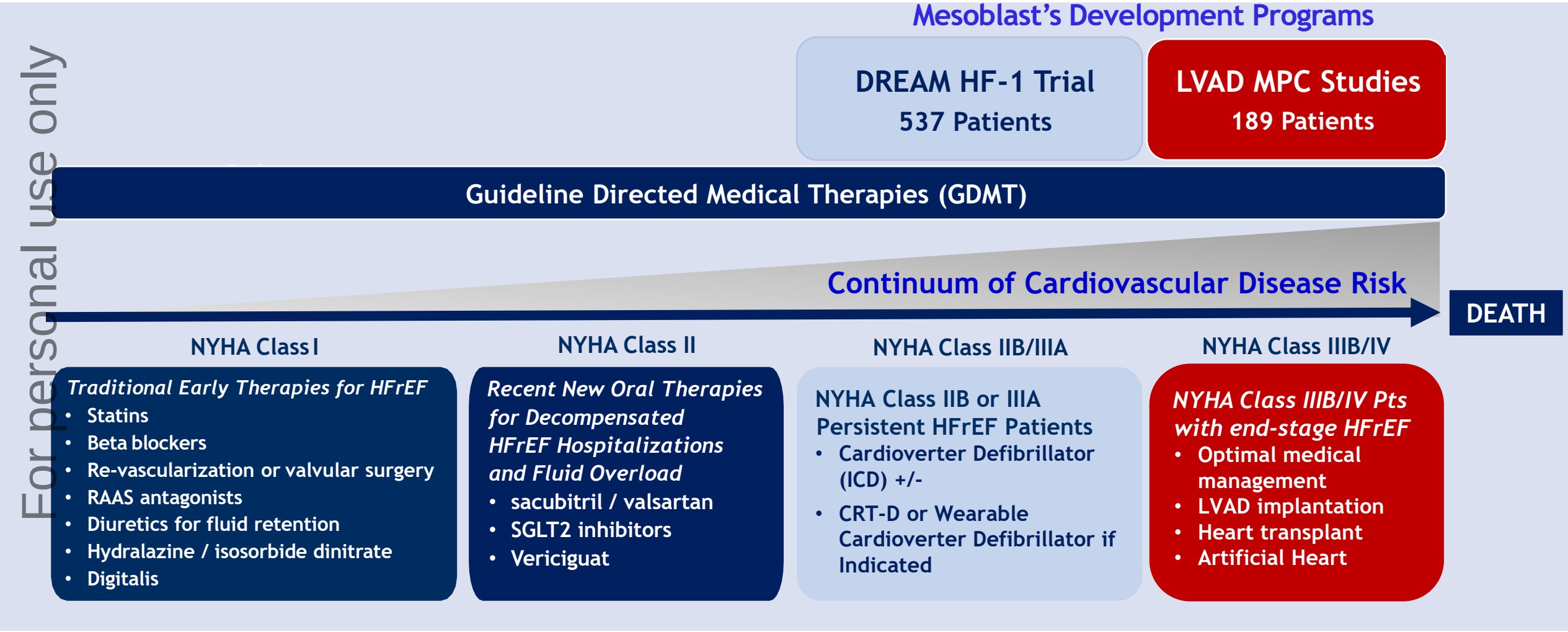
Patients Experience Progressive Vascular Dysfunction and Heart Failure

Rexlemestrocel-L has the potential to improve endothelial dysfunction in patients from Class II thru IV



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Randomized Trial of Targeted Transendocardial Mesenchymal Precursor Cell Therapy in Patients With Heart Failure

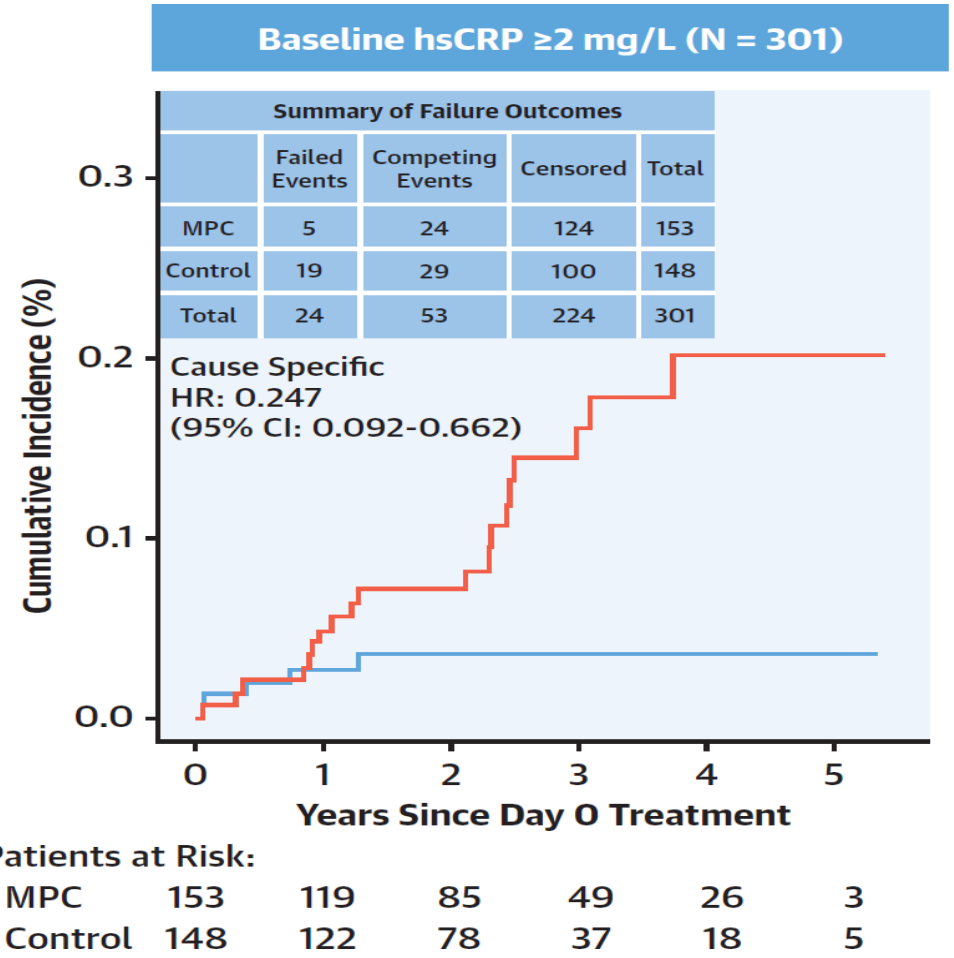
JACC JOURNALS

Perin EC, Borow KM, Henry TD, et al. Randomized Trial of Targeted Transendocardial Mesenchymal Precursor Cell Therapy in Patients With Heart Failure. Journal of the American College of Cardiology. 2023;81(9):849-863.

Randomized, double-blind, controlled, 537 patient Phase 3 trial of rexlemestrocel-L over mean follow-up of 30 months showed:

- Improved LVEF from baseline to 12 months in all patients - maximal benefit seen in patients with active inflammation
- Reduced risk of MI or stroke by 57% in all treated patients, and by 75% in patients with inflammation
- Reduced risk for time-to-first Major Adverse Cardiac Event (MACE), defined as cardiovascular death, MI or stroke, by 28% in all patients, and by 37% in patients with inflammation

FIGURE 4 Risk of Myocardial Infarction or Stroke



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Rexlemestrocel-L – Two Pivotal Studies in Chronic Heart Failure (CHF)

Mesoblast's Development Programs Assess the Impact of Intra-cardiac Administration of Rexlemestrocel-L Across the Continuum of Disease from Mild/Moderate to End-stage Severity

MPC Study Design	LVAD-MPC Study #2	DREAM-HF Trial
Treated Patients	**159**	**537**
Study Design	Prospective, randomized, Multi-center, double-blinded, single dose, sham-controlled, parallel group efficacy & safety studies of allogeneic mesenchymal precursor cells (MPCs)	
Pathologies of ↑ed Importance	LV Systolic Function, Inflammation, Mortality, Major Morbidities	
Product	Mesenchymal Precursor Cells with defined Cardiac Potency (Rexlemestrocel-L)	
Cell Preparation, Manufacturing, Central Storage and Shipping	Same facilities and vendors in both studies	
Physical Location Used for Cell Administration at the Study Site	Operating room	Cardiac catheterization laboratory
Patient Analysis Population	End-stage chronic HFrEF candidate for LVAD implant (NYHA Class IIIB or IV), ischemic or non-ischemic etiology (N=159: MPC=106, CTRL=53)	Chronic HFrEF (Late NYHA Class II or IIIA), ischemic or non-ischemic etiology (N=537: MPC=265, CTRL=272)
Cell Dose in MPC	150 million cells administered as 15-20 individual injections during a single procedure	
Route of Cell Administration	Epicardial injection	Transendocardial injection
Target of Cell Administration	Mid-wall of left ventricle	

REVASCOR As Treatment For Severe Congenital Heart Disease

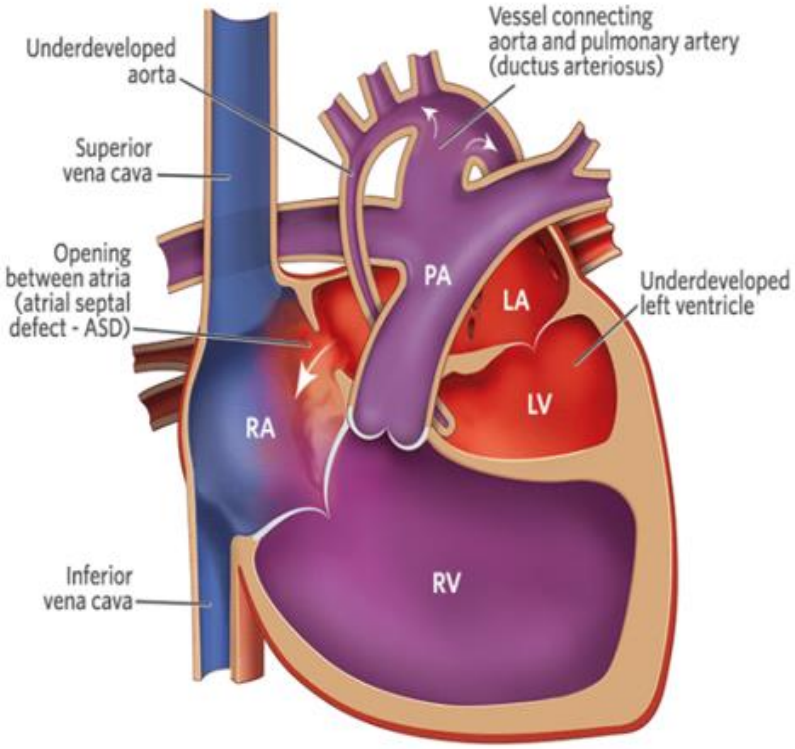
Filed with FDA For Orphan Drug And Pediatric Rare Disease Designations

- Hypoplastic left heart syndrome (HLHS) is a severe congenital heart disease in which the left side of the heart does not fully develop and effective pumping of oxygenated blood by the left ventricle to the rest of the body is reduced.

- Without immediate surgery after birth, the prognosis is dismal with HLHS overall being responsible for 25% to 40% of all neonatal cardiac mortality.[1]

- In the longer term, surgery that creates a two-ventricle series circulation with the left ventricle (LV) pumping blood to the body and the right ventricle pumping blood to the lungs is the ideal anatomic repair. Unfortunately, achievement of this objective is limited by the inability in most patients for the left ventricle to grow sufficiently to support the circulation to the body.

Anatomy of hypoplastic left heart syndrome



- REVASCOR has multiple mechanisms-of-action that may be beneficial to children with HLHS including neovascularization, anti-fibrosis, anti-apoptosis, immunomodulation, reduction in inflammation, and reversal of endothelial dysfunction.

1. Kritzmire, S. M, et al. (2022). Hypoplastic left heart syndrome. https://www.ncbi.nlm.nih.gov/books/NBK554576/#

REVASCOR As Treatment For Severe Congenital Heart Disease

Filed with FDA For Orphan Drug And Pediatric Rare Disease Designations

- In the HLHS randomized controlled single-center US trial in 19 patients, a single intramyocardial administration of REVASCOR at the time of staged surgery resulted in significantly increased LV systolic and diastolic volumes over 12 months compared with control.[1]
- These changes are indicative of clinically important growth of the small left ventricle that can help facilitate a subsequent surgical correction allowing for a normal two ventricle circulation.
- Improvement in left ventricular functional outcomes with REVASCOR may encourage more widespread use of surgical procedures to create a functioning left ventricle in children with HLHS resulting in reduction in long-term morbidity and mortality compared with other medical and/or surgical approaches.
- An orphan drug designation (ODD) qualifies sponsors for incentives including tax credits for qualified clinical trials, exemption from user fees, and the potential for seven years of market exclusivity after approval.
- A rare pediatric disease designation (RPDD) demonstrates that the disease is serious or life-threatening and the manifestations primarily affect individuals aged from birth to 18 years, including age groups often called neonates, infants, children, and adolescents, and that the disease is a rare disease or condition.

1. Wittenberg RE, Gauvreau K, Leighton J, Moleon-Shea M, Borow KM, Marx GR, Emani SM, Prospective randomized controlled trial of the safety and feasibility of a novel mesenchymal precursor cell therapy in hypoplastic left heart syndrome, JTCVS Open (2023), doi: https://doi.org/10.1016/j.xjon.2023.09.031.

Remestemcel-L

Steroid-Refractory Acute Graft Versus Host Disease (SR-aGVHD)

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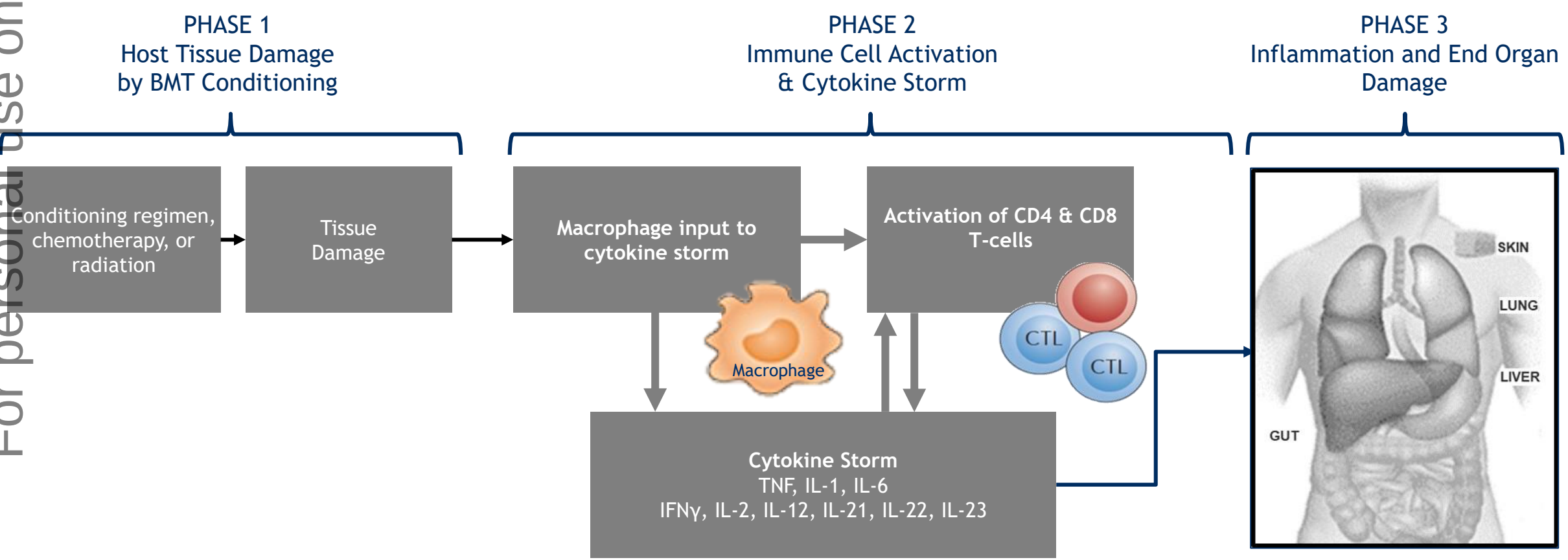
Acute Graft Versus Host Disease (aGVHD)

Serious and Fatal Complication of Allogeneic Bone Marrow Transplantation (BMT)



Modified from Blazar et al., Nature Reviews Immunology 12: 443 - 458

Remestemcel-L: Steroid-Refractory Acute Graft Versus Host Disease (SR-aGVHD)

SR-aGVHD is associated with mortality rates as high as 90%

Treatment Options

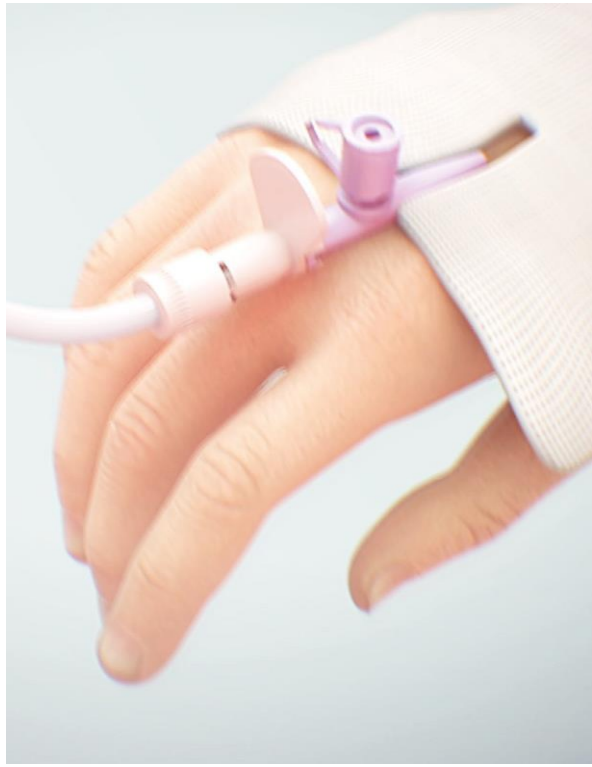
- Corticosteroids are first-line therapy for aGVHD
- There is only one approved treatment for disease refractory to steroids and no approved treatment in the US for children under 12 years old
- In Japan, Mesoblast's licensee received the first product approval for SR-aGVHD in both children and adults

Burden of Illness

- Acute GVHD is a life-threatening complication that occurs in ~50% of patients receiving allogeneic bone marrow transplants (BMTs)[1]
- Acute GVHD primarily affects skin, GI tract, and liver
- Steroid-refractory aGVHD is associated with mortality rates as high as 90%[1,4] and significant extended hospital stay costs[2]

Market Opportunity

- More than 30,000 allogeneic BMTs performed globally (>20K US/EU) annually, ~20% pediatric[2,3]
- Approx. 9,000 -10,000 allogeneic BMTs performed in the US annually
- Approx. 1,500 allogenic BMTs are in children and adolescents in US[3]



1. Westin, J., Saliba, RM., Lima, M. (2011) Steroid-refractory acute GVHD: predictors and outcomes. Advances in Hematology. 2. Niederwieser D, Baldomero H, Szer J. (2016) Hematopoietic stem cell transplantation activity worldwide in 2012 and a SWOT analysis of the Worldwide Network for Blood and Marrow Transplantation Group including the global survey. 3. HRSA Transplant Activity Report, CIBMTR, 2020 4. Axt L, Naumann A, Toennies J (2019) Retrospective single center analysis of outcome, risk factors and therapy in steroid refractory graft-versus-host disease after allogeneic hematopoietic cell transplantation. Bone Marrow Transplantation.

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Remestemcel-L for Children with SR-aGVHD

Improved Early Survival Across Three Studies involving more than 300 Treated Children

Day 100 Survival			
Remestemcel-L Protocol	**Remestemcel-L**	**Matched Controls**	**Matched Control Protocol**
First Line Therapy after Steroids Treatment Setting			
Pediatric Subset of Protocol 280: randomized controlled P3, n=27 w/SR-aGVHD	79%	54%	Study Control Arm (n=13)
Study 001, open-label P3, n=54[1] with 89% Grade C/D disease	74%	57%	**MAGIC[2] cohort**, n=30[3] propensity-controlled subset
Salvage Therapy Treatment Setting			
Expanded Access Protocol (EAP275), n=241	66%	na	
EAP275, n=51 Grade D subset	51%	31%	**CIBMTR dbase**, n=327[4] propensity controlled subset

1. GVHD001 had 55 randomized patients, however one patient dropped out before receiving any dose of remestemcel-L; 2. Mount Sinai Acute GVHD International Consortium (MAGIC) - a group of ten BMT centers throughout the US and Europe whose purpose is to conduct ground-breaking clinical trials in GVHD, including developing informative biorepositories that assist in developing treatments that can guide GVHD therapy; 3. Two subjects in the MAGIC cohort had follow-up <100 days; these subjects are excluded from the respective survival analyses; 4. Data on file

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Extended Survival Data in Children with SR-aGVHD

Remestemcel-L Treatment Resulted in Durable Survival Over 4 Years

Survival Outcomes in Pediatric & Adult SR-aGVHD

(Remestemcel-L data from the Center for International Blood and Marrow Transplant Research (CIBMTR) dbase)

Study	GVHD001	MacMillan et al[1]	Rashidi et al[2]	REACH2[3]	REACH2[3]	REACH1[4]
Treatment	Remestemcel-L	BAT[5]	BAT[5]	BAT[5]	Ruxolitinib	Ruxolitinib
N=	51	128	203	155	154	71
Subjects	Children	Children	Adults	Adults	Adults	Adults
aGVHD Grade	88% Grade C/D	22% Grade 3/4	54% Grade 3/4	63% Grade 3/4	63% Grade 3/4	68% Grade 3/4
Year 1 Survival	63%	40%	--	44%	49%	43%
Year 2 Survival	51%	35%	25%	36%	38%	--
Year 3 Survival	49%					
Year 4 Survival	49%					

1. MacMillan ML et al. Pediatric acute GVHD: clinical phenotype and response to upfront steroids. Bone Marrow Transplant 2020; 55(1): 165-171.
2. Rashidi A et al. Outcomes and predictors of response in steroid-refractory acute graft-versus-host disease: single-center results from a cohort of 203 patients. Biol Blood Bone Marrow Transplant 2019; 25(11):2297-2302.
3. Zeiser R et al. Ruxolitinib for Glucocorticoid-Refractory Acute Graft-versus-Host Disease. N Engl J Med 2020;382:1800-10.
4. Jagasia M et al. Ruxolitinib for the treatment of steroid-refractory acute GVHD (REACH1): a multicenter, open-label phase 2 trial. Blood. 2020 May 14; 135(20): 1739–1749
5. BAT = Best Available Treatment.

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Pathway to Approval for RYONCIL in Pediatric Patients with SR-aGVHD

- During the Biologics License Application (BLA) review we made substantial progress towards bringing this cutting-edge product to market with a completed FDA inspection of our manufacturing process.
- In August the FDA provided a complete response requiring Mesoblast to provide additional potency assay data confirming that product used in the Phase 3 trial is similar to product intended for commercial release, as measured by a standardized potency assay.
- At the Type A meeting in September, Mesoblast presented clinical data indicating that treatment with the improved RYONCIL product version of remestemcel-L, manufactured using the current process inspected by FDA, resulted in consistently high survival rates in children with SR-aGVHD.
- Similarly high survival rates were seen whether using product made for the Phase 3 clinical trial MSB-GVHD001 between 2015-2018 or made with the validated manufacturing process proposed for commercial release and used under Emergency Investigational New Drug (EIND) protocol through 2023.
- Mesoblast believes that the totality of these clinical studies, together with additional potency assay data currently being generated using the IL-2R alpha inhibition potency assay in place during the pediatric Phase 3 trial, will both support approval for the pediatric indication and provide a link between the RYONCIL product that was used in the pediatric Phase 3 trial and available commercial inventory.

RYONCIL for Adults with SR-aGVHD

- Commercial strategy is to progress to adults who have failed steroids and a first-line agent, including ruxolitinib
- Market opportunity approximately five times larger than pediatric
- Approximately 45% of ruxolitinib patients are non-responders [1]
- Survival in adults with SR-aGVHD who have failed at least one additional agent, such as ruxolitinib, is 20-30% by 100 days [1,2]
- In contrast, 100-day survival was 63% after remestemcel-L treatment was used under compassionate care in 71 patients aged 12 and older with SR-aGVHD who failed to respond to at least one additional agent, such as ruxolitinib
- In its September 2023 draft guidance to industry for development of agents to treat aGVHD, the FDA stated that a marketing application in a population with refractory aGVHD where there are no approved therapies might be supported by positive results from a single-arm trial.[3]
- The Blood and Marrow Transplant Clinical Trials Network (BMT CTN), a body responsible for approximately 80% of all US transplants, is expected to conduct the pivotal trial of RYONCIL in this adult population at a fraction of the cost of a traditional contract research organization (CRO)

1. Jagasia M et al. Ruxolitinib for the treatment of steroid-refractory acute GVHD (REACH1): a multicenter, open-label phase 2 trial. Blood. 2020 May 14; 135(20): 1739-1749
2. Abedin S, et al. Ruxolitinib resistance or intolerance in steroid-refractory acute graft versus-host disease — a real-world outcomes analysis. British Journal of Haematology, 2021;195:429-43.
3. US FDA. Graft-versus-Host Diseases: Developing Drugs, Biological Products, and Certain Devices for Prevention or Treatment Guidance for Industry. Draft Guidance. Sep 2023

Key Risk Factors

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Key Risks (1 of 5)

Risk type	Outline
FINANCIAL POSITION AND CAPITAL REQUIREMENTS	The Company has incurred operating losses since its inception and anticipates that it will continue to incur substantial operating losses for the foreseeable future. It is currently unclear whether the Company will ever achieve or sustain profitability. The Company has incurred net losses during most of its fiscal periods since inception. The Company's net loss for the year ended June 30, 2023 was $81.9 million. As of June 30, 2023, the Company has an accumulated deficit of $820.8 million since inception. Losses have resulted principally from costs incurred in clinical development and manufacturing activities. These risks may arise or be exacerbated as a result of the following: ▪ the Company has never generated revenue from product sales; ▪ the Company's ability to generate future revenues from product sales depends heavily on completing research, preclinical and clinical development, seeking and obtaining regulatory and marketing approvals for product candidates, seeking and obtaining regulatory and marketing approvals for product candidates, seeking and obtaining regulatory and marketing approvals for product candidates and obtaining and sustaining an adequate level of reimbursement from payors; ▪ substantial additional financing (in addition to the funds proposed to be raised under the Offer and irrespective of the degree of take up of the offer), is required and failure to obtain the necessary capital or establish and maintain strategic partnerships to provide funding support could force the Company to delay, limit, reduce or terminate product development or commercialization efforts. The Company may seek to raise further funds through financing, strategic partnerships, royalty monetization, product specific financing or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of operations and further development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company; ▪ the terms of loan facilities with funds associated with Oaktree Capital Management, L.P. and NovaQuest Capital Management, L.L.C. restrict operations; ▪ risks associated with currency fluctuations, and changes in foreign currency exchange rates. Specifically, as Shares offered under the Entitlement Offer will have an application price denominated in Australian dollars, whereas the Company's functional currency for reporting purposes is denominated in US dollars, fluctuations in the conversion rate between these two currencies may materially affect the total amount (denominated in US dollars) raised by the Company, particularly where the value of the Australian dollar depreciates against the US dollar, which would depress the total funds raised; ▪ unfavourable global economic or political conditions which adversely affect business, financial condition or results of operations; ▪ potential failure to demonstrate safety and efficacy to the satisfaction of applicable regulatory agencies; ▪ substantial delays in clinical studies; ▪ difficulties enrolling patients in clinical trials causing product candidate development delay; ▪ difficulties associated with running multinational clinical trials, and collaborating with foreign medical institutions and healthcare providers; ▪ potential burden of complying with a variety of foreign laws, medical standards and regulatory requirements, including the regulation of pharmaceutical and biotechnology products and treatments, and anti-corruption/anti-bribery laws; ▪ the requirements to obtain regulatory approval of the FDA and regulators in other jurisdictions can be costly, time-consuming and unpredictable; ▪ ethical and other concerns surrounding the use of embryonic stem cell-based therapy may negatively affect regulatory approval or public perception of non-embryonic stem cell product candidates, which could reduce demand for products or depress share price ▪ orphan drug designation may not ensure benefit from market exclusivity in a particular market; and ▪ failure to obtain or maintain orphan drug designation or other regulatory exclusivity for some of product candidates may harm competitive position.

Key Risks (2 of 5)

Risk type	Outline
COLLABORATORS	The Company relies heavily on third parties (e.g. pharmaceutical companies) (**collaborators**) to develop and/or commercialise the Company's current and future product candidates. The failure of collaborators to carry out their contractual duties, meet expected deadlines, or comply with regulatory requirements may lead to the Company not being able to meet expected deadlines, or comply with regulatory requirements. This may result in the Company failing to obtain regulatory approval for, or commercialize, product candidates in a timely and cost-effective manner. The Company's ability to successfully collaborate with any existing or future collaborators may be impaired by multiple factors including the following: ▪ a collaborator may shift its priorities and resources away from programs due to a change in business strategies, or a merger, acquisition, sale or downsizing of its company or business unit; ▪ a collaborator may cease development in therapeutic areas which are the subject of strategic alliances; ▪ a collaborator may change the success criteria for a particular program or product candidate thereby delaying or ceasing development of such program or candidate; ▪ a significant delay in initiation of certain development activities by a collaborator will also delay payments tied to such activities, thereby impacting ability to fund activities; ▪ a collaborator could develop a product that competes, either directly or indirectly, with current or future products, if any; ▪ a collaborator with commercialization obligations may not commit sufficient financial or human resources to the marketing, distribution or sale of a product; ▪ a collaborator with manufacturing responsibilities may encounter regulatory, resource or quality issues and be unable to meet demand requirements; ▪ a collaborator may exercise its rights under its agreement to terminate collaboration; ▪ a dispute may arise between us and a collaborator concerning the research or development of a product candidate or commercialization of a product resulting in a delay in milestones, royalty payments or termination of a program and possibly resulting in costly litigation or arbitration which may divert management attention and resources; ▪ the results of clinical trials may not match collaborators' expectations, even if statistically significant; ▪ a collaborator may not adequately protect or enforce the intellectual property rights associated with a product or product candidate; and ▪ a collaborator may use proprietary information or intellectual property in such a way as to invite litigation from a third party.

Key Risks (3 of 5)

Risk type	Outline
MANUFACTURING RISK	The Company has no experience manufacturing its product candidates at a commercial scale. It may not be able to manufacture product candidates in quantities sufficient for development and commercialization if the product candidates are approved, or for any future commercial demand for product candidates. The Company relies on Lonza Singapore to manufacture its mesenchymal lineage cell product candidates. The associated risks include that Lonza may: ▪ cease or reduce production or deliveries, raise prices or renegotiate terms; ▪ delay or be unable to procure or expand sufficient manufacturing capacity, which may harm reputation or frustrate customers; ▪ lack capacity sufficient to support the scale-up of manufacturing for product candidates; ▪ experience carrier disruptions or increased costs that it will pass on to the Company; ▪ fail to secure adequate supplies of essential ingredients in the manufacturing process; or ▪ appropriate or misuse trade secrets and other proprietary information. These events may lead to delays in the development of product candidates, including delays in clinical trials, or failure to obtain regulatory approval for product candidates, or it could impact ability to successfully commercialize current product candidates or any future products.
SUPPLY CHAIN RISK	The following factors present a risk to the Company's supply chain efficiency: • the Company and its collaborators depend on a limited number of suppliers for product candidates' materials, equipment or supplies and components required to manufacture product candidates; • the loss of these suppliers, or their failure to provide quality supplies on a timely basis, could cause delays in current and future capacity; • the Company and its collaborators are subject to significant regulation with respect to manufacturing product candidates. The Lonza manufacturing facilities on which we rely may not continue to meet regulatory requirements or may not be able to meet supply demands; • the Company relies on third parties to perform many necessary services for the commercialization of product candidates, including services related to the distribution, storage and transportation of products; • product recalls or inventory losses caused by unforeseen events may adversely affect operating results and financial condition; and • global events, including geopolitical disruption and climate events, may adversely impact the supply chain, as well as the manufacturing and commercialization of remestemcel-L and other product candidates. Cybersecurity events may also disrupt supply chain, research and development activities.

Key Risks (4 of 5)

Risk type	Outline
COMMERCIALISATION RISK	Future commercial success depends upon attaining significant market acceptance of product candidates, if approved, among physicians, patients and healthcare payors. The market acceptance of each of product candidates is volatile and depends upon the following factors, each posing a potential risk: ▪ the efficacy and safety of the product candidate, as demonstrated in clinical trials; ▪ the clinical indications for which the product is approved, and the label approved by regulatory authorities for use with the product, including any warnings or contraindications that may be required on the label; ▪ acceptance by physicians, patients, and with paediatric indications by parents/caregivers of the product as a safe and effective treatment; ▪ the cost, safety and efficacy of treatment in relation to alternative treatments; ▪ the continued projected growth of markets for various indications; ▪ relative convenience and ease of administration; ▪ the prevalence and severity of adverse side effects; ▪ the effectiveness of the Company's and its collaborators' sales and marketing efforts; and ▪ sufficient third-party insurance and other payor (e.g., governmental) coverage and reimbursement. The Company also faces substantial competition, which may result in other entities discovering, developing or commercialising products before, or more successfully, than the Company. Further, due to the novel nature of cell therapy and the potential for product candidates to offer therapeutic benefit in a single administration, the Company faces uncertainty related to pricing and reimbursement for these product candidates.
INTELLECTUAL PROPERTY RISK	The success of future product sales will depend in part on the Company's ability to obtain patents, protect its trade secrets, and operate its business without infringing on the proprietary rights of others. Risks associated with the Company's intellectual property include the following: • the patent positions of biopharmaceutical products are complex and uncertain; • current patent applications may not be successful and issued or granted patents may later be found to be invalid or unenforceable, be interpreted in a manner that does not adequately protect current product or any future products, or fail to otherwise provide us with any competitive advantage. Accordingly, the Company is unable to precisely identify the degree of future protection that it will have over proprietary products and technology; • the potential financial and reputational costs associated with intellectual property litigation, and the risk that because of the substantial amount of discovery required in connection with intellectual property litigation, the Company's confidential and proprietary information could be compromised; and • failure to obtain patent term extension in the United States under the Hatch-Waxman Act and in foreign countries under similar legislation, thereby potentially extending the term of marketing exclusivity of product candidates, may materially harm the long-term commercial viability of products.

Key Risks (5 of 5)

Risk type	Outline
INDUSTRY RISK	The Company conducts operations in multiple tax jurisdictions. The laws of those jurisdictions generally require that the transfer pricing between affiliated companies in different jurisdictions be the same as those between unrelated companies dealing at arms' length. The following industry factors may pose risk to the Company: ▪ taxing authorities may reallocate taxable income within subsidiaries, which could increase consolidated tax liability; and ▪ the pharmaceutical industry is highly regulated and pharmaceutical companies are subject to various federal and state fraud and abuse laws;
TRADING MARKET RISK	The market price and trading volume of the Company's ordinary shares and American Depository Shares (**ADSs**) may be volatile and may be affected by economic conditions beyond the Company's control. Such volatility may lead to securities litigation. The trading volume of ordinary shares and ADSs may fluctuate and cause significant price variations to occur. The Company can therefore not provide assurance that the market price of ordinary shares and ADSs will not fluctuate or significantly decline in the future. Specific factors that could negatively affect the price of ordinary shares and ADSs or result in fluctuations in their price and trading volume include: ▪ results of clinical trials of product candidates; ▪ results of clinical trials of competitors' products; ▪ regulatory actions with respect to products or competitors' products; ▪ actual or anticipated fluctuations in quarterly operating results or those of competitors; ▪ publication of research reports in the industry; ▪ the passage of legislation or other regulatory developments affecting us or the industry; ▪ failure or the failure of competitors to meet analysts' projections or guidance that we or competitors may give to the market; ▪ issuances by us of debt or equity securities; ▪ strategic decisions by us or competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy; ▪ fluctuations in the valuation of companies perceived by investors; ▪ changes in trading volume of ADSs on the Nasdaq and of ordinary shares on the ASX; ▪ announcement or expectation of additional financing efforts; ▪ changes in market conditions for biopharmaceutical companies; and ▪ conditions in the U.S. or Australian financial markets or changes in general economic conditions.
OWNERSHIP OF ADSs	As a foreign private issuer, the Company is permitted and expected to follow certain home country corporate governance practices in lieu of certain Nasdaq requirements applicable to domestic issuers and we are permitted to file less information with the US Securities and Exchange Commission than a company that is not a foreign private issuer. This may afford less protection to holders of ADSs. The following risks are also relevant in relation to the ownership of ADSs: ▪ ADS holders may be subject to additional risks related to holding ADSs rather than ordinary shares; ▪ If the Company becomes classified as a passive foreign investment company, the Company's U.S. security holders may suffer adverse tax consequences; ▪ Changes in foreign currency exchange rates could impact amounts received as a result of any dividend or distribution the Company declares on ordinary shares; and ▪ U.S. investors may have difficulty enforcing civil liabilities against the Company.

Foreign Selling Restrictions

mesoblast

International Offer Restrictions

Bahamas

This document has not been, and will not be, registered as a preliminary prospectus or a prospectus under the Securities Industry Act, 2011 of the Commonwealth of The Bahamas.

The information in this document is intended solely for the designated recipient. It is not an offer to the public. No distribution of this information to anyone other than the designated recipient is intended or authorized.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

International Offer Restrictions

Liechtenstein

This document has not been, and will not be, registered with or approved by the Financial Market Authority of Liechtenstein. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Liechtenstein except in circumstances that do not require a prospectus under the Prospectus Regulation Implementation Act of Liechtenstein.

Accordingly, an offer of New Shares in Liechtenstein is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union).

Luxembourg

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Luxembourg or in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in Luxembourg is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the Offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

International Offer Restrictions

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

International Offer Restrictions

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Thank You

Additional information

This Retail Offer Booklet (including the ASX announcements and Investor Presentation in relation to the Retail Entitlement Offer reproduced in it) has been prepared by MSB.

This Retail Offer Booklet should be read in conjunction with MSB's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

No party other than MSB has authorised or caused the issue of the information in this Retail Offer Booklet, nor takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet.

3. Capital structure

3.1 Effect of the Entitlement Offer on capital structure

The approximate capital structure of MSB will be as follows:

Shares	Number
Shares on issue as at 8 December 2023	814,204,825
Shares issued under the Placement and Institutional Entitlement Offer	183,259,861
Maximum number of New Shares offered under the Retail Entitlement Offer	140,147,065
Total New Shares to be issued under the Entitlement Offer (assuming full take up) and Placement	323,406,926
Total number of Shares on issue on close of the Entitlement Offer (assuming full take up) and Placement	1,137,611,751

Note: The exact number of Shares issued under the Entitlement Offer will also depend on a reconciliation process and fractional Entitlements on the Record Date.

3.2 Financial effect of the Entitlement Offer

A pro forma balance sheet of MSB as at 30 June 2023 is set out in the Investor Presentation included in this Retail Offer Booklet. This has been prepared based on the Company's audited 30 June 2023 balance sheet and the accounting policies normally adopted by MSB and reflect the changes to its financial position. The Entitlement Offer and Placement adjustments are shown for illustrative purposes only.

The pro forma balance sheet has been prepared to provide investors with information on the assets and liabilities of MSB and pro forma assets and liabilities of MSB as noted below. The historical and pro forma financial information is presented in abbreviated form, insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

3.3 Impact on control

The potential effect the Entitlement Offer will have on the control of MSB is as follows:

(a) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no effect on the control of MSB;

(b) if some Eligible Shareholders do not take up all of their entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders will be diluted; and

(c) the proportional interests of Shareholders who are not Eligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer, having regard to:

  (i) the composition of Mesoblast's share register; and

  (ii) the terms of the Entitlement Offer,

on the basis that their notional entitlements are allocated to eligible institutional investors or to eligible retail shareholders participating in the Top-Up Facility.

Mesoblast does not believe that any person will increase their voting power in Mesoblast pursuant to the Entitlement Offer in a way that will have any material impact on the control of Mesoblast. In particular, no person presently has a relevant interest in more than 20% of Shares, and no person is expected to have a more than 20% relevant interest in Shares immediately following the Entitlement Offer.

3.4 Founder and CEO Commitment

Chief Executive Officer, Dr Silviu Itescu has committed to taking up a majority of his Entitlement in the Institutional Entitlement Offer.

4. New Zealand Shareholders

New Zealand Shareholders should also consider the taxation and currency risks associated with investing in New Shares.

5. Not a prospectus

The Retail Entitlement Offer to which the information in this Retail Offer Booklet relates complies with the requirements of section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*. The information in this Retail Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

The information in this Retail Offer Booklet does not purport to contain all the information that you may require to evaluate a possible Application for New Shares or Additional New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with MSB's other periodic statements and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial objectives and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of the Shares, the subject of the Retail Entitlement Offer.

If, after reading this Retail Offer Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, solicitor, tax adviser or other independent professional adviser. You should obtain any professional advice you require to evaluate the merits and risks of an investment in MSB before making any investment decision based on your investment objectives.

6. Foreign jurisdictions

The information in this Retail Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, and no action has been taken to register the New Shares or otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia except to the extent permitted below. Return of the personalised Entitlement and Acceptance Form or your BPAY® payment will be taken by MSB to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Retail Offer Booklet outside Australia may be restricted by law. In particular this Retail Offer Booklet or any copy of it must not be taken into or distributed or released to any person in the United States or any other jurisdiction outside Australia or New Zealand. If you come into possession of this Retail Offer Booklet, you must observe such restrictions.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

7. Taxation

7.1 General

Taxation is only one of the matters that must be considered when making a decision in relation to participating in the Entitlement Offer.

Set out below is a broad summary of the Australian tax implications of the Entitlement Offer for Eligible Retail Shareholders who hold their Shares on capital account.

This Section does not consider the Australian tax consequences for particular types of Eligible Retail Shareholders, including those who:

(a) hold their Shares as revenue assets or trading stock (which will generally be the case for banks, insurance companies or entities that carry on a business of share trading), or are subject to the taxation of financial arrangements (**TOFA**) rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) or the investment manager regime (**IMR**) in Subdivision 842-I of the ITAA 1997;

(b) acquired their Shares in respect of which their Entitlements are issued under an employee share scheme or acquired their New Shares or Additional New Shares pursuant to an employee share scheme; or

(c) may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents for tax purposes.

The summary below is based on the law in effect in Australia as at the date of this Retail Offer Booklet, is general in nature and should not be relied on by Eligible Retail Shareholders as tax advice. It does not purport to be a complete analysis of the potential tax consequences of participation in the Retail Entitlement Offer and is intended as a general guide on the Australian income tax, GST and stamp duty implications. Eligible Retail Shareholders should seek specific and independent advice from an appropriate professional advisor in relation to the tax implications of the Retail Entitlement Offer based on their own particular circumstances.

Investors tax resident in New Zealand in particular should seek specific, independent advice on New Zealand tax implications.

7.2 Income tax

Issue of Entitlements

Subject to the qualifications noted above and assuming that the Eligible Retail Shareholder continues to hold their Shares until the issue of the Entitlements, the market value of the Entitlements issued should be non-assessable non-exempt income and issuance should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder. This is on the basis that the Entitlements should satisfy the conditions in section 59-40 of the ITAA 1997.

Exercise of Entitlements

Eligible Retail Shareholders who take up their Entitlements and subscribe for New Shares (under the Entitlement Offer) or Additional New Shares (under the Top-Up Facility) should acquire those Shares with a cost base for CGT purposes which includes the Issue Price payable by them for those Shares plus certain non-deductible incidental costs they incur in acquiring those Shares. Eligible Retail Shareholders should not make any capital gain or loss, or derive assessable income, from exercising their Entitlements.

Lapse of Entitlements

On the basis that no proceeds will be received by Eligible Retail Shareholders who allow their Entitlements to lapse in whole or in part, no amount should be included in the assessable income of any Eligible Retail Shareholders in relation to the lapsing of their Entitlements.

7.3 New Shares and Additional New Shares

Taxation of income for Eligible Retail Shareholders

Australian tax residents

Dividends in respect of New Shares or Additional New Shares will generally be included in the assessable income of an Eligible Retail Shareholder in the income year in which the dividends are paid and subject to Australian income tax at the Eligible Retail Shareholder's marginal tax rate.

Where the Eligible Retail Shareholder is a 'qualified person' and the dividends are franked, the Eligible Retail Shareholder must include the franking credits attached to the dividends in its assessable income. Subject to being a 'qualified person', the Eligible Retail Shareholder should also be entitled to a franking tax offset equal to those franking credits, which reduces the tax payable on the Eligible Retail Shareholder's taxable income.

Where the franking tax offset exceeds the tax payable on the Eligible Retail Shareholder's taxable income and such Eligible Retail Shareholder is:

(a) an individual or complying superannuation entity – the Eligible Retail Shareholder should be entitled to a refund of the excess franking tax offsets;

(b) a corporate tax entity – the excess franking tax offsets may be converted and carried forward to future income years as tax losses (provided that certain tax loss utilisation tests are satisfied); or

(c) a trust – the treatment of the excess franking tax offsets will depend upon the identity of the person liable to tax on the trust's net income and the tax status of the trust.

Broadly, an Eligible Retail Shareholder is a 'qualified person' if the Eligible Retail Shareholder:

(a) is an individual and would obtain total franking tax offsets of no more than A$5,000 in the income year in which the dividend was paid; or

(b) satisfies both of the following:

(i) holds the New Shares or Additional New Shares for a continuous period which includes at least 45 days 'at risk' during the period commencing the day after the Eligible Retail Shareholder acquires the New Shares or Additional New Shares and ending on the 45th day after the New Shares or Additional New Shares become ex-dividend (but excluding the day of any disposal).

This 'holding period rule' generally only needs to be satisfied once for the New Shares or Additional New Shares.

(ii) broadly, where the benefit of the dividends is passed on to other parties via related payments, holds the New Shares or Additional New Shares for a continuous period of at least 45 days at risk during the period commencing the 45th day before the New Shares or Additional New Shares become ex-dividend and ending on the 45th day after the New Shares or Additional New Shares become ex-dividend.

This 'related payments' rule needs to be satisfied in respect of each New Share or Additional New Share dividend to which it applies.

The 'qualified person' provisions are complex and Eligible Retail Shareholders should obtain separate advice on these provisions based on their particular circumstances.

Foreign tax residents

Foreign tax resident Eligible Retail Shareholders will not be subject to Australian tax on fully franked dividends. The unfranked portion of any dividend paid to them will generally be subject to Australian dividend withholding tax at a rate of 30%, but this may be reduced by the operation of a double tax agreement between Australian and the jurisdiction of their tax residence.

Taxation of disposals for Eligible Retail Shareholders

Australian tax residents

The disposal of New Shares and Additional New Shares will give rise to a CGT event for Eligible Retail Shareholders. Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the Eligible Retail Shareholder's cost base or less than the Eligible Retail Shareholder's reduced cost base in the New Shares or Additional New Shares.

The cost base of those New Shares or Additional New Shares is described above and could also include non-deductible incidental costs on disposal and certain other non-deductible holding costs.

If an Eligible Retail Shareholder makes a capital loss, the Eligible Retail Shareholder can only use that capital loss to reduce other capital gains (i.e. the capital loss cannot be used to reduce other assessable income). Unused capital losses may be carried forward for use in future income years, provided certain tax loss recoupment tests are satisfied. The capital loss cannot be carried back to offset a prior year net capital gain. Trusts are not subject to tax loss recoupment rules in relation to carry forward net capital losses.

If an Eligible Retail Shareholder makes a capital gain, the Eligible Retail Shareholder may benefit from the CGT discount available to individuals, trusts and complying superannuation funds in respect of a disposal of the New Shares or Additional New Shares. The CGT discount factor is 50% for individuals and trusts and 33$^{1}/_{3}$% for complying superannuation funds.

In order to benefit from the CGT discount, the relevant New Shares or Additional New Shares must have been held for at least 12 months before the earlier of the entry into a contract for the sale of the relevant New Shares or Additional New Shares or disposal of the relevant New Shares or Additional New Shares.

New Shares should be treated for the purposes of the CGT rules as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. Additional New Shares should be treated for the purposes of the CGT rules as having been acquired when MSB issues or allots those Additional New Shares. Any current year or carry forward capital losses of the Eligible Shareholder can only be applied to reduce the capital gain prior to the application of any applicable CGT discount.

In relation to trusts, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied. Eligible Retail Shareholders which are trusts should seek specific advice as to the circumstances in which a beneficiary may be entitled to a CGT discount.

Foreign tax residents

A foreign tax resident Eligible Retail Shareholder should not be subject to Australian CGT on disposal of the New Shares or Additional New Shares where they are not 'taxable Australian property' (**TAP**).

The New Shares or Additional New Shares will only be TAP where they are held by a foreign resident in carrying on a business through an Australian 'permanent establishment', or where both of the following requirements are met:

(a) the foreign resident Eligible Retail Shareholder has an associate inclusive interest of at least 10% in MSB at the time of the CGT event or within 12 of the last 24 months prior to the CGT event; and

(b) more than 50% of the underlying market value of MSB is attributable to Australian real estate assets or mining rights.

Tax file numbers and withholding

An Eligible Retail Shareholder is not required to quote their tax file number (**TFN**) or their Australian Business Number (**ABN**) to MSB. However, if TFN, ABN or exemption details are not provided, Australian tax may be required to be deducted by MSB at the maximum marginal tax rate plus the Medicare levy from certain dividends paid.

No withholding requirement applies in respect of fully franked dividends paid by MSB on the New Shares or Additional New Shares.

7.4 Stamp Duty

No Australian stamp duty should be payable by an Eligible Retail Shareholder on either the acquisition of New Shares under the Entitlement Offer or the acquisition of Additional New Shares under the Top-Up Facility.

7.5 Goods and Services Tax

The supply of New Shares (under the Entitlement Offer) or Additional New Shares (under the Top-Up Facility) by the Company to an Eligible Retail Shareholder should not be subject to GST, on the basis that it should be either an input taxed financial supply or a GST-free supply (depending on the circumstances of the Eligible Retail Shareholder).

Eligible Retail Shareholders may be charged GST on costs (such as third party brokerage or advisor fees) that relate to their participation in the Entitlement Offer. Eligible Retail Shareholders may not be entitled to claim full input tax credits for the GST included in such costs if the Eligible Retail Shareholder is not registered for GST or if the costs relate to certain activities (such as the acquisition of New Shares or Additional New Shares).

Eligible Retail Shareholders should seek their own independent advice as to the impact of GST in their particular circumstances.

8. Information availability

Eligible Retail Shareholders in Australia or New Zealand can obtain a copy of this information during the period of the Retail Entitlement Offer by calling the Share Registry on 1800 883 072 (within Australia) or +61 1800 883 072 (from outside Australia) at any time between 8.30am to 5.30pm (Melbourne time), Monday to Friday during the Offer Period or visit the MSB Entitlement Offer website at https://events.miraqle.com/MSB-2023offer. A replacement Entitlement and Acceptance Form can be downloaded from the MSB Entitlement Offer website or requested by calling the Share Registry.

Glossary

Term	Definition
Additional New Shares	New Shares offered to an Applicant in excess of their Entitlement under the terms of the Top-Up Facility
Allocation Policy	As defined in Section 1.3
Applicant	An Eligible Retail Shareholder who applies for New Shares under this Retail Offer Booklet
Application	An application for a specified number of New Shares or Additional New Shares by an Applicant under this Retail Offer Booklet
Application Monies	Funds accompanying a completed Entitlement and Acceptance Form paid by EFT, or funds paid by BPAY® as consideration for New Shares and any Additional New Shares
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, a financial market operated by it, as the context requires
ASX Listing Rules	The listing rules of ASX
ASX Settlement Rules	The Settlement Operating Rules made by ASX Settlement Pty Limited ACN 008 504 532
Board	The Directors acting as a board of MSB
CGT	Capital Gains Tax
Closing Date	The date on which the Retail Entitlement Offer closes, expected to be 5.00pm (Melbourne time) on, 19 December 2023
Corporations Act	*Corporations Act 2001* (Cth)
Directors	The directors of MSB
Eligible Retail Shareholder	As defined in Section 1.1
Entitlement	The number of New Shares each Eligible Retail Shareholder is offered under the Entitlement Offer
Entitlement and Acceptance Form	The personalised form for participation in the Retail Entitlement Offer
Entitlement Offer	The pro-rata accelerated non-renounceable entitlement offer of 1 New Share for every 4 Existing Shares at the Issue Price per New Share
Existing Shares	Shares on issue at the Record Date
Group	MSB and its subsidiaries and any body corporate, trust or other entity which is controlled by MSB whether in a fiduciary capacity or otherwise, directly or indirectly and any other person, that person and each Related Corporation of that person.
GST	Goods and Services Tax
Ineligible Retail Shareholder	As defined in Section 1.1
Institutional Entitlement Offer	The institutional component of the Entitlement Offer which was completed and announced to the ASX on 5 December 2023
Institutional Investor	A sophisticated (high-net worth), institutional or professional investor in a Permitted Jurisdiction as described in the International Offer Restrictions section of the Investor Presentation
Investor Presentation	The investor presentation released to ASX on 4 December 2023 and included and forming part of this Retail Offer Booklet
Issue Price	The price payable for one New Share under the Entitlement Offer of A$0.30
Lead Manager	Bell Potter Securities Limited ACN 006 390 772
Melbourne time	The legal time in Melbourne, Australia
MSB or Company	Mesoblast Limited ACN 109 431 870
New Share	A Share offered and issued under the Placement or the Entitlement Offer
Offer Period	8 to 19 December 2023 or any other dates or period as may be determined by MSB

Term	Definition
Permitted Jurisdictions	Australia, New Zealand, Norway, The Bahamas, Hong Kong, Singapore, the United Kingdom, Switzerland, Luxembourg, Liechtenstein and the United States
Placement	Placement means the placement of New Shares described in the Investor Presentation
Record Date	7.00pm (Melbourne time) on 6 December 2023
Retail Entitlement Offer	The retail component of the Entitlement Offer being the offer of 1 New Share for each 4 Existing Shares on the terms set out in this Retail Offer Booklet to Eligible Retail Shareholders
Retail Offer Booklet	This document
Section	A section of this Retail Offer Booklet
Share	A fully paid ordinary share in the capital of MSB
Share Registry	Link Market Services Limited
Shareholder	A holder of at least one Share as recorded on MSB's share register
Top-Up Facility	As defined in Section 1.3
US Securities Act	US Securities Act of 1933, as amended

Corporate Directory

Directors
Joseph Swedish (Chairman)
Silviu Itescu (Chief Executive)
William Burns
Philip Facchina
Jane Bell
Eric Rose
Philip Krause

Company Secretaries
Niva Sivakumar
Paul Hughes

Registered Office
Level 38, 55 Collins Street
Melbourne VIC 3000

Australian legal advisers to the Offer
MinterEllison
Level 20, Collins Arch
447 Collins Street
Melbourne VIC 3000

Lead Manager
Bell Potter Securities Limited ACN 006 390 772
Level 38, 88 Phillips Street
Sydney, NSW 2000

Share Registry
Link Market Services Limited
Level 13, Tower 4
727 Collins Street
Melbourne VIC 3000

8 December 2023

Not for release on US wire services or distribution in the United States

Dear Shareholder

Mesoblast Limited Entitlement Offer – Notification to Ineligible Retail Shareholders

On 4 December 2023, Mesoblast Limited ACN 109 431 870 (**Mesoblast**) announced:

(a) an institutional placement (**Placement**) of approximately 120 million new fully paid ordinary shares (**New Shares**) in Mesoblast (**Placement Shares**) at an offer price of A$0.30 per New Share (**Offer Price**) to raise approximately A$36 million (**Placement Proceeds**); and

(b) an accelerated pro-rata non-renounceable entitlement offer (**Entitlement Offer**) of New Shares at the Offer Price to raise up to A$61 million, comprising an accelerated institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**), at the same Offer Price and offer ratio.

Under the Entitlement Offer, Mesoblast will offer eligible existing shareholders (**Eligible Shareholders**) the opportunity to subscribe for 1 New Share for every 4 existing fully paid ordinary shares in Mesoblast held on the record date of 7.00pm (Melbourne time) on 6 December 2023 (**Record Date**).

On 5 December 2023, Mesoblast announced it had received firm commitments for the Placement and the Institutional Entitlement Offer which will raise approximately A$55 million. Proceeds raised from the Placement and Institutional Entitlement Offer, proceeds raised from the Retail Entitlement Offer, and existing cash reserves will be used to fund the adult Phase 3 registration trials for steroid refractory acute graft versus host disease and for chronic low back pain, and general corporate purposes.

Bell Potter Securities Limited is the lead manager of the Placement and Entitlement Offer (**Lead Manager**).

Why are we sending you this letter?

This letter is to inform you about the Entitlement Offer and to explain to you why you will not be able to subscribe for New Shares under the Entitlement Offer.

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www.mesoblast.com

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No action required

This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. You are not required to do anything in response to this letter.

Details and eligibility of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below) on the basis of 1 New Share for every 4 existing fully paid ordinary share in Mesoblast held at 7.00pm (Melbourne time) on the Record Date. An information booklet in relation to the Retail Entitlement Offer (**Retail Offer Booklet**) will be despatched to Eligible Retail Shareholders on or around 8 December 2023.

The Entitlement Offer is being made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*), meaning that no prospectus is required in relation to the Entitlement Offer.

Eligible Retail Shareholders are those persons who:

(a) are registered as a holder of existing fully paid ordinary share in Mesoblast as at 7.00pm (Melbourne time) on the Record Date;

(b) have an address in Australia or New Zealand as recorded on Mesoblast's share register as at the Record Date;

(c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Mesoblast shares for the account or benefit of such person in the United States);

(d) did not receive an offer to participate (other than as nominee in respect of other underlying holdings) in the Institutional Entitlement Offer and have not been treated as ineligible institutional investors under the Institutional Entitlement Offer; and

(e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered in the jurisdiction in which the shareholder resides.

Shareholders who are not Eligible Retail Shareholders are consequently unable to participate in the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of legal and regulatory limitations in some countries other than Australia and New Zealand and the potential costs to Mesoblast of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in these countries, the relatively small number of existing Mesoblast shares the shareholders in these countries hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled under the Retail Entitlement Offer. Mesoblast has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the Corporations Act, that it would be unreasonable to make or extend offers to Mesoblast shareholders in all countries in connection with the Retail Entitlement Offer.

Unfortunately, the Company has determined that you do not satisfy the eligibility criteria stated above to qualify as an Eligible Retail Shareholder. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, Mesoblast wishes to notify you that Mesoblast will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. Under the terms of the Retail Entitlement Offer, you are not eligible to apply for New Shares and you will not be sent a copy of the Retail Offer Booklet or any other offering materials relating to the Retail Entitlement Offer.

The Entitlement Offer is non-renounceable, which means that your entitlements are non-transferable and cannot be sold or traded.

Further information

If you have any queries regarding the Retail Entitlement Offer or if you believe you are an Eligible Retail Shareholder, please call the Mesoblast Offer Information Line on 1800 883 072 (within Australia) or +61 1800 883 072 (outside Australia) between 8.30am to 5.30pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer period. For other questions, you should consult your stockbroker, accountant or other professional adviser.

On behalf of the Board of Mesoblast, thank you for your continued support.

Yours faithfully

Niva Sivakumar
Company Secretary
Mesoblast Limited

Important Information

This letter is issued by Mesoblast Limited. This letter is not a prospectus or offer document under Australian law or under any other law. It is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase, subscription, or sale of any New Shares in Mesoblast. This letter does not constitute financial product advice and does not take into account the investment objectives, financial situation or needs of any particular investor. This letter does not and will not form part of any contract for the acquisition of Mesoblast shares.

*In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in, or to any person to whom, which such an offer would be illegal. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**), nor under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or*

to persons acting for the account or benefit of a person in the United States (to the extent such persons hold Existing Shares and are acting for the account or benefit of a person in the United States), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax adviser, stockbroker or other professional adviser.