

MESOBLAST COMPLETES US\$110/A\$138 MILLION FINANCING LED BY US STRATEGIC INVESTOR GROUP

Melbourne, Australia; March 2 and New York, USA; March 1, 2021: Mesoblast Limited (ASX:MSB; Nasdaq:MESO), global leader in allogeneic cellular medicines for inflammatory diseases, announced today it has entered into subscription agreements for a total of US\$110 million via the issue of 60 million shares in a private placement led by a strategic US investor group, at A\$2.30 per share, a 6.5% discount to the price at the close of trading February 25, 2021.

Based on the US\$110 million private placement (A\$138 million), pro-forma cash-on-hand at December 31, 2020 would be approximately US\$187.5 million. The investors also received warrants to acquire a further 15 million shares at a price of A\$2.88 per share, a 25% premium to the placement price, which may raise up to a further A\$43.2 million (US\$34 million at the current exchange rate), on or before 15 March 2028. Mesoblast has a right to call on the funds at any time during the term, subject to a share trading price of at least A\$4.32 for 45 consecutive days.

Chief Executive Dr Silviu Itescu said "We are pleased to receive a strategic investment from the principals of SurgCenter Development, one of the largest private operators of ambulatory surgical centers in the US specializing in spine, orthopaedic and total joint procedures. We expect the deep healthcare knowledge and expertise of this investor group will be of great benefit to the company. The network and infrastructure of surgeons and ambulatory centers operated by SurgCenter may provide unique synergies to facilitate development and market access for rexlemestrocel, if approved, in patients with chronic lower back pain."

Since its inception in 1993, SurgCenter has partnered in over 230 facilities, with a current portfolio of 80 operational facilities, located in over 20 states throughout the US. SurgCenter is an industry leader in the performance of complex spine surgery and outpatient joint replacement, and has partnered with thousands of surgeons over its three-decade history.

Specific use of proceeds includes:

- The private placement will provide financial strength for operational and regulatory initiatives across multiple products as the company undertakes important late-stage meetings with the United States Food & Drug Administration (FDA) in the second and third quarters of this calendar year.
- Investment in commercial supply of remestemcel-L ahead of potential approval for graft versus host disease in children and in optimized manufacturing for larger market opportunities.
- Advancing manufacturing and development of rexlemestrocel-L platform to meet commercial objectives for chronic heart failure and chronic low back pain due to degenerative disc disease following the recent completion of Phase 3 trials in these indications.
- Working capital and general corporate purposes.

About Mesoblast

Mesoblast 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 2040 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 has completed Phase 3 trials of rexlemestrocel-L for advanced chronic heart failure and chronic low back pain. Remestemcel-L is being developed for inflammatory diseases in children and adults including steroid refractory acute graft versus host disease and moderate to severe acute respiratory distress syndrome. 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, 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.

Not an offer of securities

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

Release authorized by the Chief Executive.

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