asx announcement

MESOBLAST COMPLETES SUCCESSFUL INSTITUTIONAL CAPITAL RAISING OF A$75 MILLION

Melbourne, Australia; October 3, 2019; and New York, USA, October 2, 2019: Mesoblast Limited (ASX: MSB; Nasdaq: MESO), leader in cellular medicines for inflammatory diseases, announced today that it has successfully completed a A$75 million capital raising via a placement to existing and new Australian and global institutional investors.

This placement will result in the issue of 37.5 million new fully-paid ordinary shares at a price of A$2.00 per share. This price represents a 3.15% discount to the 10 day VWAP at the close of trading September 30, 2019.

The net proceeds will principally be used to build product inventory and a targeted United States sales force in preparation for the potential United States commercial launch of remestemcel-L in the treatment of pediatric steroid-refractory acute graft versus host disease. Proceeds will also be used to complete Phase 3 trials for chronic low back pain and advanced heart failure, and for working capital and general corporate purposes.

Mesoblast Chief Executive Dr Silviu Itescu said: "We are very pleased with the significant broadening of our institutional register and the strong continued support from our existing shareholders, with demand exceeding the funds raised. Mesoblast is well funded to execute the commercial strategy for potential launch of its first allogeneic cell therapy in the United States."

Institutional Placement

The placement was conducted with Bell Potter Securities as lead manager and bookrunner, and Aitken Murray Capital Partners as co-manager. The placement does not require shareholder approval and the new ordinary shares issued will rank equally with existing ordinary shares on issue. Settlement is expected to occur on Monday, October 7, 2019. New shares issued under the placement are expected to be issued and commence trading on the ASX on Tuesday, October 8, 2019.

About Mesoblast

Mesoblast Limited (ASX: MSB; Nasdaq: MESO) is a world leader in developing allogeneic (off-the-shelf) cellular medicines. The Company has leveraged its proprietary cell therapy technology platform to establish a broad portfolio of commercial products and late-stage product candidates. Two products have been commercialized in Japan and Europe by its licensees, and it has established commercial partnerships in Europe and China for certain Phase 3 assets. In the United States, Mesoblast has initiated submission of a rolling Biologics License Application to the FDA to seek approval of its product candidate for acute graft versus host disease following a successful Phase 3 trial, and is completing Phase 3 trials for its advanced heart failure and chronic low back pain product candidates. Through a proprietary process, Mesoblast selects rare mesenchymal lineage precursor and stem cells from the bone marrow of healthy adults and creates master cell banks, which can be industrially expanded to produce thousands of doses from each donor that meet stringent release criteria, have lot to lot consistency, and can be used off-the-shelf without the need for tissue matching. Mesoblast has facilities in Melbourne, New York, Singapore and Texas 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

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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 timing, progress and results of Mesoblast's preclinical and clinical studies; Mesoblast's ability to advance product candidates into, enroll and successfully complete, clinical studies; the timing or likelihood of regulatory filings and approvals; 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.

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