

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

3 March 2023

**PROSPECTUS FOR ISSUE OF WARRANTS IN CONNECTION WITH PREVIOUSLY
ANNOUNCED EXTENSION OF DEBT FACILITY**

In connection with the extension to Mesoblast Limited (ASX:MSB; Nasdaq:MESO) by funds managed by Oaktree Capital Management, L.P. ("Oaktree") of the availability of up to an additional US\$30.0 million of its US\$90 million five year facility (subject to achieving certain milestones on or before September 30, 2023), which was announced on Friday December 23, 2022, Mesoblast will issue 455,000 warrants over American Depository Shares (**ADS**) (with each ADS representing five fully paid ordinary shares). The warrants have an exercise price of US\$3.70 per ADS and are exercisable within seven years of issuance.

A prospectus for the warrants was lodged with ASIC today and is attached.

Not an offer of securities

This announcement is not for release to US wire services or distribution in the United States. 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.

Mesoblast Limited

ACN 109 431 870

ASX: MSB

Prospectus

This Prospectus relates to an offer of the Offer Securities to Approved US Investors that Mesoblast is required to issue in accordance with the terms of the extension of the availability of up to US\$30 million of its US\$90 million, 5 year senior secured debt facility (subject to achieving certain milestones on or before 30 September 2023) as announced on 23 December 2022. This Prospectus has been prepared in accordance with Australian legal requirements. Please refer to the US legend in Section 1.2 (if applicable). Only Approved US Investors may apply for the Offer Securities.

IMPORTANT NOTICE

This document is important and should be read in its entirety. It is a prospectus issued pursuant to section 713 of the *Corporations Act 2001* (Cth) (Australia). It does not, itself, contain all the information that is generally required to be set out in a full prospectus, but refers to other documents, the information of which is deemed to be incorporated into this Prospectus.

If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

This Prospectus may not be released to US wire services or distributed in the United States except by Mesoblast to Approved US Investors.

Mesoblast Limited ACN 109 431 870

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Corporate directory

Directors

Joseph Swedish (Chairman)
Silviu Itescu
William M Burns
Philip J. Facchina
Jane Bell
Eric Rose
Michael Spooner
Philip Krause

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Company Secretaries

Niva Sivakumar

Paul Hughes

Share Registry

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727 Collins Street
Docklands, Victoria 3008
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Telephone + 61 1300 554 474
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Website www.linkmarketservices.com.au

Legal adviser

MinterEllison
Level 20, Collins Arch
447 Collins Street,
Melbourne, Victoria 3000
Australia

Summary

Topic	Details	Where to find more information
What is the Offer?	This Prospectus relates to the Offer to be made by Mesoblast to Approved US Investors for the issue of the Offer Securities, being 455,000 Warrants to acquire a like number of American Depository Shares (ADS) with each ADS representing five Shares, which Mesoblast is required to issue to Approved US Investors in accordance with the terms of the Loan Agreement.	Section 3.1
Opening and Closing Dates	The Opening Date is 3 March 2023 and the Closing Date is 5.00pm (Melbourne time) on 6 March 2023 (unless extended).	Section 3.7
Application for Offer Securities	An application for the Offer Securities can only be made by Approved US Investors and only by using an application form, and in accordance with the instructions set out in the application form. A duly completed application form must be mailed, emailed, faxed or delivered to Mesoblast as set out in this Prospectus. An application must also comply with any further requirements set out in Loan Agreement.	Section 3.4
What is the purpose of the Prospectus?	In accordance with the terms of the Loan Agreement, Mesoblast is required to issue the Offer Securities, which are warrants to acquire ADSs, under a prospectus. This Prospectus has been prepared in accordance with section 713 of the Corporations Act for the purpose of making available the Offer Securities to Approved US Investors under this Prospectus and enabling all Shares, acquired as a result of the Offer, including any Shares underlying ADSs issued on exercise of the Offer Securities, to be freely traded and without restriction under section 707 of the Corporations Act in accordance with the terms of the Loan Agreement.	Section 3.2
Risk factors	The key risks in relation to an investment in Mesoblast include but are not limited to: <ul style="list-style-type: none"> • product risk; • manufacturing risk; • commercialisation risk; • partnering risk; • funding risk; • key personnel risk; • intellectual property risk; and • regulatory risk. There are general risks associated with owning securities in publicly listed companies. The price of securities can go down as well as up due to many factors, some of which are outside the control of	Section 7

Topic	Details	Where to find more information
	Mesoblast. Such risk factors include general economic conditions, natural disasters, fluctuations in the local and global market for listed securities, the Australian interest rate, foreign exchange rate, change in law or a change in the Australian Accounting Standards.	
How do the Shares underlying ADSs which may be issued on exercise of the Offer Securities rank in comparison to existing Shares?	Any Shares underlying ADSs issued on exercise of the Offer Securities will rank equally in all respects with existing Shares and ADSs from the date of their issue.	Sections 3.1 and 6.1
What are ADSs?	Each ADS represents five Shares, no par value. The ADSs are evidenced by ADRs issued by the Depositary. The Depositary will be (directly or indirectly through its appointed (sub-custodians) the holder of the Shares underlying the ADSs and the ADR holder will only have rights provided under the Deposit Agreement. ADSs may be surrendered to the Depositary to withdraw the underlying Shares. The Depositary may charge a fee for the transmutation.	Section 8.3
What is the effect of the Offer on Mesoblast?	The effect of the Offer on the capital structure and financial position of Mesoblast is described in Section 5. The Offer will not have a material effect on the control of Mesoblast.	Section 5

1. Important notices

1.1 General

This Prospectus is dated 3 March 2023 and has been lodged with ASIC. ASIC and its officers take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities will be issued on the basis of this Prospectus later than the Prospectus Expiry Date.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Mesoblast in connection with this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of the Offer Securities, being Warrants to acquire ADSs, with each ADS representing five Shares, Shares being in a class of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with sections 711, 713, 715A and 716 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been given to the fact that Mesoblast is a 'disclosing entity' for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to an investor and professional advisers whom a potential investor may consult.

To the extent that statements in this Prospectus constitute statements relating to intentions, future acts and events, such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed in this Prospectus.

This Prospectus does not take into account the investment objectives, financial situation and particular needs of any person. Professional advice should be obtained before deciding to invest in any securities the subject of this Prospectus. No cooling off period applies. Mesoblast is not licensed to provide financial product advice.

Certain abbreviations and other defined terms are used throughout this Prospectus. Details of the definitions and abbreviations used are set out in the Glossary. All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated. Numbers used in this Prospectus may be subject to rounding.

1.2 Offer restrictions outside Australia

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this document under the laws applicable in that jurisdiction.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and any person into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

United States

The Offer Securities have not been registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. They may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, any US Person (as such term is defined in Regulation S of the US Securities Act), unless the Offer Securities are registered under the US Securities Act or an exemption from such registration applies. Any offer, sale or resale of the Offer Securities within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if made prior to 40 days after the issue of the Offer Securities or if purchased by a dealer in the Offer. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any US Person.

This Prospectus, any application forms or other materials relating to the Offer may not be distributed in the United States, except by Mesoblast to Approved US Investors. Each applicant in the Offer will be taken to have represented, warranted and agreed on behalf of itself and each person for whom it is applying for Offer Securities as follows:

- if in the United States or Luxembourg, it is an Approved US Investor who has entered into an agreement with Mesoblast with respect to the issuance of the Offer Securities;
- if outside Australia and the United States, it is not a US Person nor acting for the account or benefit of any US Persons;
- it has not distributed this Prospectus or any other written materials concerning the Offer to any person in the United States or to any US Persons; and
- it understands that the Offer Securities have not been registered under the US Securities Act and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, any US Person, unless the Offer Securities are registered under the US Securities Act or an exemption from such registration applies.

1.3 Risk factors

An investment in the Offer Securities involves a number of risks, the key risk factors of which you should be aware are set out in Section 7. These risks, together with other general risks applicable to all investments in securities not specifically referred to, may affect the value of the Offer Securities.

1.4 Target market determination

The Company has prepared a target market determination (TMD) in relation to the Warrants as required by law. The TMD is available at the Company's website: <https://mesoblast.com/company/corporate-governance>.

2. Company information

2.1 Company overview

Mesoblast has developed a range of late stage product candidates derived from our first and second generation proprietary mesenchymal lineage cell therapy technology platforms.

Remestemcel-L is our first generation mesenchymal lineage stromal cell product platform and is in late stage development for treatment of systemic inflammatory diseases including:

- Pediatric steroid refractory acute Graft versus Host Disease (SR-aGVHD);
- Acute respiratory distress syndrome (ARDS); and
- Biologic refractory inflammatory bowel disease.

Rexlemestrocel-L is our second generation mesenchymal lineage precursor cell product platform and is in late stage development for treatment of:

- Advanced chronic heart failure (CHF); and
- Chronic low back pain (CLBP) due to degenerative disc disease.

Both platforms have life cycle management strategies with promising emerging pipelines.

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 was listed on the Australian Securities Exchange (ASX:MSB) in December 2004. Mesoblast has an American Depositary Receipt program facility and listed on Nasdaq (Nasdaq: MESO) in November 2015.

2.2 Directors and Key Management Personnel

The Directors and Key Management Personnel bring to Mesoblast a mix of skills, knowledge, and expertise as well as operational and international experience. An outline of the Directors and Key Management Personnel of Mesoblast as at the date of this Prospectus is set out below:

Joseph R. Swedish, non-executive chairman

MHA

Joseph. R. Swedish has more than four decades of healthcare leadership experience as the CEO for major United States healthcare enterprises. Most recently, he has served as Executive Chairman, President and CEO of Anthem Inc., America's leading health benefits provider. For 12 consecutive years, Modern Healthcare named Mr Swedish as one of the 100 Most Influential People in Healthcare, ranking in the top 20 of the health sector's most senior level executives, high-level government administrators, elected

officials, academics, and thought leaders for five consecutive years. Prior to joining Anthem, Mr. Swedish was CEO for several major integrated healthcare delivery systems, including Trinity Health and Colorado's Centura Health. He has been a Mesoblast board member since June 2018, and also serves on the boards of Accelus, IBM Corporation, CDW Corporation, and Centrexion Therapeutics. Mr. Swedish is a member of Duke University's Fuqua School of Business Board of Visitors. Previously, he was Chairman of the Catholic Health Association. Mr. Swedish received a bachelor's degree from the University of North Carolina and his master's degree in health administration from Duke University. Mr. Swedish is a member of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee.

Date of appointment: 19 June 2018 (appointed to the board), 22 March 2019 (appointed as Chairman)

William M. Burns, non-executive vice-chairman

BA

Mr. Burns has served on our board of directors since 2014 and was appointed Vice Chairman in 2016. He spent his entire management career at the Beecham Group and F. Hoffmann-La Roche Ltd. Mr Burns was Chief Executive Officer of Roche Pharmaceuticals from 2001 to 2009, when he joined the board of directors of F. Hoffmann-La Roche Ltd. until he retired in 2014. He is the Chair of Molecular Partners, and has been a Non-Executive Director of Shire PLC, Chugai Pharmaceutical Co., Genentech, Crucell, and Chairman of Biotie Therapies Corp. from 2014 until its sale to Acorda Therapeutics Inc. in 2016. Mr Burns is also a member of the Oncology Advisory Board of the Universities of Cologne/Bonn in Germany. In 2014, he was appointed a trustee of the Institute of Cancer Research, London, and from March 2016 until April 2020 served as a Governor of The Wellcome Trust in London, UK.

Mr Burns is the chairman of the Nomination and Remuneration Committee.

Date of Appointment: 6 March 2014

Philip J. Facchina, non-executive director

MBA

Mr. Facchina brings more than 35 years of experience in corporate strategy, finance, and business development across several industries, including healthcare. Since 2018, Mr. Facchina has been a Principal and Chief Strategy Officer at SurgCenter, overseeing the company's strategic relationships, including its relationships with the broad US ambulatory surgical center (ASC) market and its constituents. Prior to SurgCenter, Mr. Facchina spent two decades in the public and private capital markets, where he directly managed public and private capital transactions of equity and debt, led M&A and special advisory processes including take-privates. From 2008 to 2017, Mr. Facchina served as a Partner, Co-Portfolio Manager and the Chief Operating Officer of Ramsey Asset Management, an institutional investment management firm, and from 1998 to 2008 Mr. Facchina led the technology, media, and communications and healthcare investment banking groups of FBR Capital Markets. Mr. Facchina currently serves as an independent director for VION Corporation and MilltechFX, and is Advisor to the CEO of Johanna Foods Inc, where he chairs the Audit Committee. Previously, among other directorships and committee posts,

Mr. Facchina served on the Board of Web.com, where he led Corporate Governance. Mr. Facchina is a qualified financial expert for SEC and NASDAQ purposes. Mr Facchina is a member of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee.

Date of Appointment: 29 March 2021

Silviu Itescu, chief executive officer and executive director
MBBS, FRACP

Dr. Itescu is our Chief Executive Officer (**CEO**). He has served on our board of directors since our founding in 2004, was Executive Director from 2007 to 2011, and became CEO and Managing Director in 2011. Prior to founding Mesoblast in 2004, Dr. Itescu established an international reputation as a physician scientist in the fields of stem cell biology, auto-immune diseases, organ transplantation, and heart failure. He has been a faculty member of Columbia University in New York and of Melbourne and Monash Universities in Australia. In 2011, Dr. Itescu was named BioSpectrum Asia Person of the Year. In 2013, he received the inaugural Key Innovator Award from the Vatican's Pontifical Council for Culture for his leadership in translational science and clinical medicine in relation to adult stem cell therapy. Dr. Itescu has consulted for various international pharmaceutical companies, has been an adviser to biotechnology and health care investor groups and has served on the board of directors of several publicly listed life sciences companies.

Date of Appointment: 8 June 2004

Jane Bell, non-executive director
LLM, LLB, BEc

Ms Bell is a banking and finance lawyer with 30 years of corporate finance expertise focusing on international investment transactions gained in the United States, Canada, Australia and the United Kingdom, including capital markets, funds management, mergers and acquisitions and divestments. Ms Bell has served as a non-executive Director for 20 years in a diverse range of highly regulated sectors including delivery of healthcare, life sciences, medical research, and funds management. Ms Bell currently serves as Deputy Chair of Monash Health and Chair of its Audit Committee, one of Australia's largest and most diverse public health service delivering more than 3.46 million episodes of care across an extensive network of hospitals, rehabilitation, aged care, community health and mental health facilities. She is also currently a Director of Amplia Therapeutics Limited (a listed public company, ASX: ATX) and Chair of its Audit Committee, a Director of Jessie McPherson Private Hospital, and a Member of the Australian Government's Administrative Appeals Tribunal. From 2014 until 2021 she was a Director of U Ethical Investors, Australia's first ethical funds manager with over \$1.2B of funds under management, and a member of its Audit and Investment Committees. She is a former Chair of Melbourne Health (Royal Melbourne Hospital) and a former Director of Hudson Institute of Medical Research and WorkSafe Victoria. Ms Bell holds a Master of Laws from King's College

London, Bachelor of Laws from the University of Melbourne and a Bachelor of Economics from Monash University.

Ms Bell is a member of the Nomination and Remuneration Committee and a member of the Audit and Risk Committee.

Date of Appointment: 18 August 2022

Eric Rose, chief medical officer and executive director

MD

Dr Rose is a highly respected physician scientist with focus on clinical investigation, drug discovery, biodefense, and health policy. As a world-renowned heart surgeon and scientist, Dr Rose led the Columbia Presbyterian heart transplantation program from 1982 through 1992 and made history in 1984 when he performed the first successful pediatric heart transplant. From 1994 through 2007, he served as Chairman of Columbia University's Department of Surgery and Surgeon-in-Chief of Columbia Presbyterian Medical Center in New York. During this time his leadership of the NIH supported program Randomized Evaluation of Mechanical Circulatory Support in Heart Failure (REMATCH) resulted in the first FDA approval of an implantable left ventricular assist device for long term circulatory support, spawning an entire new industry. From 2007-2011, Dr Rose served on the National Biodefense Scientific Board which advises the United States Health and Human Services Secretary on biodefense, influenza, and emerging diseases. In 2007 he was appointed Chairman and CEO of SIGA Technologies where he oversaw development of the first antipoxviral drug approved in the United States, TPOXX for the treatment of smallpox. Dr Rose played a key role in obtaining FDA approval of the drug in 2019, and he was responsible for securing contracts with BARDA under which the US Government has procured 1.7 million courses of TPOXX for more than US\$1 billion into the Strategic National Stockpile (SNS). Dr Rose continues to be a non-executive director of leading implantable cardiovascular device company, ABIOMED (a listed public company, NASDAQ:ABMD). Dr Rose was appointed Mesoblast's Chief Medical Officer in February 2022.

Date of Appointment: 15 April 2013

Michael Spooner, non-executive director

BCom, ACA

Mr. Spooner has served on the Board of Directors since 2004. During this period he has filled various roles including as Chairman from the date of the ASX public listing in 2004 until 2007. Over the past several years Mr. Spooner has served on the board of directors in various capacities at several Australian and international biotechnology companies, including BiVacor Pty Ltd (2009- 2013), Advanced Surgical Design & Manufacture Limited (2010-2011), Peplin, Inc. (2004-2009), Hawaii Biotech, Inc. (2010-2012), Hunter Immunology Limited (2007-2008), and Ventracor Limited (2001-2003). He has been the Chairman of Simavita Ltd since May 2016 and Chairman of MicrofluidX since February 2018. Prior to returning to Australia in 2001, Mr. Spooner spent much of his career internationally where he served in various roles including as a partner to PA Consulting Group, a UK-based management consultancy and a Principal Partner and Director of

Consulting Services with PricewaterhouseCoopers (Coopers & Lybrand) in Hong Kong. In addition, Mr Spooner has owned and operated several international companies providing services and has consulted to a number of U.S. and Asian public companies. Mr. Spooner provides executive management, commercial, business strategy and accounting expertise as well as established relationships with investment firms and business communities worldwide.

Mr Spooner is the chairman of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee.

Date of Appointment: 29 September 2004

Philip Krause, non-executive director

MD, MBA, BSc, MSc

With over 30 years of experience at the United States Food and Drug Administration (FDA), Dr Krause has a unique combination of scientific, regulatory, clinical, and public health experience. He is a physician with board certification in internal medicine and infectious diseases and a researcher with over 100 publications on topics spanning clinical evaluation of vaccines, viral pathogenesis and regulatory advice related to biological product development. He is currently an independent consultant, providing strategic and regulatory advice related to biological product development. He recently served as deputy director of FDA's Office of Vaccines and Review, where he led assessments of biological products for evaluation and licensure and helped to oversee the development and evaluation of all vaccines authorised and licensed in the US over the past 10 years. He has also served as a key advisor to the World Health Organisation, providing advice on vaccine development and evaluation, including as Chair of the WHO's Research and Development Blueprint Covid-19 Vaccine Expert Group. He graduated from Yale Medical School (MD), Florida State University (MBA) and the University of Illinois (BS and MS in Computer Science).

Dr Krause is a member of the Nomination and Remuneration Committee.

Date of Appointment: 24 March 2022

2.3 Interests of Directors

The Directors' direct and indirect interests in the securities of Mesoblast as at the date of this Prospectus are set out in the table below. The table below does not include Options which have been granted to the Chief Executive and the Chief Medical Officer, and approved by shareholders at the last AGM, but have not yet been issued.

Director	Number of Shares subject to direct or indirect interest	Number of outstanding unexercised Options
Silviu Itescu	68,958,928	4,635,334
William Burns	63,000	220,000
Joseph Swedish	Nil	500,000

Eric Rose	Nil	220,000
Jane Bell	247,618	200,000
Philip Krause	Nil	200,000
Michael Spooner	1,069,000	100,000
Philip J. Facchina	273,224	200,000*

* Mr Facchina also has an interest in 68,306 warrants over Shares as described in Mesoblast's 2022 annual report which was provided to the ASX on 24 October 2022.

Except as disclosed in this Prospectus, no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in:

- (a) the formation or promotion of Mesoblast;
- (b) any property acquired or proposed to be acquired by Mesoblast in connection with its formation or promotion or the Offer; or
- (c) the Offer.

2.4 Interests of Directors – remuneration

The total maximum annual remuneration of non-executive Directors is set by resolution of Shareholders in a general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made in such proportion and manner as the Board agrees or in default of agreement, equally. The current amount has been set at an amount not to exceed A\$1.5 million per annum.

A Director may be paid remuneration as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Except as disclosed in this Prospectus, no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of Mesoblast or otherwise for services rendered by the Director in connection with the formation or promotion of Mesoblast or the Offer.

2.5 Related party transactions

There are no related party transactions entered into as part of, or in relation to, the Offer or the Loan Agreement, that have not otherwise been disclosed in this Prospectus.

3. Details of the Offer

3.1 Offer

The Offer is being made solely to, and may only be accepted by, Approved US Investors.

Any Shares issued on exercise of the Offer Securities will rank equally with the Shares on issue at the date of issue of the Shares. Please refer to Section 6.1 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares and Section 8.3 for further information regarding the rights and liabilities attaching to the ADSs.

This Prospectus has been prepared in accordance with section 713 of the Corporations Act. 455,000 Warrants may be issued under the Offer, being the Warrants which Mesoblast is required to issue to Approved US Investors in accordance with the terms of the Loan Agreement (further details of which are set out in Section 8.3).

The opening date of the Offer is Friday, 3 March 2023 (**Opening Date**) and the closing date of the Offer is 5.00pm (Melbourne time) on Monday, 6 March 2023 (**Closing Date**). Mesoblast reserves the right to extend the duration of the Offer or close the Offer early without notice.

The Offer is not underwritten and there is no sponsoring broker.

Mesoblast is already included in the official list of the ASX (ASX: MSB) and the ASX Listing Rules apply to all securities issued by Mesoblast. The ADSs are listed on the NASDAQ Global Select Market under the symbol "MESO".

3.2 Purpose of the Offer

As announced to ASX on 23 December 2022, Oaktree extended to Mesoblast the availability of up to an additional US\$30 million of its US\$90 million 5 year senior debt facility under the Loan Agreement, subject to achieving certain milestones on or before 30 September 2023.

Mesoblast drew the first tranche of US\$60 million in November 2021. The facility has a three-year interest only period, at a rate of 9.75% per annum, after which time 40% of the principal amortizes over two years and a final payment is due November 2026. In consideration for the milestone extension period, Mesoblast will offer and issue the Approved US Investors a total of 455,000 Warrants.

Among other things, unless the Approved US Investors agree, Mesoblast must ensure that the Warrants issued to Approved US Investors are issued pursuant to a prospectus which complies with Chapter 6D of the Corporations Act to enable the relevant Warrants (including any Shares issued on exercise of the Warrants) to be freely traded and without restriction under section 707 of the Corporations Act.

Accordingly, the Offer is made by Mesoblast for the purpose of complying with its obligations under the Loan Agreement, including by:

- (a) making available the Offer Securities to Approved US Investors under a prospectus; and
- (b) enabling any Shares issued on exercise of the Offer Securities to be freely traded and without restriction under section 707 of the Corporations Act.

Mesoblast expects that all of the Offer Securities offered under this Prospectus will be applied for by, and issued to, the Approved US Investors pursuant to Mesoblast's obligations under the Loan Agreement.

Further details of the Loan Agreement are set out in Section 8.3.

3.3 Terms and conditions of the Offer

Mesoblast reserves the right to accept an application under, and issue securities pursuant to, the Offer prior to the Closing Date and the close of the Offer. Unless determined by Mesoblast, any such acceptance or issue is not taken to change the Closing Date or close the Offer.

Further information about the terms of the Loan Agreement, including those that are relevant to the terms and conditions of the Offer, is set out in Section 8.3.

3.4 Acceptance of the Offer

The Offer may only be accepted by Approved US Investors.

Applications for Offer Securities under the Offer must be made by Approved US Investors using the application form included in or accompanying this Prospectus in Appendix 1. The Directors reserve the right to issue the Offer Securities pursuant to the Offer at their absolute discretion.

A duly completed application form may be provided by:

Post or delivery to:	The Company Secretary Mesoblast Limited Level 38, 55 Collins Street MELBOURNE VIC 3000
Fax to:	+61 3 9639 6030
Email to:	Niva.Sivakumar@mesoblast.com

3.5 ASX quotation

The Offer Securities will not be quoted on ASX or any other financial market.

Mesoblast will apply to ASX for quotation of any Shares underlying ADSs issued on exercise of the Offer Securities in accordance with the terms of the Loan Agreement.

The fact that ASX may subsequently grant Official Quotation to any Shares underlying ADSs issued on exercise of the Offer Securities is not to be taken in any way as an indication of the merits of Mesoblast or the Offer Securities offered under this Prospectus.

3.6 Allotment

The Directors reserve the right to issue the Offer Securities offered pursuant to this Prospectus any time until the Prospectus Expiry Date.

In accordance with the terms of the Loan Agreement, Mesoblast expects that Approved US Investors will apply for the Offer Securities offered under this Prospectus before the Closing Date.

3.7 Timetable

Lodgement of the Prospectus with ASIC	Friday, 3 March 2023
Opening Date	Friday, 3 March 2023
Closing Date	5.00pm on Monday, 6 March 2023

The dates above and other dates referred to in this Prospectus (except the date of the Prospectus) are indicative only. Subject to the ASX Listing Rules and the Corporations Act, Mesoblast may amend the timetable in its absolute discretion and without notice, including, without limitation, reserving the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications without notice, including to any recipient of this Prospectus or any Applicants.

4. Purpose and use of funds raised under the Offer

No funds will be raised immediately by the Offer.

The Offer is being made to satisfy Mesoblast's obligations under the Loan Agreement.

Any proceeds received by Mesoblast from the exercise of the Offer Securities is proposed to be used for:

- 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 rexlemestrocet-L platform to meet commercial objectives for CHF and CLBP due to degenerative disc disease following the recent completion of Phase 3 trials in these indications; and
- working capital and general corporate purposes.

The expenses of the Offer will be met from Mesoblast's working capital.

5. Effect on Mesoblast

5.1 Effect of the Offer

An issue of the Offer Securities under this Prospectus will have an effect on the capital structure and may have an effect on the financial position of Mesoblast.

As set out in Sections 3.1 and 3.2 of this Prospectus, the Offer is made by Mesoblast for the purpose of complying with its obligations under the Loan Agreement. Funds may be made available to Mesoblast from the exercise of the Offer Securities which exercise is at the discretion of Approved US Investors, but no funds will be raised immediately under the Offer.

5.2 Effect on capital structure

The effect of the Offer on the capital structure of Mesoblast is set out below.

The tables below assume that prior to the Closing Date there will be no other Shares, or ADSs or Warrants issued by Mesoblast other than those offered under this Prospectus and unless otherwise specified, that none of the current Options on issue will be exercised.

(a) Effect on capital structure of the Offer

Capital structure	Number on issue
Shares currently on issue	737,121,218
ADSs currently on issue*	22,188,868
Warrants currently on issue	15,027,327
ADS Warrants currently on issue	1,769,669
Incentive Rights currently on issue	1,500,000
Maximum number of ADS Warrants to be issued under this Prospectus	455,000
Total number of unquoted Options	50,908,302
Maximum number of Shares underlying ADSs issued on exercise of the Offer Securities offered under this Prospectus	2,275,000

* Each ADS is represented by 5 Shares.

5.3 Effect on financial position

Mesoblast's 2022 annual report was provided to the ASX on 24 October 2022 and is also available on Mesoblast's website (www.mesoblast.com).

Mesoblast provided an unaudited financial report for the period ended 31 December 2022 to the ASX on Form 6-K on 28 February 2023. The report is also available on Mesoblast's website (www.mesoblast.com).

To illustrate the effect of the Offer on the Company, Mesoblast's pro forma statement of financial position as at 31 December 2022 (set out below) has been prepared to reflect the proposed Offer, as if they occurred on 31 December 2022.

The pro forma financial information in this Section has been derived from Mesoblast's unaudited financial report for the period ended 31 December 2022. As per Note 1(i) Going Concern: the financial report was prepared on a going concern basis. The pro forma financial information below has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (including the Australian Accounting Interpretations) made by the AASB, which are consistent with International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board. The pro forma financial information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

Pro forma consolidated balance sheet

	<i>As of 31 December 2022</i>	
	Unaudited	Pro forma
	US\$'000	US\$'000
Assets		
Cash and cash equivalents	67,610	67,526
Total assets (Total capitalisation)	668,060	667,976
Liabilities		
Current liabilities	54,576	54,576
Non-current liabilities	113,482	113,482
Total liabilities	168,058	168,058
Equity		
Issued capital	1,207,714	1,207,714
Reserves	72,574	72,574

Accumulated losses	(780,286)	(780,370)
Total equity	500,002	499,918

The pro-forma balance sheet above as at 31 December 2022 reflects the changes to Mesoblast's financial position assuming completion of the Offer as at that date noting the following:

- (a) on 23 December 2022, Oaktree extended to Mesoblast the availability of up to US\$30 million of its existing US\$90 million 5 year senior secured debt facility under the Loan Agreement, subject to achieving certain milestones on or before 30 September 2023. The Approved US Investors will receive the Warrants (being the Offer Securities) to purchase 455,000 American Depositary Shares at US\$3.70 per ADS with a seven-year term;
- (b) no application monies are payable by Approved US Investors for the Offer Securities offered under this Prospectus;
- (c) the issue of the Offer Securities is for nil consideration;
- (d) the Approved US Investors will receive Warrants (being the Offer Securities) to purchase 455,000 American Depositary Shares at US\$3.70 per ADS with a seven-year term. A warrant liability of US\$1.0 million has been recognized in the Company's 31 December 2022 consolidated balance sheet and a corresponding US\$1.0 million recognized as a remeasurement of borrowing arrangement in the Company's consolidated income statement;
- (e) management have determined that the Offer Securities are free standing financial instruments that are legally detachable and separately exercisable from ADSs and the Shares they represent. The Offer Securities exchange a number of the Company's Shares for an amount of cash (in United States dollars). The amount of cash may be adjusted based on the payment of dividends, reorganisation events and rights issues. The number of the Company's Shares may be adjusted where there is a change in ADS-to-Share ratio or in the event of a price adjustment, a proportionate change so that the aggregate price payable on exercise of the Warrants remains the same. Therefore, the Offer Securities are classified as a derivative financial liability; and
- (f) expenses related to the Offer recognised in the pro-forma consolidated balance sheet are US\$83,849.

The Approved US Investors will receive Warrants (being the Offer Securities) to purchase 455,000 American Depositary Shares at US\$3.70 per ADS with a seven-year term.

5.4 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares

on issue in Mesoblast (on an undiluted basis) are set out below (as disclosed in substantial holding notices given to Mesoblast under the Corporations Act):

Shareholder	Number of Shares held in last ASX notification	Number of ADS each representing five ordinary shares
Professor Silviu Itescu	68,958,928	-
M&G Investment Group	86,550,226	6,600,000

5.5 Impact on control of Mesoblast

The issue of the Offer Securities under the Offer is not expected to have any effect on the control of Mesoblast.

5.6 Expenses of the Offer

Mesoblast estimates that the total costs of the Offer will be approximately A\$125,148 (excluding GST). Administrative costs and Share Registry expenses are estimated to be approximately A\$40,148 (excluding GST), accounting fees are estimated to be approximately A\$30,000 (excluding GST) and legal fees are estimated to be approximately A\$55,000 (excluding GST). Mesoblast will incur ASX and ASIC fees in connection with lodgement of the Prospectus and any Shares issued to the Depository on the exercise of the Offer Securities. These fees are included in the estimated administrative costs provided above.

6. Rights and liabilities attaching to any Shares underlying ADSs issued in connection with the exercise of the Offer Securities

6.1 Shares

(a) General

Any Shares underlying ADSs issued in connection with the exercise of the Offer Securities will be fully paid ordinary shares and will, as from their issue, rank equally in all respects with all Shares then on issue.

Any such Shares will be governed by the Corporations Act, the ASX Listing Rules and the Constitution. The following is a summary of the more significant rights and liabilities attaching to Shares on issue in Mesoblast. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should obtain independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which can be inspected, free of charge, at Mesoblast's registered office during normal business hours. In applying for Offer Securities under this Prospectus, the applicant agrees that it and any Offer Securities issued to the applicant are bound by the terms of the Constitution.

(b) General meetings and notices

Each Shareholder will be entitled to receive notices of general meeting of Mesoblast.

Shareholders are entitled to be present in person, or by proxy, attorney or representative (in the case of a Shareholder who is a body corporate) to attend and vote at general meetings of Mesoblast.

Shareholders may request meetings in accordance with section 249D of the Corporations Act and the Constitution and call meetings in accordance with section 249F of the Corporations Act.

Each Shareholder will be entitled to receive all notices, accounts and other documents required to be sent to Shareholders in accordance with the Constitution, the ASX Listing Rules and the Corporations Act.

(c) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney, representative (in the case of a Shareholder who is a body corporate) or, if determined by the Directors for any meeting or class meeting, by delivering

the vote to the Company by post, fax or other electronic means approved by the Directors;

- (ii) on a show of hands, every Shareholder present in person, or by proxy, attorney or representative has one vote, however, if a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes, neither proxy may vote on a show of hands;
- (iii) on a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a Shareholder who is a body corporate) has one vote for each Share held and in the case of partly paid shares, that proportion of a vote as is equal to the proportion which the amount paid up on that Shareholder's share bears to the total issue price for that share (excluding calls paid in advance of the due date for payment); and
- (iv) in the case of an equality of votes, the Chairman does not have a casting vote in addition to any vote to which the Chairman may otherwise be entitled.

Under recent amendments to the Corporations Act, a resolution put to the vote of Shareholders at a general meeting must be decided on a poll (and not on a show of hands) if, among other circumstances, the notice of meeting set out an intention to propose the resolution and stated the resolution.

(d) Dividend rights

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, Mesoblast may from time to time pay dividends as the Directors so resolve out of the profits of Mesoblast. All Shares on which a dividend is declared or paid are entitled to participate in that dividend equally. Each partly paid share is entitled to a fraction of the dividend declared or paid on a Share, equivalent to the proportion of the amount paid (not credited) on the relevant share relative to the total amounts paid and payable on the relevant share.

Interest is not payable by Mesoblast on a dividend.

(e) Winding-up

If Mesoblast is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the assets of Mesoblast and may, for that purpose, carry out the division between the different classes of Shareholders but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

The liquidator may, with the sanction of a special resolution, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(f) Shareholder liability

Any Shares acquired on the exercise of the Offer Securities will be fully paid ordinary shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Transfer of shares

Generally, Shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, the ASX Settlement Operating Rules and the Corporations Act.

The Directors may refuse to register any transfer of Shares or other securities that are not quoted by ASX or, in respect of Shares or securities quoted by ASX, refuse to register any transfer subject to the ASX Listing Rules.

(h) Future increase in capital

The Directors may issue shares or options to any person on such terms as the Directors determine, subject to the Corporations Act, ASX Listing Rules and the Constitution.

(i) Variation of rights

Subject to the Corporations Act, where shares of different classes are on issue, the rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of those shares of that class, or with the written consent of the holders of at least 75% of the issued shares in that class.

At present, the only class of shares that Mesoblast has on issue are fully paid ordinary shares.

(j) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least 75% of the votes cast at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(k) Buy Backs

Subject to the Corporations Act and the ASX Listing Rules, Mesoblast may buy back shares on such terms and conditions as the Board may determine from time to time.

6.2 Warrants

The terms, including the rights and liabilities attaching to the Warrants, are summarised in section 8.3 of this Prospectus.

6.3 ADSs

The terms, including the rights and liabilities attaching to the ADSs, are summarised in section 8.3 of this Prospectus.

7. Risk factors

7.1 Introduction

The Offer Securities offered under this Prospectus (and any Shares underlying ADSs issued on exercise of the Offer Securities) are considered speculative because of the inherent risks associated with operating in the clinical stage biotechnology industry. In addition, there are risks inherent in investing in the share market in general.

The Directors have considered and identified in this Section of the Prospectus the critical areas of risk associated with investing in the Offer Securities. The risks identified by the Directors are not exhaustive. Accordingly, you should read this Prospectus in full and obtain professional advice if you require further information on material risks when deciding whether to subscribe for the Offer Securities.

Neither the Company nor any of its Directors or any other party associated with the preparation of this Prospectus guarantees that any specific objectives of the Company will be achieved or that any particular performance of the Company or of Offer Securities, will be achieved.

7.2 Company specific risks

Mesoblast is committed to ensuring the safety of its patients and staff, while continuing the development of its MLC platform technology.

Mesoblast is currently a loss-making entity in product development phase. The long-term financial success of the Company will be measured ultimately on the basis of profitable operations. Key to becoming profitable is the successful development and commercialisation of the Company's product portfolio, establishment of efficient manufacturing operations, achieving product distribution capability, and overall, the ability to attract funding to support these activities. The following specific risks have the potential to affect Mesoblast's achievement of its business goals.

The risk factors below are not exhaustive. For a more detailed discussion, see the "Risk Factors" section in Mesoblast's Current Report on Form 6-K for the three months ended 31 December 2022. In addition, Mesoblast may face additional risks that are presently unknown to or that are believed to be immaterial as at the date of this Prospectus. Known and unknown risks and uncertainties may significantly impact and impair Mesoblast's business operations.

(a) Product risk

Mesoblast is subject to inherent product-related risks relevant to companies operating in the biotechnology industry, such as that products being developed are not safe and effective and therefore will not gain approval for sale from various

regulatory bodies, and that there may be substantial delays in the clinical studies. These risks may arise or be exacerbated as a result of the following:

- (i) Mesoblast's product candidates are based on its novel mesenchymal lineage adult stem cell technology, which makes it difficult to accurately and reliably predict the time and cost of product development and subsequently obtaining regulatory approval;
- (ii) Mesoblast may find it difficult to enrol patients in its clinical trials, especially for indications such as acute graft versus host disease which are designated as orphan or niche markets, which could delay or prevent development of Mesoblast's product candidates; and
- (iii) several of Mesoblast's product candidates treat patients who are extremely ill and patient deaths that occur in its clinical trials could negatively impact Mesoblast's business even if they are not shown to be related to its product candidates.

(b) Manufacturing risk

Disruption to manufacturing operations could impact Mesoblast's ability to deliver clinical grade product required for clinical trials and, in the future, MLC products for commercial sale.

Mesoblast relies on a limited number of suppliers for its product candidates' materials, equipment or supplies and components required to manufacture its product candidates. The Company's business could be harmed if:

- (i) Mesoblast's products are not manufactured in quantities sufficient for development and, if its products are approved, commercialisation;
- (ii) Mesoblast loses its collaborators and suppliers, or they fail to provide quality supplies on a timely basis, which could cause delays in Mesoblast's current and future capacity; and
- (iii) the Lonza manufacturing facilities do not continue to meet its ongoing regulatory requirements.

Product recalls or inventory losses caused by unforeseen events could also adversely affect Mesoblast's operating results and financial condition.

(c) Commercialisation risk

The speed and quality of Mesoblast's clinical trial execution are primary drivers of its ability to transform into a commercial stage company. In addition, the future profitability of Mesoblast's products depends largely on the reasonable achievement of various business assumptions, including product price (reimbursement), size of market, availability of raw materials in the manufacturing process and cost of goods sold.

These drivers and assumptions also underpin the carrying value of Mesoblast's in-process research and development on the balance sheet and are reviewed regularly when Mesoblast tests for asset impairment. There is a risk that these assumptions prove to be materially incorrect. If the market opportunities for Mesoblast's product candidates are smaller than Mesoblast believes they are, the Company's revenues may be adversely affected and its business may suffer. Mesoblast also faces substantial competition, which may result in others discovering, developing or commercialising products before, or more successfully, than Mesoblast.

Mesoblast is exposed to risks relating to its international operations and failure to manage those risks may adversely affect its operating results and financial conditions. As an example, price controls may be imposed in foreign markets. Such an event may also adversely affect Mesoblast's future profitability.

If product liability lawsuits are brought against Mesoblast, the Company may incur substantial liabilities and may be required to limit commercialisation of its product candidates. The Company's use of animal-derived materials could also harm its product development and commercialisation efforts.

Furthermore, if in the future Mesoblast is unable to establish its own sales, marketing and distribution capabilities or enter into licensing or collaboration agreements for these purposes, Mesoblast may not be successful in independently commercialising any future products.

(d) Partnering risk

Future product sales in certain indications are dependent on maintaining existing commercial relationships. If Mesoblast and its partners do not successfully carry out their contractual duties, meet expected deadlines, or comply with regulatory requirements, they may not be able to obtain regulatory approval for or commercialise Mesoblast's product candidates in a timely and cost effective manner or at all, and Mesoblast's business could be substantially harmed. In addition, future product sales may also be dependent on the ability of the Company to attract new partners, who will in some cases, be required to help develop and distribute the Company's products.

(e) Funding risk

Mesoblast has incurred operating losses since its inception and expects that it may continue to incur operating losses for the foreseeable future. Accordingly, the ability of Mesoblast to successfully bring products to market ultimately relies on having access to continued sources of funding, including from partners and investors. Failure to obtain such funding when needed could force Mesoblast to delay, limit, reduce or terminate its product development or commercialisation efforts.

(f) Personnel risk

Execution of Mesoblast's corporate strategy could be impacted if Mesoblast did not retain its present CEO and certain members of staff. If Mesoblast fails to attract and keep senior management and key scientific personnel, it may be unable to successfully develop its product candidates, conduct clinical trials and commercialise its product candidates. There is also a risk that Mesoblast's employees, principal investigators, consultants or collaboration partners engage in misconduct or other improper activities, including non-compliance with laws and regulatory standards and requirements, and insider trading.

Mesoblast works with external scientists, medical professionals and their institutions in developing product candidates. These collaborators may have other commitments or conflicts of interest, which could limit Mesoblast's access to their expertise and harm its ability to leverage its technology platform.

(g) Intellectual property risk

Future product sales are impacted by the extent to which there is patent protection over the products. Patent coverage risk includes the risk that competitive products do not infringe Mesoblast's intellectual property rights and also the risk that Mesoblast's products infringe on other parties' intellectual property rights. If third parties claim that intellectual property used by Mesoblast infringes on their intellectual property, commercialisation of Mesoblast's product candidates and its operating profits could be adversely affected. The Company may be forced to litigate to enforce or defend its intellectual property rights, and/or the intellectual property rights of its licensors. Intellectual property disputes could cause Mesoblast to spend substantial resources and distract Mesoblast's personnel from their normal responsibilities. Patent reform legislation and court decisions in the US and other major jurisdictions could increase the uncertainties and costs surrounding the prosecution of Mesoblast's patent applications and the enforcement or defence of its issued patents.

Furthermore, if Mesoblast does not obtain patent term extensions in the United States and other countries, thereby potentially extending the term of the marketing exclusivity of Mesoblast's product candidates, Mesoblast's business may be materially harmed.

The patent positions of biopharmaceutical products are complex and uncertain. There is a risk that Mesoblast may not be able to protect its proprietary technology in the marketplace. In addition, there is a risk that Mesoblast may be unable to adequately prevent disclosure of trade secrets and other proprietary information.

(h) Regulatory risk

The Company operates in a highly regulated industry. Pharmaceutical products are subject to strict regulations of regulatory bodies in the United States, Europe, Asia and Australia. In addition, Mesoblast's operations may be subject to local laws and regulations, including and not limited to taxation, environmental and anti-

corruption laws. Non-compliance with laws and regulatory standards and requirements could disrupt Mesoblast's operations and harm its operating results.

The requirements to obtain regulatory approval of the United States Food and Drug Administration and regulators in other jurisdictions can be costly, time consuming and unpredictable. If Mesoblast or its collaborators are unable to obtain timely regulatory approval for its product candidates, Mesoblast's business may be substantially harmed. Even if Mesoblast obtains regulatory approval for a product candidate, its products will be subject to ongoing regulatory scrutiny. In addition, Mesoblast may face competition from biosimilars due to changes in the regulatory environment.

In the United States, Mesoblast may lose its foreign private issuer status, which would then require Mesoblast to comply with reporting and other requirements under the Exchange Act and cause it to incur additional legal, accounting and other expenses.

7.3 General risks

An investment in the Offer Securities (including any Shares underlying ADSs which are issued on the exercise of the Offer Securities) carries certain risks, many of which are not in the control of Mesoblast or its management. These risks include the risks set out below.

(a) Share Price

The price of Shares quoted on the ASX and of ADSs as quoted on the NASDAQ Global Select Market may rise or fall (and therefore the value of the Warrants), and the Shares may trade below or above the exercise price due to a number of factors, including:

- (i) general economic conditions, including interest rates, exchange rates, inflation rates and commodity prices;
- (ii) fluctuations in the local and global market for listed securities;
- (iii) changes to government policy, legislation or regulation;
- (iv) inclusion in or removal from market indices;
- (v) the nature of markets in which Mesoblast operates;
- (vi) general and operational business risks;
- (vii) natural disasters; and
- (viii) global hostilities, tensions and acts of terrorism.

There is no assurance that the value or price of the Offer Securities will increase, decrease or stay the same following the Shares underlying ADSs issued on exercise of the Offer Securities, even if Mesoblast's earnings increase. In addition,

the dual listing of Mesoblast's Shares and the American Depository Shares may adversely affect the liquidity and value of these securities.

(b) Lack of liquidity and effect of exercise price

As the Offer Securities will not be quoted on ASX, there is a limited market for the Offer Securities. You should also be aware that the exercise price of the Offer Securities may be in excess of the market price of the underlying Shares during the exercise period applicable to them.

(c) Changes in tax laws

There is the potential for further changes to Australia's tax laws and to foreign tax laws relevant to Mesoblast. Any change to the current rates of taxes imposed on Mesoblast is likely to affect returns from an investment in Offer Securities (and therefore the value of Shares). An interpretation of taxation laws by the relevant tax authority that is contrary to Mesoblast's view of those laws may increase the amount of tax to be paid. In addition, an investment in the Offer Securities involves tax considerations which may differ for each investor. You are encouraged to obtain professional tax advice in connection with any investment in Mesoblast.

(d) Force majeure events

Events may occur within or outside Australia that could impact on the Australian economy, the operations of Mesoblast and the price and value of the Offer Securities (and therefore the price and value of the ADSs and Shares). The events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for Mesoblast's products and its ability to conduct business and on Mesoblast's business and earnings. The Company has only a limited ability to insure against some of these risks.

(e) Capital Structure

Changes in the capital structure of Mesoblast, for example from the raising of further debt or the issue of further equity to repay or refinance debt facilities or to fund the acquisition of assets, may affect the value of, and returns from, an investment in the Offer Securities (and therefore the value of the ADSs and Shares).

(f) Dividends

The Company has not previously paid any dividends.

(g) Accounting Standards

Australian Accounting Standards are set by the AASB and are beyond the control of Mesoblast, the Directors and Mesoblast's management team. Changes to

accounting standards issued by the AASB could adversely impact the financial performance and position reported in Mesoblast's financial statements.

(h) ADSs

ADS holders do not hold Shares directly and, as such, may be subject to the following additional risks:

- (i) an ADS holder will not be treated as a shareholder and will not be able to exercise shareholder rights directly (in other words, they would need to exercise those rights indirectly through the Depositary as permitted by the Deposit Agreement);
- (ii) distributions on Shares underlying ADSs will be paid to the Depositary and before the Depositary makes a distribution to an ADS holder, any withholding taxes that must be paid will be deducted. Additionally, if the exchange rate fluctuates during a time when the Depositary cannot convert the foreign currency, an ADS holder may lose some or all of the value of the distribution; and
- (iii) the Company and the Depositary may amend or terminate the Deposit Agreement without the ADS holders' consent in a manner that could prejudice ADS holders.

8. Additional information

8.1 Continuous disclosure obligations

This Prospectus is issued by Mesoblast in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities.

As a disclosing entity, Mesoblast is subject to regular reporting and disclosure obligations. As a listed company, Mesoblast is subject to the ASX Listing Rules which require, subject to certain exceptions, prompt disclosure to the market of any information of which Mesoblast is aware which a reasonable person might expect to have a material impact on the price or value of the Offer Securities (including the price or value of any Shares underlying ADSs issued in connection with the exercise of the Offer Securities).

Section 713 of the Corporations Act enables a company to issue a 'transaction specific' prospectus where the securities offered under that prospectus are continuously quoted securities within the meaning of the Corporations Act or are options to acquire such securities. This generally means that the relevant securities (or the securities that may be acquired on the exercise of the options offered, as the case may be) are in a class of securities that were quoted 'enhanced disclosure' securities at all times during the three months before the date of the prospectus and that, during the 12 months before the date of the prospectus, the issuing company was not exempt from the continuous disclosure regime and disclosing entity requirements under the Corporations Act and the ASX Listing Rules.

In summary, 'transaction specific' prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, Mesoblast believes that it has complied with, and has not been exempt from, the general and specific requirements of ASX as applicable throughout the 12 months before the date of this Prospectus which required Mesoblast to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the securities market conducted by ASX. For the purposes of satisfying section 713(5) of the Corporations Act, a prospectus must also incorporate such information if such information:

- (a) has been excluded from a continuous disclosure notice in accordance with the Listing Rules; and
- (b) is information that an investor and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liability, financial position and performance, profits and losses and prospects of the body; and

- (ii) the rights and liabilities attaching to the securities being offered.

This Prospectus must contain the above information only to the extent to which it is reasonable for an investor and its professional advisers to expect to find such information in the Prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

8.2 Company announcements

An investor may view a record of Mesoblast's ASX announcements at www.asx.com.au by using the ASX code, 'MSB'. ASIC also maintains records in respect of documents lodged with it by Mesoblast and these may be obtained from or inspected at the office of ASIC. This Prospectus is intended to be read in conjunction with information previously publicly disclosed by Mesoblast.

The Company will provide free of charge to any person who requests it during the application period under this Prospectus:

- (a) the annual financial report most recently lodged by Mesoblast with ASIC;
- (b) any half-year financial report lodged by Mesoblast with ASIC after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Prospectus with ASIC; and
- (c) any continuous disclosure documents given by Mesoblast to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Prospectus with ASIC.

The announcements below (continuous disclosure notices) have been made by Mesoblast to ASX in approximately the last 12 months.

Date	Headline
28 Feb 2023	DREAM HF Trial Published in JACC
28 Feb 2023	MSB Q2 Financial Results and Operational Highlights
28 Feb 2023	Second Quarter Results Presentation
28 Feb 2023	Half Yearly Report and Accounts
27 Feb 2023	Mesoblast Second Quarter Financial Results Webcast
17 Feb 2023	Remestemcel Clinical and Potency Studies Presented at Tandem
9 Feb 2023	FDA Grants RMAT Designation for Rexlemestrocel-L in CLBP
1 Feb 2023	Mesoblast Completes Resubmission of BLA to FDA for SR-aGVHD
31 Jan 2023	Quarterly Activities/Appendix 4C Cash Flow Report
16 Jan 2023	Appendix 3G, Appendix 3H and Appendix 3Ys
10 Jan 2023	Biotech Showcase 2023 Presentation in San Francisco
23 Dec 2022	Extension of Undrawn US\$30 million Facility
23 Dec 2022	Proposed issue of securities

Date	Headline
2 Dec 2022	Appendix 3G, Appendix 3H and Appendix 3Y
24 Nov 2022	Amended Constitution
23 Nov 2022	Results of Meeting
23 Nov 2022	Chairman's Address to Shareholders
23 Nov 2022	Long-Term Survival for Acute GvHD Treatment with Remestemcel
23 Nov 2022	MSB Q1 Financial Results and Operational Highlights
23 Nov 2022	CEO First Quarter Results and 2022 AGM Presentation
23 Nov 2022	First Quarter Financial Results on Form 6-K
21 Nov 2022	Mesoblast First Quarter Financial Results Webcast
15 Nov 2022	Removal of Amendment to Constitution About Virtual Meetings
31 Oct 2022	Quarterly Activities / Appendix 4C Cash Flow Report
24 Oct 2022	Notice of Annual General Meeting and Proxy Form
24 Oct 2022	Annual Report to Shareholders
24 Oct 2022	Appendix 4G and Corporate Governance Statement
14 Oct 2022	Appendix 3G, Notification of cessation of securities
3 Oct 2022	Submits New Information to FDA IND file for SR-aGVHD
20 Sep 2022	Appendix 3Y Change of Director's Interest Notice
12 Sep 2022	Appendix 3Y Change of Director's Interest Notice
31 Aug 2022	MSB Annual Financial Results and Operational Highlights
31 Aug 2022	Annual Financial Results Presentation
31 Aug 2022	Preliminary Final Report
30 Aug 2022	Mesoblast 2022 Full Year Financial Results Webcast
18 Aug 2022	Director Appointment
18 Aug 2022	Appendix 3X Initial Director's Interest Notice
18 Aug 2022	Appendix 3Z Final Director's Interests Notice
16 Aug 2022	Ceasing to be a substantial holder – Tiga Trading Pty Ltd
16 Aug 2022	Ceasing to be a substantial holder from TEK
16 Aug 2022	Ceasing to be a substantial holder from TOP
16 Aug 2022	Change in substantial holding
12 Aug 2022	Cleansing Notice
12 Aug 2022	Appendix 2A
9 Aug 2022	Appendix 3B
9 Aug 2022	US\$45 Million Private Placement to Major Shareholders
9 Aug 2022	Reinstatement to Quotation
8 Aug 2022	Voluntary Suspension

Date	Headline
4 Aug 2022	Trading Halt
4 Aug 2022	Pause in Trading
29 Jul 2022	Quarterly Activities / Appendix 4C Cash Flow Report
19 Jul 2022	Rexlemestrocel-L Improves LVEF, Preceding Reduction in MACE
14 Jul 2022	Appendix 3H and Appendix 3Y
12 Jul 2022	Rexlemestrocel-L to be Highlighted on Heart Failure
21 Jun 2022	Mesoblast CLBP Event with Key Opinion Leaders
21 Jun 2022	Chronic Low Back Pain KOL Event Presentation
14 Jun 2022	Litigation Update
9 Jun 2022	Mesoblast to Host KOL Event on Chronic Low Back Pain
1 Jun 2022	Third Quarter Results Presentation
1 Jun 2022	MSB Q3 Financial Results and Operational Highlights
1 Jun 2022	Third Quarter Financial Results on Form 6-K
31 May 2022	Mesoblast Q3 Financial Results Webcast
31 May 2022	Remestemcel-L Survival Outcomes in COVID-19 ARDS Patients
30 May 2022	Ceasing to be a substantial holder
20 May 2022	Becoming a substantial holder
19 May 2022	Litigation Update
3 May 2022	Ceasing to be a substantial holder
2 May 2022	Ceasing to be a substantial holder
29 Apr 2022	Quarterly Activities / Appendix 4C Cash Flow Report
19 Apr 2022	Becoming a substantial holder
14 Apr 2022	Appendix 3G and Appendix 3H
6 Apr 2022	Company Secretary Appointment
29 Mar 2022	Becoming a substantial holder
28 Mar 2022	Appendix 3X Initial Director's Interest Notice
24 Mar 2022	Director Appointment
4 Mar 2022	S&P DJI Announces March 2022 Quarterly Rebalance
25 Feb 2022	Appendix 3Z Final Director's Interest Notice
25 Feb 2022	MSB Q2 Financial Results and Operational Highlights
25 Feb 2022	Second Quarter Results Presentation
25 Feb 2022	Half Yearly Report and Accounts
24 Feb 2022	Mesoblast Q2 Financial Results Webcast
21 Feb 2022	Ulcerative Colitis & Crohns Results Presented at ECCO
2 Feb 2022	Mesoblast Appoints Dr Eric Rose as Chief Medical Officer

8.3 Loan Agreement, Warrant terms and conditions and ADS terms and conditions

(a) Overview of Loan Agreement

As announced to the ASX on 23 December 2022, Oaktree extended to Mesoblast the availability of up to US\$30 million of its existing US\$90 million 5 year senior secured debt facility under the Loan Agreement, subject to achieving certain milestones on or before 30 September 2023.

Mesoblast drew the first tranche of US\$60.0 million in November 2021. The facility has a three-year interest only period, at a rate of 9.75% per annum, after which time 40% of the principal amortizes over two years with a final payment due in November 2026. In consideration of the milestone extension period, Mesoblast will offer and issue to Approved US Investors the Offer Securities comprising 455,000 Warrants.

Under the Loan Agreement, the lender may assign any of its rights without prior notice to the Company, and all such rights shall inure to the benefit of the lender's assignees. This assignment right is subject to certain restrictions where the assignee is a competitor of the Company.

(b) Warrant terms and conditions

The maximum number of Warrants being offered under this Prospectus is 455,000.

The full terms and conditions applicable to the Warrants are set out in the Loan Agreement. Below is a summary of the material terms and conditions of the Warrants.

Expiry

Each Warrant has an expiry date of seven years from the date of its issue (**Exercise Period**).

The Company proposes to issue the Offer Securities validly applied for under this Prospectus on or about 7 March 2023.

Exercise Price

Each Warrant will have an exercise price of USD\$3.70 (**Exercise Price**) and convert into one ADS which represents five Shares.

Exercise

During the Exercise Period, a Warrant holder may exercise (in whole or in part) their Warrants by:

- (i) delivering to the Company and the Depository, written notice in the prescribed form of the Warrant holder's election to exercise the Warrant; and

- (ii) paying to the Company an amount equal to the Exercise Price multiplied by the number of Warrants being exercised.

Delivery of ADSs

On or before the fifth Trading Day following the Company's receipt of a Warrant holder's valid exercise of some or all of its Warrants (including payment of the relevant aggregate Exercise Price), the Company will deposit the underlying Shares of each ADS with the Depository and cause the Depository to credit to the Warrant holder the relevant number of ADSs.

Adjustments

In the event of any re-organisation of the Company, including reconstruction, consolidation, subdivision, reduction or return of capital or pro rata issue to Shareholders, the Warrants will be adjusted in accordance with their terms and the ASX Listing Rules.

Participation rights and entitlements

Warrant holders are not entitled to any participation rights or entitlements in respect of the Company, including the right to vote or receive dividends from the Company or be deemed to be a Shareholder, except after exercise of the Warrants and conversion of the issued ADSs into Shares.

Transferability

Each Warrant is transferable by the Warrant holder to a third party subject to the transferor and transferee satisfying the transfer requirements under the Loan Agreement.

- (c) ADS terms and conditions

On exercise of a Warrant, a Warrant holder will be issued an ADS through an American Depository Receipts (**ADR**) program.

The ADR program has been established under the deposit agreement entered into between the Company, JP Morgan Chase Bank N.A as depository (**Depository**) and ADR holders (**Deposit Agreement**).

Each ADS represents an ownership interest in five Shares which the Company will issue to and deposit with the custodian, as agent of the Depository, under the Deposit Agreement.

Rights

An ADR holder is not a shareholder of the Company and does not have any shareholder rights. The Depository or its nominee will be the shareholder of record for the Shares represented by the ADSs, shareholder rights will rest with the Depository or its nominee. An ADR holder derives their rights from the terms of the Deposit Agreement. The obligations of the depository and its agents are also set out in the Deposit Agreement.

Because the Depositary or its nominee will be the registered owner of the Shares, an ADR holder must rely on the Depositary to exercise the rights of a shareholder on its behalf.

The Deposit Agreement and the ADSs are governed by New York law.

Deposit, Withdrawal and Cancellation of ADSs

The Depositary will issue ADSs if the ADR holder or its broker deposits Shares or evidence of rights to receive Shares with the custodian and pays the fees and expenses owing to the Depositary in connection with such issuance.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of JPMorgan Chase Bank, N.A., as depositary for the benefit of holders of ADRs or in such other name as the Depositary shall direct.

The custodian will hold all deposited Shares for the account of the Depositary. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited Shares (the deposited Shares and any such additional items are collectively Deposited Securities).

Upon each deposit of Shares, receipt of related delivery documentation and compliance with the other provisions of the Deposit Agreement, including the payment of the fees and charges of the Depositary and any taxes or other fees or charges owing, the Depositary will issue an ADR or ADRs in the name or upon the order of the person entitled, evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the Depositary's direct registration system, and a registered holder will receive periodic statements from the Depositary which will show the number of ADSs registered in such holder's name. An ADR holder can request that the ADSs not be held through the depositary's direct registration system and that a certificated ADR be issued.

An ADR holder can turn in its ADR certificate at the Depositary's office, or when provided proper instructions and documentation in the case of direct registration ADSs, the Depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying Shares to the ADR holder or upon an ADR holder's written order.

The Depositary may only restrict the withdrawal of Deposited Securities in connection with:

- (i) temporary delays caused by closing transfer books or those of the Depositary or the deposit of Shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- (ii) the payment of fees, taxes and similar charges; or
- (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of Deposited Securities.

This right of withdrawal may not be limited by any other provision of the Deposit Agreement.

Voting

The Depositary may ask an ADR holder to provide it with voting instructions. In such a circumstance, an ADR holder may instruct the Depositary how to exercise the voting rights for the Shares which underlie their ADSs.

As soon as practicable after receiving notice of any meeting from the Company, the Depositary will distribute to the registered ADR holders a notice stating such information as is contained in the voting materials received by the Depositary and describing how an ADR holder may instruct the Depositary to exercise the voting rights for the Shares which underlie the ADR holder's ADSs.

Books of Depositary

The Depositary or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs.

8.4 Litigation

A class action proceeding in the Federal Court of Australia was served on the Company in May 2022 by the law firm William Roberts Lawyers on behalf of persons who, between February 22, 2018, and December 17, 2020, acquired an interest in Mesoblast shares, American Depositary Receipts, and/or related equity swap arrangements. In June 2022, the firm Phi Finney McDonald commenced a second shareholder class action against the Company in the Federal Court of Australia asserting similar claims arising during the same period. Like the class action lawsuit from October 2020 filed in the U.S. Federal District Court for the Southern District of New York (which had court approval for settlement in August 2022), the Australian class actions relate to the Complete Response Letter released by the FDA in relation to the Company's GvHD product candidate; they also relate to certain representations made by the Company in relation to our COVID-19 product candidate and the decline in the market price of the Company's ordinary shares in December 2020. In October 2022, the Australian class actions were consolidated into one lawsuit. The Company will continue to vigorously defend against the proceedings. The Company cannot provide any assurance as to the possible outcome or cost to us from the lawsuit, particularly as it is at an early stage, nor how long it may take to resolve such lawsuit. Thus, the Company has not accrued any amounts in connection with such legal proceedings.

8.5 Design and distribution obligations

From 5 October 2021, the new product design and distributions obligations under the Corporations Act (**DDO Obligations**) take effect. The DDO Obligations are intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer-centric product. The DDO Obligations require product issuers to make publicly available a target market determination that explains the target market for

certain securities, any distribution conditions and any information related to reviewing and monitoring conduct in relation to the target market determination.

The Company has prepared a target market determination in respect of the Offer Securities which is available on the Company's website at <https://mesoblast.com/company/corporate-governance>.

8.6 Relevant interests, benefits and related party transactions

Sections 2.3 to 2.5 of this Prospectus set out a summary of the interests and benefits payable to the Directors and other persons connected with Mesoblast or the Offer and any significant related party transactions.

Directors and their related parties will not participate in the Offer.

8.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of Mesoblast; or
- (c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of Mesoblast;
- (e) any property acquired or proposed to be acquired by Mesoblast in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of Mesoblast; or
- (h) the Offer.

MinterEllison has acted as Australian legal advisers to Mesoblast in relation to the Offer. Mesoblast estimates it will pay MinterEllison approximately A\$55,000 (excluding GST and

disbursements) for these services. Further amounts may be paid to MinterEllison in accordance with its usual time based charge out rates.

8.8 Consents

Each of the parties referred to in this Section 8.8:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

MinterEllison has given its written consent to being named as Australian legal advisers to Mesoblast in this Prospectus. MinterEllison has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Link Market Services Limited has given its written consent, and has not withdrawn its consent, to be named as Share Registry in the form and context in which it is named in this Prospectus. Link Market Services Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to Mesoblast. Link Market Services Limited has not authorised or caused the issue of, and expressly disclaims and takes not responsibility for, any part of the Prospectus.

8.9 No involvement in preparation of this Prospectus

Oaktree and the Approved US Investors had no responsibility or obligation in connection with the preparation, form or content of this Prospectus, have not been involved in its authorisation or release and accept no liability for this Prospectus.

8.10 Restricted securities

None of Mesoblast's issued securities are 'restricted securities' (as defined in the ASX Listing Rules).

8.11 Broker handling fees

No handling fees are payable in connection with the Offer under this Prospectus.

8.12 Taxation

The Board do not consider that it is appropriate to provide an investor with advice regarding the taxation consequences of accepting the Offer under this Prospectus. Mesoblast, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to an investor in respect of any issue.

8.13 Privacy disclosure statement

The Company holds certain personal information regarding Shareholders that has been provided to Mesoblast (directly or via the Share Registry) in connection with their

investment in Mesoblast. The *Privacy Act 1988* (Cth) governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information. The personal information that Mesoblast holds is used to provide services and appropriate administration including communications with members. If Mesoblast is obliged to do so by law, an investor's personal information will be passed on to other parties strictly in accordance with legal requirements.

The Corporations Act requires that Mesoblast include information about security holders (including name, address and details of the securities held) in its public register. The information contained in Mesoblast's public register must remain there for seven years after that person ceases to be a security holder. Information contained in Mesoblast's registers is also used to facilitate distribution payments and corporate communications (including Mesoblast's financial results, annual report and other information that Mesoblast may wish to communicate to its security holders) and compliance by Mesoblast with legal and regulatory requirements.

An investor has a right to gain access to the information that Mesoblast holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Mesoblast's registered office.

8.14 Authorisation

Each Director has consented (and has not withdrawn their consent) to the lodgement of this Prospectus with ASIC.

8.15 Governing Law

This Prospectus is governed by the law of Victoria.

Glossary

Term	Definition
\$ and A\$	means the currency of Australia.
AASB	means the Australian Accounting Standards Board.
American Depositary Receipt or ADR	means the certificate issued by the Depositary to a holder of ADSs evidencing their ownership of the ADSs.
American Depositary Share or ADS	means a fully paid American Depositary Share in the capital of Mesoblast.
Approved US Investor	means any person who is a lender, or has been assigned the relevant lender rights, under the Loan Agreement prior to the Closing Date.
ASIC	means the Australian Securities and Investments Commission.
ASX or Australian Securities Exchange	means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, a financial market operated by it, as the context requires.
ASX Listing Rules	means the listing rules of ASX.
ASX Settlement	means ASX Settlement Pty Limited ABN 49 008 504 532 or the clearing and settlement facility operated by it, as the context requires.
ASX Settlement Operating Rules	means the operating rules of ASX Settlement as amended from time to time, except to the extent of any express written waiver by ASX Settlement.
Board	means the board of Directors unless the context indicates otherwise.
CEO	means the Chief Executive Officer.
Closing Date	means 5.00pm (Melbourne time) on 6 March 2023 (unless extended).
Company or Mesoblast	means Mesoblast Limited ACN 109 431 870.
Constitution	means the constitution of Mesoblast as at the date of this Prospectus.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Deposit Agreement	means the deposit agreement entered into between the Company, the Depositary and ADR holders
Depositary	means JPMorgan Chase Bank, N.A.
Directors	means the directors of Mesoblast as at the date of this Prospectus.
Exchange Act	means the <i>Securities Exchange Act of 1934</i> (US).
GST	means goods and services tax.
FDA	means the United States Food & Drug Administration.
Loan Agreement	means the loan agreement and guaranty dated 19 November 2021 between Mesoblast, Oaktree (as administrative agent and collateral agent) and the lender as amended by the First Amendment to Loan Agreement and Guaranty dated 22 December 2022.
Oaktree	means Oaktree Fund Administration, LLC, a Delaware limited liability company or its assignees.
Offer	means the offer of the Offer Securities described in Section 3 of this Prospectus.
Offer Securities	means the securities offered to the Approved US Investors under this Prospectus, being 455,000 Warrants.

Term	Definition
Official Quotation	means official quotation on ASX.
Opening Date	means 3 March 2023.
Option	means an option to acquire by way of issue a Share.
Prospectus	means this prospectus dated 3 March 2023.
Prospectus Expiry Date	means 2 April 2024.
Section	means a section of this Prospectus.
Share(s)	means a fully paid ordinary share in the capital of Mesoblast.
Share Registry	means Link Market Services Limited.
Shareholder	means a holder of one or more Shares.
Warrants	means warrants issued by Mesoblast in accordance with the terms of the Loan Agreement as described in Section 8.3, and includes where the context requires, any ADSs that may be issued on exercise of those warrants.