

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

7 November 2024

**PROSPECTUS FOR ISSUE OF WARRANTS IN CONNECTION WITH PREVIOUSLY
ANNOUNCED CONVERTIBLE NOTE SUBSCRIPTION AGREEMENT**

In connection with Mesoblast Limited (ASX:MSB; Nasdaq:MESO) entering into the convertible note subscription agreement with its largest shareholder Dr Gregory George (Investor) for the issue, at its sole discretion, of up to US\$50.0 million convertible notes following approval by the United States Food and Drug Administration of Mesoblast's lead product candidate Ryoncil® (remestemcel-L) in the treatment of children with steroid refractory acute graft versus host disease (SR-aGvHD), announced on 30 September 2024, Mesoblast will issue 2,000,000 warrants over fully paid ordinary shares in Mesoblast Limited (Shares) or American Depositary Shares (ADS) (with each ADS representing ten Shares) to the Investor as a commitment fee. The warrants have an exercise price of US\$9.06 per ADS or A\$1.32 per Share, and have an expiry date of four years from the date of issue.

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, the registration requirements 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 the Investor that Mesoblast is required to issue in accordance with the terms of the Subscription Agreement where a facility of up to US\$50 million has been made available to Mesoblast following approval by the United States Food and Drug Administration (**FDA**) of Mesoblast's lead product candidate Ryoncil® (remestemcel-L) in the treatment of children with steroid-refractory acute graft versus host disease (**SR-aGvHD**) as announced to the ASX on 30 September 2024. This Prospectus has been prepared in accordance with Australian legal requirements. Please refer to the US legend in Section 1.2 (if applicable). Only the Investor 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.

Mesoblast Limited ACN 109 431 870

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Corporate directory

Directors

Jane Bell (Chair)
Silviu Itescu
William Burns
Joseph Swedish
Philip Facchina
Philip Krause
Eric Rose

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Paul Hughes

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Auditor

PricewaterhouseCoopers
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Melbourne, Victoria 3006
Australia

Summary

Topic	Details	Where to find more information
What is the Offer?	This Prospectus relates the Offer to be made by Mesoblast to the Investor for the issue of the Offer Securities, being 2,000,000 Warrants to acquire Shares or American Depositary Shares (ADS) (with each ADS representing ten Shares), which Mesoblast is required to issue to the Investor as a commitment fee in accordance with the Subscription Agreement. The Company (at its discretion), may issue of up to US\$50 million convertible notes (Notes) to the Investor, on approval by the FDA of Mesoblast's lead product candidate RYONCIL in the treatment of children with SR-aGvHD, in accordance with the terms of the Subscription Agreement. The Investor is Dr Gregory George who, with his Affiliates, is the Company's largest shareholder, holding 191,314,585 Shares as disclosed in notices provided to the Australian Securities Exchange prior to the date of this Prospectus.	Section 3.1
Opening and Closing Dates	The Opening Date is 7 November 2024 and the Closing Date is 10.00am (Melbourne time) on 11 November 2024 (unless extended).	Section 3.7
Application for Offer Securities	An application for the Offer Securities can only be made by the Investor 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 or delivered to Mesoblast as set out in this Prospectus. An application must also comply with any further requirements set out in the Subscription Agreement.	Section 3.4
What is the purpose of the Prospectus?	In accordance with the terms of the Subscription Agreement, Mesoblast is required to issue the Offer Securities, which are Warrants to acquire fully paid ordinary Shares or 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 the Investor 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 without restriction under section 707 of the Corporations Act in accordance with the terms of the Subscription Agreement.	Section 3.2
Risk factors	The key risks in relation to an investment in Mesoblast include but are not limited to: • product risk; • manufacturing and supply chain risk;	Section 7

Topic	Details	Where to find more information
	• 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 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 or Shares underlying ADSs which may be issued on exercise of the Offer Securities rank in comparison to existing Shares?	Any Shares, including 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?	The Warrants are exercisable, at the discretion of the Investor, into Shares or into Shares underlying ADSs. Each ADS represents ten 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 to the ADS holder 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 7 November 2024 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 fully paid ordinary Shares or ADSs (at the discretion of the Investor), with each ADS representing ten 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.

This Prospectus, any application forms or other materials relating to the Offer may not be released to US wire services or distributed in the United States. The Investor will be taken to have represented, warranted and agreed on behalf of itself and each person for whom it is applying for Warrants as follows:

- the Investor has entered into an agreement with Mesoblast with respect to the issuance of the Warrants;
- the Investor is either (i) a licensee of the Securities Commission of The Bahamas, the Central Bank of The Bahamas or the Insurance Commission of The Bahamas, or (ii) an "accredited investor" (as defined in the Securities Industry Regulations, 2012 of The Bahamas), is deemed to be a non-resident for Bahamas exchange control purposes, will use funds from a non-Bahamas account to purchase the Securities, and acknowledges that there are restrictions on resales of the Securities in The Bahamas;
- it is not a person in the United States nor acting for the account or benefit of any person in the United States except for an "institutional accredited investor" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act ("IAI");
- it has not distributed this Prospectus or any other written materials concerning the Offer to any person in the United States except to IAI's;
- it understands that the Warrants may not be resold in the United States except to IAI's; and
- it understands that the Warrants have not been registered under the US Securities Act and may not be offered or sold, directly or indirectly, in the United States, unless Warrants are registered under the US Securities Act or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

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 observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Bahamas

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

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

United States

The Warrants and the underlying ordinary shares 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 unless the Warrants are registered under the US Securities Act or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

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.

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 (**MLC**) 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:

- Steroid refractory acute Graft versus Host Disease (SR-aGVHD); 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:

- 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:

Jane Bell, non-executive chair

LLM, LLB, BEc

Ms. Bell AM has 30 years' experience as a banking and finance lawyer with leading law firms, financial services and corporate treasury operations in the United States, Canada, Australia and the United Kingdom. She is an experienced Chair and non-executive Director in highly regulated sectors including delivery of healthcare, life sciences, medical research, and funds management. Ms. Bell currently serves as Deputy Chair of Monash Health, Australia's largest and most diverse public health service delivering more than 3.46 million episodes of care, and Chair of its Audit Committee. She is also a director of publicly-listed biotechnology company Amplia Therapeutics and Chair of its Audit Committee and of Jessie McPherson Private Hospital. She is a former Chair of Royal Melbourne Hospital and former Chair of Biomedical Research Victoria as well as of Advisory Groups for the Royal Australian and New Zealand College of Obstetricians and Melbourne Genomics Health Alliance, a former director of Hudson Institute of Medical Research and Chair of its Intellectual Property and Commercialization Committee and director of U Ethical, Australia's first ethical funds manager. Ms Bell holds a Master of Laws from King's College (London), Bachelor of Laws University of Melbourne, and Bachelor of Economics Monash University. In 2023 Ms Bell was appointed a Member of the Order of Australia (AM) for her significant service to governance in the medical research, healthcare and not-for-profit sectors.

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, 30 April 2024 (appointed as Chair)

William M. Burns, non-executive vice-chair

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 (ICR), London, and in 2016 a Governor of The Wellcome Trust in London, UK. Mr Burns has completed his terms of office at both ICR and Wellcome Trust and has retired from both positions

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

Date of Appointment: 6 March 2014

Joseph R. Swedish, non-executive director

MHA

Joseph R. Swedish is the former Chairman, President and CEO of Anthem, Inc. (currently Elevance Health) a Fortune 22 company and the nation's leading health benefits provider. This became the foundation for Elevance Health today serving nearly 47.3 million members – or one in seven Americans – through its affiliated health plans, and over 117 million individuals across 33 states through its broad portfolio of health insurance and service subsidiaries. He served as the Chairman, President and CEO from 2013 to 2018. Subsequently he served as a Strategic Advisor from 2018 to 2020. During his tenure Anthem's membership grew by four million, or 11 percent, the average share price nearly quadrupled, and operating revenue increased 39 percent to over \$89 billion. Core strategic imperatives included improving medical costs, working with physicians and health care organizations to improve quality and access, and improving the consumer experience. As a business executive, conservationist, and philanthropist, Joe serves on the board of directors for CDW, Centrexion Therapeutics, Accelus and Navitus Health Solutions. Most recently, he served on the board of directors for IBM, as chairman of America's Health Insurance Plans (AHIP), and chairman of the Catholic Health Association. He currently serves as a board member for The Nature Conservancy (Colorado). He has also held board and advisory positions with American Hospital Association, Coventry Health Care, Inc., RehabCare Group, Inc., Cross Country, National Quality Forum, the National Center for Healthcare Leadership, and Loyola University Chicago. He is also a member and past chairman of Duke University's Fuqua School of Business Board of Visitors. Prior to joining Anthem, Joe served as CEO for several major integrated health care delivery systems, including president and CEO of Trinity Health, an 18-state integrated health care delivery system. He also held CEO and senior leadership positions with the Hospital Corporation of America, Colorado's Centura Health, and integrated health systems in Florida, Virginia, and the Carolinas. In 2018, he continued to apply his expertise leveraging his extensive health care experience as co-founder of Concord Health Partners, a private equity firm investing in data analytics, provider enablement services and consumer engagement enterprises. He is now Partner Emeritus having recently departed active status. More broadly, he has built a reputation as a trend-setter by leveraging value-creating assets through high-performing governance, creative strategies, consumer marketing, clinical innovations, and mergers/acquisitions – all efforts focused on organization renewal and growth. For 12 years in a row, Modern Healthcare named him 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 thoughtleaders for five consecutive years. He received his bachelor's degree from the University of North Carolina at Charlotte 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, Chair from 22 March 2019 to 30 April 2024)

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 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 (Nasdaq: WEB), where he led Corporate Governance.

Mr Facchina is Chair 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 has served on the board of directors since the Company's founding in 2004, was Executive Director from 2007, and became Chief Executive Officer 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, autoimmune diseases, organ transplantation, and heart failure. Dr Itescu has been a faculty member of Columbia University in New York and the University of Melbourne and Monash University in Australia. In 2013, Dr. Itescu 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. In 2011, Dr. Itescu was named BioSpectrum Asia Person of the Year. 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

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\$1billion into the Strategic National Stockpile (SNS). Dr Rose's tenure on the ABIOMED board ended in December 2022 with the sale of the company to Johnson & Johnson for \$17.7 billion.

Date of Appointment: 15 April 2013

Philip Krause, non-executive director

MD, MBA, BSc, MSc

With over 30 years of experience at the Food and Drug Administration, 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 immunology, and 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 Research 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 from 2011 to 2021. He graduated from Yale Medical School (MD), Florida State University (MBA) and the University of Illinois (BS and MS in Computer Science). Dr Krause has a strategic advisory consulting role with Mesoblast, providing advice on regulatory strategies.

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 grants to the Directors which have not been issued as they are pending shareholder approval at the upcoming 2024 Annual General Meeting.

Director	Number of Shares subject to direct or indirect interest	Number of outstanding unexercised Options
Silviu Itescu	78,958,928	10,653,404
Jane Bell	543,441	526,729
William Burns	106,250	629,651
Joseph Swedish	459,420	1,327,077
Eric Rose	411,620	4,330,765
Philip Krause	287,500	1,185,000
Philip J. Facchina ¹	123,220	490,432

¹ Mr Facchina also has a relevant interest in 68,306 warrants over ordinary shares.

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. From 1 August 2023, independent non-executive directors have voluntarily deferred 50% cash payment of their director fees and agreed to receive the remaining 50% of their fees in equity-based incentives.

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 Subscription 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, the Investor.

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. 2,000,000 Warrants will be issued under the Offer, being the Warrants which Mesoblast is required to issue to the Investor in accordance with the terms of the Subscription Agreement (further details of which are set out in Section 8.3).

The opening date of the Offer is 7 November 2024 (**Opening Date**) and the closing date of the Offer is 10.00am (Melbourne time) on 11 November 2024 (**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 30 September 2024, Mesoblast has entered into the Subscription Agreement with the Investor, extending to Mesoblast (at its discretion) the availability of up to US\$50 million through the issue by Mesoblast of Notes convertible into Shares, subject to receipt of FDA approval of Mesoblast's pediatric SR-aGvHD product on or before the later of:

- (a) 9 January 2025; and
- (b) any extension granted by the FDA to the Prescription Drug User Act (**PDUFA**) goal date,

the (**Note Subscription Condition**).

As a commitment fee pursuant to the Subscription Agreement, Mesoblast will offer and issue the Investor 2,000,000 Warrants.

Among other things, unless the Investor agrees, Mesoblast must ensure that the Warrants 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 Subscription Agreement, including by:

- (a) making available the Offer Securities to the Investor 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 Investor pursuant to Mesoblast's obligations under the Subscription Agreement.

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

3.3 Terms and conditions of the Offer

Mesoblast reserves the right to accept the 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 Subscription 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 the Investor.

Applications for Offer Securities under the Offer must be made by the Investor 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, delivery or email to the Company in the details set out in the Application Form.

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 or Shares underlying ADSs issued on exercise of the Offer Securities in accordance with the terms of the Subscription Agreement.

The fact that ASX may subsequently grant Official Quotation to any Shares or 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 Transaction Documents, Mesoblast expects that the Investor will apply for the Offer Securities offered under this Prospectus before the Closing Date.

3.7 Timetable

Lodgement of the Prospectus with ASIC	7 November 2024
Opening Date	7 November 2024
Closing Date	10.00am on 11 November 2024

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 Subscription Agreement. The Offer is being made under this prospectus so that any Shares issued on the exercise of the Offer Securities may be quoted on ASX and sold without Mesoblast having to provide ASX with a cleansing notice under section 708A of the Corporations Act.

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

- the commercial launch of its acute graft-versus-host disease (aGvHD) product and inflammatory chronic low back pain (CLBP) phase 3 trial; 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 Subscription Agreement. Funds may be made available to Mesoblast from the exercise of the Offer Securities which exercise is at the discretion of the Investor or any subsequent holder, 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 as at 30 September 2024	Number on issue
Shares currently on issue	1,141,784,114
ADSs currently on issue*	31,957,071
Warrants currently on issue	15,027,327
ADS Warrants currently on issue	884,838
ADS Warrants 2 currently on issue	227,502
Total number of unquoted Options	72,106,208
Maximum number of ADS Warrants to be issued under this Prospectus	200,000
Maximum number of Shares or Shares underlying ADSs issued on exercise of the Offer Securities offered under this Prospectus	2,000,000

* Each ADS is represented by 10 Shares. The Shares underlying these ADS are included in the number of Shares currently on issue stated in the table above.

5.3 Effect on financial position

Mesoblast's 2024 preliminary final report was provided to the ASX on 29 August 2024 and is also available on Mesoblast's website (www.mesoblast.com). Mesoblast provided its annual financial report for the period ended 30 June 2024 to the ASX on Form 20-F on 29 August 2024. 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 30 June 2024 (set out below) has been prepared to reflect the proposed Offer, as if they occurred on 30 June 2024.

The pro forma financial information in this Section has been derived from Mesoblast's annual financial report for the period ended 30 June 2024. As per Note 1(i) Going Concern: the financial report was prepared on a going concern basis, notwithstanding there is a material uncertainty related to events or conditions which may cast significant doubt on Mesoblast's ability to continue as a going concern. 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

As of 30 June 2024

	Reported	Pro forma
	US\$'000	US\$'000
Assets		
Cash and cash equivalents	63.0	62.9
Current assets	86.5	87.4
Non-current assets	582.7	582.7
Total assets (Total capitalisation)	669.2	670.0
Liabilities		
Current liabilities	73.2	73.2
Non-current liabilities	115.6	115.6
Total liabilities	188.8	188.8
Equity		
Issued capital	1,310.8	1,310.8
Reserves	78.3	79.2

Accumulated losses	(908.8)	(908.9)
Total equity	480.4	481.1

The pro-forma balance sheet above as at 30 June 2024 reflects the changes to Mesoblast's financial position assuming completion of the Offer as at that date noting the following:

- (a) on 30 September 2024, Mesoblast entered into the Subscription Agreement with the Investor, extending to Mesoblast (at its discretion) the availability of up to US\$50 million through the issue by Mesoblast of Notes convertible into Shares subject to the Note Subscription Condition. As a commitment fee under the Subscription Agreement, the Investor will receive the Warrants (being the Offer Securities) to purchase 2,000,000 Shares (or 200,000 ADS) at the Exercise Price calculated in accordance with the Subscription Agreement;
- (b) to the extent that Mesoblast issues Notes in accordance with the Subscription Agreement, Mesoblast will offer and issue the Investor a further 3,000,000 warrants with the same terms and conditions as the Warrants;
- (c) no application monies are payable by the Investors for the Offer Securities offered under this Prospectus;
- (d) the issue of the Offer Securities is for nil consideration;
- (e) the Investor will receive Warrants (being the Offer Securities) to purchase Shares or American Depositary Shares at the Exercise Price per ADS with a four-year term. A prepaid commitment fee asset of US\$0.9 million and a corresponding US\$0.9 million has been recognized in unexercised share option reserves in the Company's consolidated pro forma balance sheet;
- (f) the warrants are consideration for commitment fees. Upon entering the agreement this commitment fee is recognized as a prepaid commitment fee asset and will be recognized as a finance expense in future periods to match the availability period of the facility. The Offer Securities are classified as unexercised share options and recognized in equity reserves; and
- (g) expenses related to the Offer recognised in the pro-forma consolidated balance sheet are US\$0.1 million.

The Investor will receive Warrants (being the Offer Securities) to purchase Shares or American Depositary Shares at the Exercise Price per Share or ADS with a four-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 notices announced on the Australian Securities Exchange):

Shareholder	Number of Shares held in last ASX notification
G to the Fourth, LLC (a body corporate associated with the Investor)	191,314,585
Professor Silviu Itescu	78,958,928

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\$147,326 (excluding GST). Administrative costs and Share Registry expenses are estimated to be approximately A\$27,326 (excluding GST), accounting fees are estimated to be approximately A\$35,000 (excluding GST) and legal fees are estimated to be approximately A\$85,000 (excluding GST). Mesoblast will incur ASX and ASIC fees in connection with lodgement of the Prospectus and any Shares issued to the Depositary 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 including Shares underlying ADSs issued in connection with the exercise of the Offer Securities

6.1 Shares

(a) General

Any Shares, including 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 Chair does not have a casting vote in addition to any vote to which the Chair may otherwise be entitled.

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 or 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. For a more detailed discussion, see the “Risk Factors” section in Mesoblast’s annual financial report on Form 20-F for the year ended 30 June 2024 which is available at https://mesoblast.com/images/pdf/MSB_2024_Annual_Report.pdf. 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.

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 MLC 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 and supply chain 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, inventory losses or supply chain disruptions caused by unforeseen events, or events such as geopolitical disruption or climate 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 or 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 Depositary 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 the ASX;
- (b) any half-year financial report lodged by Mesoblast with ASX 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
Tuesday 5 November 2024	Ceasing to be a substantial holder
Thursday 31 October 2024	Quarterly Activities/Appendix 4C Cash Flow Report
Thursday 17 October 2024	Annual Report to Shareholders
Thursday 17 October 2024	Notice of Annual General Meeting and Proxy Form
Thursday 17 October 2024	Appendix 4G and Corporate Governance Statement
Friday 11 October 2024	Notification of cessation of securities - MSB
Friday 11 October 2024	Notification regarding unquoted securities - MSB
Thursday 10 October 2024	Change in substantial holding
Wednesday 9 October 2024	Becoming a substantial holder
Monday 30 September 2024	Proposed issue of securities - MSB
Monday 30 September 2024	Mesoblast Option to Issue up to US\$50m Convertible Notes
Friday 27 September 2024	Ceasing to be a substantial holder
Tuesday 17 September 2024	Becoming a substantial holder

Date	Headline
Thursday 29 August 2024	MSB Annual Financial Results and Operational Update
Thursday 29 August 2024	Annual Financial Results Presentation
Thursday 29 August 2024	Preliminary Final Report including Appendix 4E
Wednesday 28 August 2024	Mesoblast 2024 Full Year Financial Results Webcast
Wednesday 21 August 2024	Class Action Resolution
Wednesday 31 July 2024	Quarterly Activities/Appendix 4C Cash Flow Report
Tuesday 23 July 2024	FDA Accepts Mesoblast's BLA Resubmission for Remestemcel-L
Monday 22 July 2024	Confirmatory Phase 3 Back Pain Trial Actively Enrols
Friday 12 July 2024	Appendix 3Y for Philip Krause
Friday 12 July 2024	Notification regarding unquoted securities - MSB
Friday 12 July 2024	Notification of cessation of securities - MSB
Friday 12 July 2024	Change in substantial holding
Tuesday 9 July 2024	Mesoblast Resubmits BLA with FDA for Ryoncil Approval
Monday 1 July 2024	Mesoblast to File BLA for Ryoncil FDA Approval Next Week
Monday 3 June 2024	Mesoblast Corporate Presentation at Investor Conference
Monday 3 June 2024	Corporate Presentation
Friday 10 May 2024	Appendix 3Y for Eric Rose
Friday 3 May 2024	Appendix 3Y for Eric Rose
Thursday 2 May 2024	Change in substantial holding
Tuesday 30 April 2024	Quarterly Activities/Appendix 4C Cash Flow Report
Tuesday 30 April 2024	Mesoblast Chair Transition
Tuesday 16 April 2024	Appendix 3Y for Jane Bell
Tuesday 16 April 2024	Application for quotation of securities - MSB
Tuesday 16 April 2024	Notification regarding unquoted securities - MSB
Monday 15 April 2024	Notification of cessation of securities - MSB
Tuesday 9 April 2024	Change in substantial holding
Tuesday 2 April 2024	Change in substantial holding
Tuesday 26 March 2024	FDA Notifies Clinical Data Sufficient for Refiling aGVHD BLA
Tuesday 26 March 2024	Pause in Trading
Tuesday 26 March 2024	Cleansing Notice
Friday 22 March 2024	Application for quotation of securities - MSB
Wednesday 20 March 2024	Change in substantial holding
Wednesday 20 March 2024	Proposed issue of securities - MSB
Tuesday 19 March 2024	Cleansing Notice
Monday 18 March 2024	Appendix 2A

Date	Headline
Thursday 14 March 2024	Proposed issue of securities - MSB
Thursday 14 March 2024	Mesoblast Completes Placement and Entitlement Offer
Monday 11 March 2024	FDA Supports Accelerated Approval Pathway for Heart Failure
Thursday 29 February 2024	MSB Q2 Financial Results and Operational Highlights
Thursday 29 February 2024	Half Year Financial Results Presentation
Thursday 29 February 2024	Half Year Report and Accounts (including Appendix 4D)
Monday 26 February 2024	Mesoblast 2024 Half Year Financial Results Webcast
Thursday 15 February 2024	FDA Grants Orphan Drug Designation for Revascor
Wednesday 31 January 2024	Quarterly Activities/Appendix 4C Cash Flow Report
Friday 19 January 2024	FDA Grants Rare Pediatric Disease Designation for Revascor
Monday 15 January 2024	App 3Ys S Itescu, E Rose, J Swedish, B Burns, J Bell, P Facchina
Monday 15 January 2024	Notification regarding unquoted securities - MSB
Monday 15 January 2024	Notification of cessation of securities - MSB
Wednesday 3 January 2024	Appendix 3Y for Joseph Swedish
Wednesday 3 January 2024	Amended Appendix 3Gs for Unquoted Warrants
Thursday 28 December 2023	Update on Institutional Placement and Entitlement Offer
Thursday 28 December 2023	Appendix 3Ys- J Swedish, B Burns, J Bell, P Krause, P Facchina
Thursday 28 December 2023	Appendix 2A
Thursday 28 December 2023	Notification of cessation of securities - MSB
Tuesday 12 December 2023	Change of Director's Interest Notice - Silviu Itescu
Tuesday 12 December 2023	Institutional Placement Cleansing Notice
Monday 11 December 2023	Appendix 2A
Friday 8 December 2023	Information For Retail Shareholders
Tuesday 5 December 2023	Mesoblast Completes Institutional Allocation
Monday 4 December 2023	Entitlement Offer Cleansing Notice
Monday 4 December 2023	Appendix 3B Entitlement Offer and Placement
Monday 4 December 2023	Entitlement Offer and Placement Investor Presentation
Monday 4 December 2023	MSB Launches Entitlement Offer and Placement
Friday 1 December 2023	Trading Halt
Wednesday 29 November 2023	Amended Constitution
Tuesday 28 November 2023	Results of Meeting
Tuesday 28 November 2023	CEO Presentation to 2023 Annual General Meeting
Tuesday 28 November 2023	Mesoblast Chairman Message to 2023 AGM
Monday 27 November 2023	MSB Files for FDA Designations in Congenital Heart Disease
Wednesday 22 November 2023	Mesoblast Partners with BMT CTN on Adult SR-aGVHD Trial

Date	Headline
Wednesday 15 November 2023	Mesoblast Corporate Presentation
Tuesday 31 October 2023	Quarterly Activities/Appendix 4C Cash Flow Report
Monday 30 October 2023	Annual Report to Shareholders
Monday 30 October 2023	Notice of Annual General Meeting and Proxy Form
Monday 30 October 2023	Appendix 4G and Corporate Governance Statement
Monday 16 October 2023	Notification of cessation of securities - MSB
Monday 16 October 2023	Notification regarding unquoted securities - MSB

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

Overview of the Subscription Agreement

As announced to ASX on 30 September 2024, Mesoblast and the Investor have entered into a Subscription Agreement dated 30 September 2024, for the issue by the Company (at its discretion), of up to US\$50 million Notes to the Investor (**Facility**). The obligations of the Investor to subscribe for the Notes are subject to and conditional upon satisfaction of the Note Subscription Condition, being FDA approval of Mesoblast's pediatric SR-aGvHD product on or before the later of 9 January 2025 and any extension granted by the FDA to the Prescription Drug User Act (PDUFA) goal date.

Following satisfaction or waiver of the Note Subscription Condition, Mesoblast may draw down the Facility (at its discretion) through the issue of Notes to the Investor, for a period of up to 90 days from the date that is two business days after that satisfaction or waiver (**Availability Period**).

The Notes will be issued under a convertible note deed poll to be issued by the Company in favour of the Investor (**Note Deed Poll**), on or before the date the Company provides the Investor a first drawdown notice in relation to the Facility (**Drawdown Notice**).

As a commitment fee under the Subscription Agreement, Mesoblast proposes to offer and issue 2,000,000 Warrants to the Investor under this Prospectus.

Subject to the Investor complying with its obligations to subscribe for Notes following the issue of a Drawdown Notice during the Availability Period, Mesoblast proposes to offer and issue a further 3,000,000 warrants to the Investor under a prospectus to be lodged with ASIC (on the same terms as the Warrants to be issued under this Prospectus).

Warrant terms and conditions

The maximum number of Warrants being offered under this Prospectus is 2,000,000.

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

Expiry

Each Warrant has an expiry date of four 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 11 November 2024.

Exercise Price

Each Warrant will have an exercise price as follows:

- (i) If the Investor elects to exercise the Warrants into Shares, the exercise price is A\$1.32 per Warrant; and
- (ii) If the Investor elects to exercise the Warrants into ADSs, the exercise price is US\$9.06 per 10 Warrants,

the (**Exercise Price**).

The Exercise Price is subject to certain adjustments including for pro rata issues and capital reconstructions.

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 Shares or ADSs

A Warrant holder may at its discretion, determine to be issued Shares or ADSs on exercise of the Warrants.

On or before the second 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) into Shares, the Company will issue and allot the Shares to the Investor.

On or before the fifth Business 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) into ADSs, 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 terms of the Warrants.

Right to compel exercise

If at any time following the two year anniversary of the issue of the Warrants, the closing price of Shares on ASX exceeds A\$4.97 for 45 consecutive trading days, then, as long as the price exceeds A\$4.97, the Company may following that two year anniversary give notice to the Holder that the Holder must exercise the Warrant within 30 Business Days.

ADS terms and conditions

On exercise of a Warrant, a Warrant holder may, at its discretion, be issued an ADS through an American Depositary 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 depositary (**Depositary**) and ADR holders (**Deposit Agreement**).

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

Rights

An ADR holder is not a shareholder of the Company and does not have any shareholder rights. The Depositary or its nominee will be the shareholder of record for the Shares represented by the ADSs, shareholder rights will rest with the Depositary or its nominee. An ADR holder derives their rights from the terms of the Deposit Agreement. The obligations of the depositary 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

ADS holders may not directly vote at a meeting of the Shareholders. 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 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.

8.5 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.

8.6 Consents

Each of the parties referred to in this Section 8.6:

- (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.

PricewaterhouseCoopers has given its written consent to being named as the auditor to Mesoblast in this Prospectus, in the form and context in which it is named in this Prospectus. PricewaterhouseCoopers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

8.7 No involvement in preparation of this Prospectus

The Investor has 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.

8.8 Restricted securities

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

8.9 Broker handling fees

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

8.10 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.

8.11 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.

8.12 Authorisation

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

8.13 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.
Affiliate	means in respect of the Investor: (a) any person that Controls, is Controlled by, or is under common Control with, the Investor; (b) any Related Body Corporate of the Investor; and (c) in the case the Investor is a fund, partnership, company, collective investment vehicle, syndicate or other entity whose business is managed by a professional fund manager (Investment Fund) or is a nominee of that Investment Fund: (i) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business); (ii) any other Investment Fund managed or advised, or sub-managed or sub-advised, by the same fund manager; (iii) any Related Body Corporate of the fund manager; or (iv) any trust, nominee or custodian of such Investment Fund and vice versa.
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.
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.
Availability Period	has the meaning given in section 8.3.
Board	means the board of Directors unless the context indicates otherwise.
CEO	means the Chief Executive Officer.
Closing Date	means 10.00am (Melbourne time) on 11 November 2024 (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.

Term	Definition
Control	means: (a) of a body corporate by a person: i. the person determines the composition of the board of directors of the body or has the capacity to do so; ii. the board of directors of the body is accustomed to act in accordance with the instructions, directions or wishes of the person; or the person holds or owns (alone or together with its Affiliates or Related Bodies Corporate): A. the majority of the issued shares in the body; B. the majority of the issued shares in the ultimate holding company of the body; or C. the majority of any securities or other rights granted by the body entitling holders to distributions based on the profits, earnings or net liquidation proceeds of the body; and (b) of a trust by a person: i. the person is the sole trustee of the trust; ii. the composition of the board of directors of any trustee company of the trust is determined by the person or the person has the capacity to do so; iii. the board of directors of any trustee company of the trust is accustomed to act in accordance with the instructions, directions or wishes of the person; or iv. the person holds or owns (alone or with its Affiliates or Related Bodies Corporate): A. the majority of the issued shares of any trustee company of the trust; B. the majority of the issued shares of the ultimate holding company of any trustee company of the trust; or C. the majority of the units, securities or other rights granted by the trust which entitle holders to distributions from the trust.
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 (as amended from time to time).
Depositary	means JPMorgan Chase Bank, N.A.
Directors	means the directors of Mesoblast as at the date of this Prospectus.
Drawdown Notice	has the meaning given in section 8.3.
Exchange Act	means the <i>Securities Exchange Act of 1934</i> (US).
Exercise Price	has the meaning given in section 8.3.
Facility	has the meaning given in section 8.3.
FDA	means the United States Food & Drug Administration.
GST	means goods and services tax.
Investor	means Dr Gregory George, MD PhD, or his Representative or Affiliate under the Subscription Agreement
MLC	has the meaning given in section 2.1.
Note Deed Poll	has the meaning given in section 8.3.
Note Subscription Condition	has the meaning given in section 3.2.
Offer	means the offer of the Offer Securities described in Section 3 of this Prospectus.

Term	Definition
Offer Securities	means the securities offered to the Investor under this Prospectus, being 2,000,000 Warrants.
Official Quotation	means official quotation on ASX.
Opening Date	means 7 November 2024.
Option	means an option to acquire by way of issue a Share issued pursuant to the Employee Share Option Plan.
Prospectus	means this prospectus dated 7 November 2024.
Prospectus Expiry Date	means 7 December 2025.
PricewaterhouseCoopers	means PricewaterhouseCoopers ABN 52 780 433 757
Related Body Corporate	Related Body Corporate of a body corporate means another body corporate which is related to the first within the meaning of section 50 of the Corporations Act.
Representative	means a director, officer, partner, employee, contractor, consultant, agent or adviser.
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.
Subscription Agreement	means the subscription agreement dated 30 September 2024 between Mesoblast and Dr Gregory George.
Warrants	means warrants issued by Mesoblast in accordance with the terms of the Subscription Agreement as described in Section 8.3, and includes where the context requires, any Shares or ADSs that may be issued on exercise of those warrants.