

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Mesoblast Limited (**Mesoblast**)

ABN

68 109 431 870

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | Fully paid ordinary shares ( <b>Shares</b> )  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Mesoblast proposes to issue up to 36,187,579 Shares ( <b>New Shares</b> ) pursuant to the terms of the accelerated pro-rata non-renounceable entitlement offer announced to ASX on 25 August 2017 ( <b>Entitlement Offer</b> ).<br><br>The final number of New Shares to be issued under the Entitlement Offer, and the split of those New Shares between institutional and retail tranches of the Entitlement Offer, is still to be finalised, and will be subject to the determination of Mesoblast and reconciliation of shareholder entitlements. |

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+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>The New Shares will be issued on the same terms as existing Shares on issue.</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes. The New Shares will rank equally in all respects with existing Shares from the date of issue.</p>
<p>5 Issue price or consideration</p>	<p>A\$1.40 per New Share.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose of the issue of New Shares is described in the Investor Presentation lodged with ASX on 25 August 2017.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No.</p>

6b	The date the security holder resolution under rule 7.1A was passed	Not applicable.
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable.
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable.
6f	Number of +securities issued under an exception in rule 7.2	Not applicable.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable.
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable.
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable.
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>It is expected that the issue date for the New Shares will be as follows:</p> <ul style="list-style-type: none"> <li>• Institutional component of the Entitlement Offer - 4 September 2017; and</li> <li>• Retail component of the Entitlement Offer - 18 September 2017.</li> </ul>

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	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	470,438,522 Fully paid ordinary shares

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	22,200,246 Unquoted options

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same dividend entitlements as existing Shares on issue
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## Part 2 - Pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 New Share for every 12 existing Shares held as at the Record Date for the Entitlement Offer.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	7.00pm (Melbourne time), 29 August 2017
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Where fractions arise on the calculation of shareholders' entitlements under the Entitlement Offer they will be rounded up to the next whole number of New Shares.

<p>18 Names of countries in which the entity has security holders who will not be sent new offer documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	<p>For the institutional component of the Entitlement Offer, all countries other than Australia, New Zealand, China, France, Hong Kong, Japan, Norway, Singapore, Switzerland, Taiwan, Luxemburg and the United Kingdom.</p> <p>For the retail component of the Entitlement Offer, all countries other than Australia and New Zealand.</p>
<p>19 Closing date for receipt of acceptances or renunciations</p>	<p>For the institutional component of the Entitlement Offer: 28 August 2017.</p> <p>For the retail component of the Entitlement Offer: 12 September 2017.</p>
<p>20 Names of any underwriters</p>	<p>Bell Potter Securities Limited</p>
<p>21 Amount of any underwriting fee or commission</p>	<p>In relation to the:</p> <ul style="list-style-type: none"> <li>• institutional component of the Entitlement Offer, an underwriting fee of 4.0%; and</li> <li>• retail component of the Entitlement Offer, an underwriting fee of 4.0%.</li> </ul>
<p>22 Names of any brokers to the issue</p>	<p>Not applicable.</p>
<p>23 Fee or commission payable to the broker to the issue</p>	<p>Not applicable.</p>
<p>24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders</p>	<p>Not applicable.</p>
<p>25 If the issue is contingent on security holders' approval, the date of the meeting</p>	<p>Not applicable.</p>

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26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus or product disclosure statement is being produced. However, an Entitlement Offer Booklet and a personalised Entitlement and Acceptance Form will be sent to eligible retail shareholders on 1 September 2017.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	+Issue date	<p>It is expected that the issue date for the New Shares will be as follows:</p> <ul style="list-style-type: none"> <li>• Institutional component of the Entitlement Offer - 4 September 2017; and</li> <li>• Retail component of the Entitlement Offer - 18 September 2017.</li> </ul>

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a)  +Securities described in Part 1

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

Not applicable.

39 +Class of +securities for which quotation is sought

Not applicable.

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not applicable.

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

Not applicable.

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

**Quotation agreement**

- +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
- We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.



- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 25 August 2017  
(Director/Company secretary)

Print name: Charlie Harrison

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