



25 August 2017

Cleansing Notice for Entitlement Offer

Cleansing Notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth)

This notice is given by Mesoblast Limited (ASX: MSB) (ABN 68 109 431 870) (**Mesoblast**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as notionally modified by the Australian Securities and Investments Commission (Non-Traditional Rights Issues) Instrument 2016/84 (the **Act**).

Mesoblast today announced a fully underwritten accelerated pro rata non-renounceable entitlement offer of new fully paid ordinary shares to existing eligible shareholders to raise approximately A\$50.7 million (**Entitlement Offer**).

The Entitlement Offer consists of an offer of 1 new fully paid Mesoblast ordinary share (**New Shares**) for every 12 existing Mesoblast shares held as at 7.00pm (Melbourne time) on 29 August 2017 (**Record Date**) by eligible shareholders with a registered address in Australia or New Zealand and certain institutional holders in other jurisdictions to which Mesoblast decides to extend the Entitlement Offer (**Eligible Shareholders**) at an issue price of A\$1.40 per New Share.

Mesoblast advises that:

- (a) the New Shares will be offered for issue under the Entitlement Offer without disclosure under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, Mesoblast has complied with:
 - (i) the provisions of Chapter 2M of the Act, as they apply to Mesoblast; and
 - (ii) section 674 of the Act as it applies to Mesoblast;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act which is required to be disclosed under section 708AA(7)(d) of the Act; and
- (e) the potential effect the issue of New Shares will have on the control of Mesoblast and the consequences of that effect will depend on a number of factors, including investor demand and the extent to which Eligible Shareholders take up their entitlements. However, given the structure of the Entitlement Offer as a fully underwritten pro-rata offer and the current level of holdings of substantial security holders (based on substantial holding notices that have been lodged on or prior to the date of this notice), the Entitlement Offer is not expected to have a material effect or consequence on the control of Mesoblast.

A handwritten signature in black ink, appearing to read "Charlie Harrison".

Charlie Harrison
Company Secretary
Mesoblast Limited