

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Mesoblast Limited

ABN

68 109 431 870

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$USD'000 | Year to date (12 months) \$USD'000 |
|---|------------------------------|--|
| 1.1 Receipts from customers: | | |
| a) Commercialization Revenue | 99 | 99 |
| b) Licensing Fee Revenue | - | 3,500 |
| c) R&D Tax Incentive received | 4,466 | 4,466 |
| 1.2 Payments for: | | |
| (a) staff costs | (2,550) | (12,891) |
| (b) research and development | (8,584) | (40,452) |
| (c) manufacturing commercialisation | (8,312) | (26,859) |
| (d) intellectual property portfolio expenses | (519) | (2,379) |
| (e) other expenses from ordinary activities | (3,002) | (14,609) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 313 | 1,129 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid/ | - | - |
| 1.7 Other | - | - |
| Net operating cash flows | (18,089) | (87,996)⁺ |

+ See chapter 19 for defined terms.

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| | Current quarter | Year to date (12 months) |
|---|-----------------------------|-----------------------------|
| | \$USD'000 | \$USD'000 |
| 1.8 | (18,089) | (87,996)^ |
| Cash flows related to investing activities | | |
| 1.9 | Payment for acquisition of: | |
| | - | - |
| | - | - |
| | - | (200) |
| | (42) | (722) |
| | - | (805) |
| 1.10 | Proceeds from disposal of: | |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| 1.11 | - | - |
| 1.12 | - | - |
| 1.13 | Other: | |
| | - | - |
| | - | - |
| | (42) | (1,727) |
| 1.14 | (18,131) | (89,723) |
| Cash flows related to financing activities | | |
| 1.15 | - | 68,549 |
| 1.16 | - | - |
| 1.17 | - | - |
| 1.18 | - | - |
| 1.19 | - | - |
| 1.20 | 18 | (6,483) |
| | 18 | 62,066 |
| | (18,113) | (27,657) |
| 1.21 | 99,929 | 110,701 |
| 1.22 | (879) | (2,107) |
| 1.23 | 80,937 | 80,937 |

^Within the year to date operating cash flows are share issue costs of \$315k associated with the November 2015 NASDAQ IPO equity raising incurred during the three months ended 30 September 2015.

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$USD'000 |
|------|--|------------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | 440 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | - |
| 1.26 | Explanation necessary for an understanding of the transactions | |
| | Payments to directors (For the Current Quarter) = 440k | |

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

| |
|-----|
| n/a |
|-----|

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

| |
|-----|
| n/a |
|-----|

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$USD'000 | Amount used \$USD'000 |
|---------------------------------|-------------------------------|--------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

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Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$USD'000 | Previous quarter \$USD'000 |
|---|--------------------------------------|---------------------------------------|
| 4.1 Cash on hand and at bank | 10,687 | 5,945 |
| 4.2 Deposits at call | 58,969 | 46,992 |
| 4.3 Bank overdraft | - | - |
| 4.4 Term deposits | 11,281 | 46,992 |
| Total: cash at end of quarter (item 1.23) | 80,937 | 99,929 |

Acquisitions and disposals of business entities

| | Acquisitions <i>(Item 1.9(a))</i> | Disposals <i>(Item 1.10(a))</i> |
|---|--------------------------------------|------------------------------------|
| 5.1 Name of entity | n/a | n/a |
| 5.2 Place of incorporation or registration | n/a | n/a |
| 5.3 Consideration for acquisition or disposal | n/a | n/a |
| 5.4 Total net assets | n/a | n/a |
| 5.5 Nature of business | n/a | n/a |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____ Date: 29 July 2016
 (Company Secretary)

Print name: Charlie Harrison

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* applies to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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