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Mesoblast to raise $170 mn for MPC platform

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Singapore: Mesoblast has entered into agreements to raise $173.98 million (A$170 million) through an issue of new fully paid shares at $6.45 (A$6.30), representing a 2.2 percent discount to the stock's last traded price of $6.44 on March 01, 2013. The shares will be placed to a select group of existing and new global institutional investors and are expected to be issued and funds received on or around March 13, 2013.

Following the issue of the ordinary shares, the company will have cash reserves of $339.77 million (A$332 million). The intended uses of these funds are for continued development of Mesoblast's proprietary Mesenchymal Precursor Cell (MPCs) technology platform.

These include a phase III clinical trial using MPCs for treatment of degenerative disease of the lumbar spine, a new phase II clinical trials to broaden the indications for intravenous delivery of MPCs in the treatment of systemic inflammatory conditions, and optimization of MPC manufacturing processes and increased product inventory.

Mesoblast CEO, Professor Silviu Itescu, said that, "We are delighted to have secured agreements to raise these funds from existing and new global institutional investors. In addition to the programs that we have already partnered with Teva Pharmaceutical Industries, once the shares have been placed, we can utilise the funds received to drive our independent programs to commercial outcomes."