

# Promising Future



Cassidy's graduation is tonight!

How exciting!

It's amazing to think what she's overcome.

Cassidy Taekema  
Prochymal Patient

## The beginning of better – for everyone

Through 20 years of research, experience, and understanding, Osiris Therapeutics has led the way in the clinical application of cellular therapies. From commercialization of the first stem cell product to marketing approval for the first stem cell drug, Prochymal®, Osiris has demonstrated its ability to address unmet medical needs with innovative approaches. Patients like Cassidy – who were left without options or hope – inspire us with their courage and strengthen our resolve.

# 80

The median survival  
in days for a child  
with severe GvHD

Dear Shareholders,

This past year was transformational for Osiris. After 20 years of diligent research, Osiris has advanced stem cell technology from the minds of visionary scientists to the treatment rooms of patients in need.

Our transformation to commercialization has impacted many, yet perhaps none more profoundly than the patients. No longer are stem cells for only those fortunate few being treated at centralized research centers. In large numbers, people from small towns to large cities are able to benefit from cell therapy.

Cassidy Taekema is a shining example of the real and lasting impact stem cells can have on a child and her family. At only 14, she developed severe graft vs. host disease following a bone marrow transplant for myelodysplastic syndrome. After exhausting all other treatment options, her physicians turned to Prochymal®. It worked, and this year Cassidy was able to graduate with her class.

Folger Gross is another real world example of the impact cell therapy is having on patients' lives. After being confronted with the prospect of losing his foot due to a diabetic ulcer that would not heal, his surgeon opted for a limb salvage procedure using Grafix®. Today, Folger is back to enjoying walks with his family.

From a company perspective, the transformation to a commercial enterprise brings new challenges and demands. Production schedules, plant capacity, and gross margins need to be optimized. The knowledge and understanding our scientists have gained over the years now needs to be transferred to a marketing and distribution team representing our products with the professionalism and sophistication they deserve. And health care providers need to be educated on the benefits and nuances of cellular therapy.

Our commercial transformation also means doing these things without taking our eye off the ball – never forgetting that it is scientific excellence that differentiates our products in the marketplace. Only through additional research and development will we continue to benefit from a rich pipeline of best-in-class products moving forward.

The promise of stem cells is now starting to bear fruit. We are proud of the leadership role Osiris has played in this remarkable transition. But we are also aware that the industry is in its infancy. While we are pleased with our accomplishments, we are focused solely on the future.

Thank you for your support as we continue on this journey.

Sincerely,

Peter Friedli  
Chairman

C. Randal Mills, Ph.D.  
President and Chief Executive Officer

Smart Medicine.® Right Now.®