



October 30, 2017

Osiris Therapeutics, Inc. Provides Update on Audit of 2015 and 2016 Financial Statements

COLUMBIA, Md., Oct. 30, 2017 (GLOBE NEWSWIRE) -- Osiris Therapeutics, Inc. (OTC Pink:OSIR) (the "Company"), a leading regenerative medicine company focused on developing and marketing products for wound care, orthopedics, and sports medicine, today provided an update regarding the status of the audits of its 2015 and 2016 financial statements. The Company continues to work diligently to complete the audits and to regain compliance with its SEC reporting requirements as soon as practicable.

As previously disclosed, Ernst & Young LLP ("EY") was engaged as the Company's independent registered public accounting firm on May 16, 2017. Since that time, the Company has been diligently working with EY on the audits of the Company's 2015 and 2016 financial statements. While substantial progress has been made, the audits will take more time than previously anticipated. As a result, the Company does not expect the 2015 and 2016 audited financial statements to be completed prior to December 31, 2017.

In light of this updated timing for completing the audits for 2015 and 2016, the Audit Committee of the Board of Directors of the Company, in consultation with management and EY, has determined that the quickest and most efficient way for the Company to become current in its SEC reporting obligations is to file an Annual Report on Form 10-K that includes audited financial statements for the years ended December 31, 2015, 2016 and 2017. This Form 10-K will include restated quarterly and interim 2015 financial information. The Company currently believes that it will be able to make this filing in the first quarter of 2018.

Peter Friedli, Chairman of the Board of the Company, stated: "We have a new management team that has been working extremely hard with our new outside audit firm to complete the Company's audited financial statements along with other ongoing remedial work. We regret the need to extend further the date for filing our 2015 and 2016 financials and we share the frustration of our shareholders. However, we believe the course announced today is the best way to return to timely filer status as soon as possible while also ensuring the completeness and accuracy of the financial information we will be reporting."

About Osiris Therapeutics

Osiris Therapeutics, Inc., based in Columbia, Maryland, is a world leader in researching, developing, and marketing regenerative medicine products that improve health and lives of patients and lower overall healthcare costs. Having developed the world's first approved stem cell drug, the Company continues to advance its research and development in biotechnology by focusing on innovation in regenerative medicine — including bioengineering, stem cell research and viable tissue based products. Osiris has achieved commercial success with products in wound care, orthopedics, and sports medicine, including Grafix®, Stravix®, BIO⁴® (available exclusively through Stryker), and Cartiform® (available exclusively through Arthrex). Osiris, Grafix, Stravix and Cartiform are registered trademarks of Osiris Therapeutics, Inc., and BIO⁴ is a registered trademark of Howmedica Osteonics Corp. Osiris makes no claims concerning functional activities of Grafix or Stravix. Although well characterized in scientific literature and studies, preservation of tissue integrity including cells may not be indicative of clinical outcome. More information can be found on the Company's website, www.Osiris.com. (OSIR-G)

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements include statements about the Company's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate," "believe," "continue," "ongoing," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. Such forward-looking statements include, without limitation, statements regarding the Company's ability to complete and audit its financial statements for the years ended December 31, 2015, 2016 and 2017, become current in its SEC filings. Forward-looking statements are subject to known and unknown risks and uncertainties and could cause actual results to differ materially from those expressed or implied by the forward-looking statements. Several factors could cause actual results to differ materially from those expressed in or contemplated by the forward-looking statements. Such factors include, but are not limited to, the identification of additional errors in the restatement process for the 2015 quarterly and interim periods, changes or additional errors uncovered by the Company or its independent registered accounting firm, changes in

the scope or focus of the accounting adjustments, the risk that additional information may arise prior to the expected filing with the SEC of the 2015, 2016 and 2017 financial statements or subsequent events that would require us to make adjustments. In addition, the Company's independent registered accounting firm may determine that other adjustments or errors exist in previously reported 2015 interim periods or other prior periods. Other risk factors affecting the Company are discussed in detail in the Company's filings with the SEC, including its Form 10-K/A for 2014. Accordingly, you should not unduly rely on these forward-looking statements. The Company undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this press release or to reflect the occurrence of unanticipated events, except as required by law.

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