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Osiris Therapeutics, Inc. Completes Restatement of 2014 Financial Statements

Osiris also Reports Preliminary Estimated 2015 and 2016

COLUMBIA, Md., March 27, 2017 (GLOBE NEWSWIRE) -- Osiris Therapeutics, Inc. (Pink Sheets:OSIR), a leading regenerative medicine company focused on developing and marketing products for wound care, orthopedics, and sports medicine, announced that it completed the restatement of its 2014 financial statements by filing an amended Annual Report on Form 10-K/A for 2014 with the SEC. In the Form 10-K/A, the Company reported restated product revenue of \$50.8 million for 2014, slightly above the estimated range of restated product revenue of \$46 to \$50 million previously announced in its November 7, 2016 press release. The Company also reported a restated net loss of \$10.0 million in 2014, or net loss of \$0.29 per diluted share, compared to its previously reported net loss of \$1.8 million, or net loss of \$0.05 per diluted share, reported in its original Form 10-K filing.

In addition, the Company announced today that it expects to report product revenue of \$89 to \$92 million for 2015 and \$110 to \$114 million for 2016. In its November 7, 2016 press release, the Company had announced estimated ranges of product revenue of \$85 to \$90 million for 2015 and \$100 to \$110 million for 2016.

The Company now expects to transition to a new independent accounting firm which will promptly begin work on the audits of the Company's 2015 and 2016 financial statements. As a result of its work in preparation for these audits, the Company is now able to provide updated unaudited preliminary revenue estimates for these annual periods. As previously reported, the Company intends to restate its previously issued interim financial statements for the first three quarters of 2015 in its next Form 10-K filing.

Dave Dresner, Interim Chief Executive Officer of the Company, commented: "With the filing of the 2014 Form 10-K/A now behind us, we look forward to working with a new independent accounting firm to complete the audits of our 2015 and 2016 financial statements and file the annual reports on Form 10-K for those years with the SEC. Once those reports are filed, we will bring our 2017 quarterly filings on Form 10-Q up to date and resume the timely filing of our SEC reports. We plan to apply for relisting of our common stock on NASDAQ once all our SEC filings are current."

As previously announced, NASDAQ suspended trading in our common stock as of the open of business on March 14, 2017 due to our late SEC filings. The common stock now trades on the "pink sheets" under the symbol "OSIR." While we cannot predict when we will be in a position to file our Annual Reports on Form 10-K for 2015 and 2016, we intend to work on both reports concurrently, with the objective of filing both reports this summer.

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, orthopaedics, and sports medicine, including Grafix®, Stravix™, BIO⁴™, and Cartiform®. Osiris, Grafix, Cartiform, and Stravix are trademarks of Osiris Therapeutics, Inc., and BIO⁴ is a trademark of Howmedica Osteonics Corp. 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 our 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 estimated range of revenues for 2015 and 2016 and its ability to get current in its SEC filings and relist on NASDAQ. 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 new 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 and 2016 financial statements or subsequent events that would require us to make adjustments. In addition, our new 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. We undertake 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.

For additional information, please contact:

Diane Savoie

Osiris Therapeutics, Inc.

(443) 545-1834

OsirisPR@Osiris.com

 Primary Logo

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