BIOTIE THERAPIES CORP. FINANCIAL STATEMENT RELEASE, February 26, 2010 at 9.00 a.m. Finnish time

Biotie Therapies Corp. financial statement release January 1 – December 31, 2009

Key events and financial review during Q4/2009

- In December, Biotie raised EUR 7.2 million through a directed issue of 14,432,000 new shares at a subscription price of EUR 0.50 per share in an oversubscribed offering.

- In October, Biotie entered into a Standby Equity Distribution Agreement with US investment fund Yorkville in order to secure the financing of Biotie's working capital. Under the agreement, Biotie has the option to place Biotie shares up to a total value of EUR 20 million over a period of 36 months.

- Revenue for October - December amounted to EUR 1.1 million (EUR 1.2 million in 2008).

- The net loss for October – December stood at EUR 4.0 million (net loss of comparable period in 2008 was EUR 1.7 million). Cash flow from operating activities in October – December was EUR -4.6 million (EUR -1.5 million for comparable period in 2008) and earnings per share was EUR -0.03 (EUR -0.01 in 2008).

Key events and financial review for the full year 2009

- In September, Biotie started a clinical study with its phosphodiesterase 4 (PDE4) inhibitor ELB353 with the goal to evaluate the safety, tolerability, pharmacodynamics and pharmacokinetics of repeated doses of oral ELB353 in up to 48 healthy volunteers. ELB353 is intended to be developed for the treatment of COPD. Results are expected in the first half of 2010.

- In August, Biotie reached a milestone in its collaboration with Pfizer for the development of PDE10 (phosphodiesterase 10) inhibitors for schizophrenia, triggering a USD 1.0 million milestone payment to Biotie.

- In August, the Board of Directors decided to pool capacities and strengthen the Company's focus on the more advanced key research and development programs and to terminate the development of certain early R&D programs as a result of the completion of the integration process with the German subsidiary Biotie Therapies GmbH.

- In February and March, Biotie initiated two clinical studies in rheumatoid arthritis and psoriasis patients with its fully human VAP-1 monoclonal antibody. Results from these studies are expected to become available during the first half of 2010.

- Revenue for January – December 2009 amounted to EUR 5.6 million (EUR 5.1 million in 2008).

- The net loss for 2009 stood at EUR 12.3 million excluding extraordinary items in relation to write-offs of certain intangible assets. Total net loss for 2009 including extraordinary items in relation to write-offs of intangible assets was EUR 16.1 million (net loss for 2008 was EUR 5.5 million; there were no extraordinary items in 2008) and earnings per share for the period was EUR -0.11(EUR -0.06 in 2008).

- Cash flow from operating activities in January – December was EUR -13.3 million (EUR -9.4 million for the same period in 2008).

- As of December 31, the company’s liquid assets amounted to EUR 19.7 million (EUR 25.2 million as of December 31, 2008).

Key events after the reporting period
- In January 2010 Biotie reported positive top-line data from clinical study with VAP-1 monoclonal antibody (BTT-1023) in rheumatoid arthritis patients. BTT-1023 is well tolerated and shows signals of therapeutic activity.

Future outlook
- During 2010, Biotie will provide support to its license partner Lundbeck for the ongoing phase III studies with Nalmefene in alcohol dependence, expecting first results from these trials towards the end of 2010.

- Biotie will continue to perform a clinical study with its proprietary VAP-1 antibody in psoriasis patients. Results of this study will become available in the second quarter of 2010. The recent completion of the study in rheumatoid arthritis patients provides Roche with its first opportunity to exercise the option to license the product. If not exercised, the initial option right will expire, although Roche may extend it to later development points by paying additional fees.

- The company will continue to conduct a clinical trial for its proprietary, small molecule PDE-4 inhibitor ELB353 with the aim to obtain proof of pharmacodynamic activity in humans, corroborate the safety profile and establish dose ranges for further therapeutic studies. Results are expected in the first half of 2010.

- In its collaboration with Pfizer on the discovery and development of novel PDE10 inhibitors for the treatment of psychiatric disorders, Biotie and its partner intend to identify further development candidates. Although it is anticipated that the research collaboration could end in 2010, Pfizer would keep a license to the discovered products during the collaboration and Biotie would be entitled to milestones and royalties in case of successful development of these products.

- The future financial result of the company will be highly dependent on the company´s success in licensing clinical programs to pharmaceutical companies. More specifically, Roche’s decision on their option exercise regarding the VAP-1 product may have a significant impact on the financial situation of Biotie beyond 2010. However, even in the absence of any additional income, the company is adequately funded to support its ongoing activities well into 2011.

Timo Veromaa, Biotie’s President and CEO:
“2009 has undoubtedly been a cornerstone year for Biotie. We made several significant clinical advancements to our product portfolio, delivered on various milestones for our partners, successfully integrated our newly acquired German subsidiary, completed a successful fundraising, and demonstrated our ability to exercise fiscal discipline. As a result, we are more focused than ever on delivering clinical excellence as we drive our core anti-inflammatory and central nervous system programs further into development.”

Webcast and conference call
An analyst and media conference call will be arranged on February 26, 2010 at 1.00 p.m. Finnish time. The conference call will be held in English. The financial statements will be presented by Biotie's President and CEO Timo Veromaa.

Callers may access the conference directly at the following telephone numbers: UK: +44 (0) 203 003 2666, Finland: 0800 914672, no code. Lines are to be reserved ten minutes before the start of conference call.

For further information, please contact:

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About Biotie Therapies
Biotie is a drug discovery and development company focused on central nervous system and inflammatory diseases. It has a broad range of innovative small molecule and biological drug candidates at different stages of clinical and pre-clinical development.

Current status of clinical and pre-clinical drug development projects
Nalmefene, a new treatment paradigm for alcohol dependence. Nalmefene builds on a novel principle of treating alcohol dependence. Unlike existing therapies, the treatment with Nalmefene is not aimed at keeping the patients from drinking. Nalmefene instead removes the desire to drink, thereby controlling and limiting the intake of alcohol. Nalmefene distinguishes itself by being available as an oral tablet formulation to be taken on an as needed basis.

Biotie has granted worldwide rights (excluding Korea) for Nalmefene to Lundbeck. Under the terms of the license agreement, Biotie is eligible for up to EUR 84 million in payments plus royalties on sales. At the end of 2008, Lundbeck started three clinical phase III trials, which seek to enroll about 1,800 patients in total. Two trials, in which patients are treated over a period of six months, serve to confirm the efficacy of Nalmefene, whilst the objective of the third study, in which patients are treated for 12 months, is to assess the safety and tolerability of the compound. We expect preliminary trial data to become available towards the end of 2010. Biotie is participating in financing some of the clinical development costs.

ELB353, an oral PDE4 inhibitor for COPD in clinical development. ELB353 is a once-daily, oral phosphodiesterase 4 (PDE4) inhibitor with therapeutic potential in chronic inflammatory disorders, particularly in chronic obstructive pulmonary disease (COPD), a serious disorder with major unmet medical need.

ELB353 has been well tolerated in a Phase I single and multiple dosing study, particularly with respect to central nervous system and gastrointestinal side effects. Furthermore, blood plasma profiles of ELB353 showing pronounced and long lasting exposure support once-daily dosing. Biotie is currently conducting a clinical study with the aim to further evaluate the safety, tolerability, pharmacodynamics and pharmacokinetics of repeated doses of ELB353 in up to 48 healthy volunteers. The study is expected to provide proof of pharmacodynamic activity in humans, corroborate the safety profile and establish dose ranges for further therapeutic studies. Results are expected in the first half of 2010.

VAP-1, a key inflammation receptor. Vascular Adhesion Protein-1 (VAP-1) is Biotie’s proprietary target. VAP-1 has been shown to play a key role in inflammatory chronic diseases such as rheumatoid arthritis, psoriasis and diabetes. Potentially it also plays a role in other chronic inflammatory diseases for which there is a clear unmet medical need.

VAP-1 function can be blocked by either antibody (biologic) drugs or small molecule drugs which target the enzyme (SSAO) domain of the receptor. Both approaches are being pursued by Biotie for various therapeutic indications.

VAP-1 antibody, a high value biologic for inflammatory diseases in clinical development. Biotie is developing a fully human monoclonal antibody which blocks VAP-1 function. Biotie completed the first-in-man, single dose, placebo-controlled clinical study with the VAP-1 antibody in 2008. Moreover, after the reporting period in January 2010 Biotie reported that it has successfully completed a clinical trial with the product in rheumatoid arthritis patients, demonstrating the safety, tolerability, and pharmacokinetics of repeated doses of intravenously

administered antibody in 24 rheumatoid arthritis patients. Although the study was not designed to enable formal statistical evaluation of therapeutic activity, in several assessments of treatment effect such as Disease Activity Score based on 28 joint assessment (DAS28) criteria, American College of Rheumatology (ACR) criteria, physician's global assessment and erythrocyte sedimentation rate, responses in higher dose groups were greater than in the placebo group. Several patients receiving higher doses of BTT-1023 reached an ACR50 response (i.e. a 50% reduction in their ACR score) during treatment.

A similarly designed clinical study initiated in March 2009 in psoriasis patients is currently ongoing and results from this study are expected in the second quarter of 2010.

In 2006, Biotie and Roche have signed an option agreement for Biotie's fully human antibody program targeting VAP-1 in inflammatory disease. Roche has paid Biotie a EUR 5 million option fee, which grants Roche an option right to an exclusive, worldwide license agreement for Biotie's VAP-1 antibody, excluding Japan, Taiwan, Singapore, New Zealand, and Australia. The recent completion of the study in rheumatoid arthritis patients provides Roche with its first opportunity to exercise the option. If not exercised, the initial option right will expire, although Roche may extend it to later development points by paying additional fees.

Seikagaku Corporation has licensed the rights for the product for Japan, Taiwan, Singapore, New Zealand, and Australia against up to USD 16.7 million in milestone payments plus royalties on sales in the territory. Biotie has already received USD 2.7 million from Seikagaku.

VAP-1 SSAO inhibitors. Biotie and Roche also collaborate on the development of small molecule VAP-1 SSAO inhibitors. Under the terms of the collaboration, both parties carry their own costs, but Biotie retains ownership of the developed compounds until Roche chooses to exercise its option for in-licensing. Under the terms of the collaboration and option agreement, Roche may pay Biotie up to EUR 5 million to maintain its exclusive option for rest-of-world rights excluding Seikagaku’s territory (Japan, Taiwan, Singapore, New Zealand and Australia).

Seikagaku has an option to license a VAP-1 SSAO enzyme inhibitor in its territory. If Seikagaku exercises its option, Biotie will receive up to USD 16.7 million in milestone payments plus royalties on sales in the territory based on the pre-negotiated licensing agreement. Seikagaku will also be responsible for clinical development costs to bring the product to market in the territory.

Phosphodiesterase 10 (PDE10) inhibitors, a novel treatment paradigm for schizophrenia. PDE10 is a novel molecular drug target in schizophrenia and Biotie has shown antipsychotic activity of PDE10 inhibitors in animal models. Biotie’s PDE10 inhibitors are believed to serve the unmet medical need for novel anti-psychotic drugs with an improved side effect profile and improved efficacy in schizophrenia.

The PDE10 discovery and development program is partnered with Pfizer since December 2006. In August 2009, Biotie reached a milestone in its collaboration with Pfizer, triggering a USD 1.0 million milestone payment. According to the agreement with Pfizer, Biotie is eligible for up to USD 110 million in payments plus royalties on sales. Although it is anticipated that the research collaboration could end in 2010, the license to Pfizer in respect to the discovered products during the collaboration would remain in place.

Financial review
Revenues

Revenue for the financial year 2009 amounted to EUR 5.6 million (in the same period 2008, EUR 5.1 million). Revenue consisted of milestone payment and income from the ongoing research collaboration with Pfizer as well as periodization of previously received up-front payments of the licensing agreements the company has in place with several licensing partners.

In August 2007, the central development agency for the state of Saxony (Sächsische Aufbaubank, SAB) awarded a research and technology grant for drug discovery and early development activities to the German subsidiary Biotie Therapies GmbH in the amount of EUR 3.8 million. The money has been awarded as a non-refundable grant to be drawn down during the period between August 2007 and July 2010 against reported realized costs. As of December 31, 2009, EUR 1.1 million of this grant were still available to the company. The grant covers 65% of personnel and project related cost, so Biotie Therapies GmbH must show a total expenditure of EUR 1.8 million until July 2010 in relation to the research projects in order to benefit from the full amount still available. Payments to Biotie Therapies GmbH in relation to this grant are reported under other operating income.

Financial result
The net loss for the financial year 2009 was EUR 12.3 million excluding extraordinary items in relation to write-offs of intangible assets. Total net loss for the financial year 2009 including extraordinary items amounted to EUR 16.1 million. The corresponding loss for 2008 was EUR 5.5 million and no extraordinary items were reported. Research and development costs for the year 2009 amounted to EUR 21.1 million, including extraordinary items (in 2008 EUR 8.7 million).

Impairment losses of EUR 5.4 million were recorded in 2009 due to the decision of the Board of Directors as of August 6, 2009 to pool capacities for the development of the more advanced projects and terminating active development of the immunosuppression program (EUR 1,0 million), termination of the development of the Buprenorphine Depot product (EUR 2,0 million), termination of the HCV infection program after the termination of the license agreement with Gilead, and subsequent winding down of Biotie’s wholly owned Belgian subsidiary 4AZA IP NV (EUR 2.4 million).

Patent costs have been booked as expenses and were not capitalized.

Financing
Cash and cash equivalents totaled EUR 19.7 million on December 31, 2009 (EUR 25.2 million on December 31, 2008).

The company has invested its liquid assets into bank deposits and money market funds. Bank deposits with maturity more than 3 months are reported in “investments held to maturity” whereas deposits with maturity less than 3 months are reported in the “cash and cash equivalents”. Money market funds are reported at fair value in financial assets at fair value through profit or loss.

In September 2009, the company has entered into a Standby Equity Distribution Agreement with YA Global Master SPV Ltd., a fund managed by Yorkville Advisors, LLC of Jersey City, New Jersey, USA (“Yorkville”). Under the terms of the agreement, Biotie has the option to take up Yorkville's commitment to subscribe and pay for ordinary no-par Biotie shares up to a total value of EUR 20 million during the period until September 2012. It remains at the sole and exclusive discretion of Biotie to exercise this option. The pricing of the shares will be determined as 95% of the lowest daily volume-weighted average share price of the five trading days following the date on which Biotie shall have sent to Yorkville the relevant advance notice, and may in no event be less than 85% of the volume-weighted average price of Biotie shares on NASDAQ OMX Helsinki Ltd. on the last trading day prior to such date of advance notice.

The purpose of the Standby Equity Distribution Agreement is to have an option to secure the financing of Biotie's working capital in the short and medium term.

In September 2008, The Finnish Funding Agency for Technology and Innovation (Tekes) granted EUR 0.6 million additional funding for Biotie Therapies' VAP-1 antibody program. The R&D funding granted covers drug development costs of the project from August 2008 to December 2009.

The funding granted is in the form of a loan and it covers about 70 per cent of the costs of the project. The loan will be paid to Biotie against reported realized costs. In order to receive the full amount of granted financing, Biotie must show a total expenditure of EUR 0.8 million in the project.

In January 2008, The Finnish Funding Agency for Technology and Innovation (Tekes) granted EUR 1.7 million additional funding for Biotie Therapies' integrin alpha2beta1 inhibitor program for thrombosis. The R&D funding granted covers drug development costs of the project from July 2007 to December 2009.

The funding granted is in the form of loan and it covers 50 per cent of the costs of the project. The loan will be paid to Biotie against reported realized costs. In order to receive the full amount of granted financing, Biotie must show a total expenditure of EUR 3.4 million in the project.

Shareholder’s equity
The shareholders’ equity of the group amounts to EUR -8.9 million (IFRS). Biotie's equity ratio was -28.4 % on December 31, 2009 (0.3 % in 2008).

According to Finnish Accounting Standards (FAS), shareholders’ equity is less than half of the parent company’s share capital. The parent company’s share capital is EUR 51.5 million; shareholders’ equity is EUR 11.5 million and capital loans stand at EUR 21.3 million. Thus, shareholders’ equity plus capital loans add up to EUR 32.8 million. The company does not have funds that could be used for profit distribution.

Investments and cash flow
The cash flow from operations was EUR -13.3 million for January – December 2009 (comparable period in 2008 EUR -9.4 million). The group's investments during the reporting period amounted to EUR 0.5 million (EUR 0.1 million in 2008).

Personnel
During the financial year 2009, the company's personnel had an average of 81 employees (42 in 2008) and at the end of the financial year 82 (80 on December 31, 2008). This increase is mainly due to the inclusion of the German subsidiary, which was acquired in November 2008.

Changes in management team
On June 1st, Biotie´s Board of Directors appointed Mr. Chris Piggott as Chief Business Officer and member of the management team of the Company.

Group structure
The parent company of the group is Biotie Therapies Corp. The domicile of the Company is Turku, Finland. The group has an operating subsidiary, Biotie Therapies GmbH, located in Radebeul, Germany.

Biotie Therapies GmbH acquired 4AZA IP NV Leuven (Belgium) on March 31, 2009, by means of exercising an option acquired in November 2008. During Q3 2009, the company has wound down this non-operating subsidiary, 4AZA IP NV of Leuven, Belgium. 4AZA IP was a special purpose vehicle whose sole activity was the holding of certain intellectual property rights, which the company decided to abandon.

The group also has a non-operational subsidiary named Biotie Therapies International Ltd in Finland.

Shareholders' meetings held during the financial year 2009
Annual General Meeting 2009
The Annual General Meeting (AGM) of Biotie Therapies Corp. was held on 29 May 2009 and resolved the following items:

- adoption of financial statements 2008

- resolution to carry forward the loss of the financial year to the unrestricted equity without payment of dividends

- discharge from liability for all members of the Board of Directors and the Managing Director for the financial year 2008

- election of Juha Jouhki, Ann Hanham, Bernd Kastler, Pauli Marttila, Riku Rautsola, Christoph Schröder and Pierre Serrure as members of the Board of Directors

- appointment of PricewaterhouseCoopers Oy, Authorized Public Accountants, and Janne Rajalahti, Authorized Public Accountant, as auditors of the company.

At the organization meeting of the new Board of Directors, which convened immediately after the Annual General Meeting, Juha Jouhki was elected as the Chairman of the Board of Directors and Pauli Marttila as the deputy chairman. Juha Jouhki, Christoph Schröder, and Pauli Marttila were elected to the Board's internal Nomination and Remuneration Committee and Bernd Kastler, Riku Rautsola, and Piet Serrure were elected to the Audit Committee.

Extraordinary General Meeting held on 29 October 2009
An Extraordinary General Meeting of Biotie Therapies Corp. was held on 29 October 2009 and the following items were resolved:

- increase of number of members of the Board of Directors to eight

- election of Peter Fellner to the Board of Directors

- authorisation to the Board of Directors to decide on the issuance of up to 72,000,000 shares or other instruments entitling to new shares in one or more issues pursuant to chapter 10 of the Companies Act. The authorisation is effective until 30 June 2010 and it supersedes all earlier authorisations.

- amendment of the Articles of Association in accordance to the amendment to the Finnish Companies Act regarding the method and minimum period for publishing the summons to the general meetings.

Market capitalization and trading
At the end of financial year 2009 the share price was EUR 0.55, the highest price during the financial year was EUR 0.67, the lowest was EUR 0.23, and the average price was EUR 0.42. Biotie’s market capitalization at the end of financial year 2009 was EUR 87.3 million.

The trading volume on NASDAQ OMX Helsinki during the financial year 2009 was 51,471,584 shares, corresponding to a turnover of EUR 22.1 million.

In September 2009 Biotie and Nordea Bank Finland Plc concluded a market making agreement. This agreement aims at increasing the share's liquidity and decreasing the share price volatility thus facilitating trading.

Option rights
Biotie has issued option rights to certain of its employees pursuant to two different option programs in 2006 and 2009. The total number of granted options on December 31, 2009 amounts to 9,768,800, which represents 6.15 % of the total amount of shares. A previous option program instated in 2004 expired at the end of 2009. No shares were subscribed pursuant to this program.

Shares and options held by management
At the end of financial year 2009 the amount of company's shares held by the Board of Directors and the company’s management and their controlled companies amounted to 8,663,032 shares and 7,181,980 option rights of which 1,500,000 options are conditional achieving certain set targets.

Share capital and shares
Biotie shares are all of the same class and have equal rights. Each share entitles the holder to one vote at the general meeting of shareholders. All shares are freely transferable and are quoted on NASDAQ OMX Helsinki Ltd (Small cap, Healthcare).

A total of 14,432,000 new shares were subscribed by Invesco Fund Managers Limited on 7 December 2009 in connection a directed share issue. The increase of Biotie's share capital by EUR 7,216,000 was registered with the Trade Register and the registered new shares were admitted to trading on NASDAQ OMX Helsinki Ltd as of 14 December 2009.

The new shares entitle to the exercise of the rights belonging to a shareholder as of the registration date of 14 December 2009.

After the registration of the new shares and the increase of the share capital with the Finnish Trade Register the share capital in Biotie amounts to EUR 51,506,678.10 (FAS), the total number of shares is 158,752,560 and the number of votes 158,289,305.

At the end of the financial year 2009 the company had 7,316 shareholders compared to 6,580 at the end of 2008.

Changes in ownership
During 2009, the company became aware of five notices of change in ownership exceeding the disclosure threshold.

January 2010 gained knowledge of the notification regarding the change in holdings relate to the increase in the total number of shares in the Company as a result of the directed share offering.

Information on notices of change in ownership and a monthly updated list of Biotie’s major shareholders is available on the company’s website at www.biotie.com/investors.

Ten largest shareholders of Biotie on December 31, 2009

	Number of shares	%
Finnish Innovation Fund (Sitra)	13,585,350	8.58
Veritas Pension Insurance Company Ltd.	6,684,175	4.22

Juha Jouhki and his controlled companies: - Thominvest Oy (2,937,900) - Dreadnought Finance Oy (2,098,416) - Jouhki Juha (1,501,356)		
Total:	6,537,672	4.13
Finnish Industry Investment Ltd	4,496,592	2.84
BioFund Ventures III Ky	2,485,715	1.57
Harri Markkula and his controlled companies: - Markkula Harri (1,250,148) - Tilator Oy (369,700)		
Total:	1,619,848	1.02
elbion NV	1,484,965	0.94
Alfred Berg Small Cap Finland	1,203,008	0.76
Kastler GmbH	1,195,702	0.75
Oy H. Kuningas & Co AB	1,058,371	0.67
	40,351,398	25.49
Other shareholders	44,218,154	27.94
Nominee registered shares total	73,719,753	46.57
	158,289,305	***100.00***
Own shares held by Biotie Therapies	463,255	
Total	158,752,560	

Short-term risks and uncertainties

Biotie's strategic risks are predominantly related to the technical success of the drug development programs, regulatory issues, the strategic decisions of its commercial partners, ability to obtain and maintain intellectual property rights for its products, validity of its patents, launch of competitive products and the development of the sales of its products and availability of funds to support its operations. For example, even though the commercialization and collaboration agreements on the company's product development projects have been concluded, there can be no assurance that the contracting partner will act in accordance with the agreement, the authorities will approve the product under development or the approved product will be commercialized. The development and success of the company's products depends to a large extent on third parties. Any adverse circumstance in relation to any of its R&D programs might jeopardize the value of the asset and thus, represent a severe risk to the company. Such adverse events could happen on a short term notice and are not possible to foresee.

The key operational risks of Biotie’s activities include the dependency on key personnel, assets (especially assets in relation to intellectual property rights) and dependency on its license partners' decisions.

Significant financial resources are required to advance the drug development programs into commercialized pharmaceutical products. To fund the operations, the group relies on its ability to secure financing from four major sources: income from its license partners, grant income, loans from TEKES and raising equity financing in the capital markets.

Entering into commercialization, collaboration and licensing agreements with larger pharmaceutical companies entitles the company and its subsidiaries to receive up-front, milestone dependent and royalty payments from these partners. Although Biotie has currently several active license agreements in place, any decision by one of its partners to terminate an agreement would have a negative effect on the short to medium term access to liquidity for the company.

In addition, the company relies on different sources of research and development grants and loans. These funds, which are provided through regional, national or EU level institutions with the aim of fostering economic and technological progress in the region in which the group operates, have been historically available to Biotie at substantial levels. Availability of such funds in the mid- to long term future cannot be guaranteed and thus this poses a potential risk to the income situation of the group in the future. Income and loans from such sources have been secured until 2009. So far, the Company has no indication that this source of financing will be available beyond 2009.

Furthermore, the company relies on capital market to raise equity and debt financing from time to time. There can be no assurance that sufficient financing can be secured in order to permit the company to carry out its planned activities. Current capital market conditions are volatile and it is currently uncertain whether the company can secure equity financing if and when it needs it from capital markets, even though it was successful at doing so in December 2009.

To protect the continuity of Biotie’s operations, sufficient liquidity and capital has to be maintained in the company and its subsidiaries. The group aims to have cash funds to finance at least one year’s operations at all times. The group can influence the amount of capital by adapting its cost basis according to the financing available. Management monitors the capital and liquidity on the basis of the amount of equity and cash funds. These are reported to the Board on a monthly basis.

As a result of the Biotie Therapies GmbH acquisition in November 2008 the Group has In-process R&D projects totalling EUR 6.5 million included in the balance sheet. These projects are annually tested for impairment. Should it be required to recognise impairments due to the impairment testing, it would have a material effect on the Company’s results and balance sheet position.

The Board of Directors proposal for handling of the loss
The Board of Directors proposes that no dividend from the financial year 2009 will be paid, and that the loss of the parent company for the financial year EUR -10.3 (FAS) million will be carried forward to shareholders' equity.

Annual General Meeting
Biotie's Annual General Meeting will be held at the auditorium of Restaurant Alabama in Turku on Thursday, April 15, 2010 at 10.00 a.m.

IFRS and accounting principles
The 2009 financial statement release has been prepared in accordance with IFRS recognition and measurement principles, and applying the same accounting policy as for the 2008 financial statements. In addition, the changes in the presentation of statement of comprehensive income and the statement of changes in equity according to the revised IAS 1 have been applied in the interim report. The IFRS 8 ‘operating segments’ standard does not have an impact on the presentation of the Group’s financial statements since the Group is operating in one segment. The interim report has not been prepared in accordance with IAS 34, Interim Financial Reporting.

Financial statements 2009 are not directly comparable to those of the same period in 2008 due to the inclusion of the operating result of the wholly owned subsidiary Biotie Therapies GmbH (formerly elbion GmbH) in November 2008.

This financial statement report is audited.

Financial calendar 2010

Year 2009 Annual Report (incl. full financial statements and the report of the Board of Directors) on March 15, 2010

Interim Report for January – March 2010 on May 7, 2010
Interim Report for January – June 2010 August 6, 2010
Interim Report for January – September 2010 October 29, 2010

Biotie Therapies Corp. will publish its Corporate Governance Statement 2009 on March 15, 2009 together with the 2009 Annual Report. The statement will be published separately from the Board of Directors' report and it will be available after publishing on Biotie's website www.biotie.com.

In Turku, February 26, 2010

Biotie Therapies Corp.
Board of Directors

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(IFRS)

EUR 1,000	1.10.-31.12.2009 3 months	1.10.-31.12.2008 3 months	1.1.-31.12.2009 12 months	1.1.-31.12.2008 12 months
Revenue	1,096	1,177	5,628	5,127
Research and development expenses	-4,368	-2,454	-21,109	-8,730
General and administrative expenses	-1,065	-819	-3,768	-2,020
Other operating income	456	323	1,618	502
Operating profit/loss	-3,881	-1,773	-17,631	-5,121
Financial income	56	924	627	1,432
Financial expenses	-179	-902	-938	-1,864
Profit/loss before taxes	-4,004	-1,751	-17,942	-5,553
Taxes	0	76	1,859	76
Net income/loss	-4,004	-1,675	-16,083	-5,477
Total comprehensive income of the period	-4,004	-1,675	-16,083	-5,477
Net income/loss attributable to				
Parent company shareholders	-4,004	-1,675	-16,083	-5,477
Total comprehensive income attributable to:				
Parent company shareholders	-4,004	-1,675	-16,083	-5,477
Earnings per share (EPS) basic & diluted, EUR	-0.03	-0.01	-0.11	-0.06

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IFRS)

EUR 1,000	31.12.2009	31.12.2008
Assets		
Non-current assets		
Intangible assets	7,186	10,352
Goodwill	379	379
Property, plant and equipment	2,666	2,792
Other shares	10	0
	10,241	13,523
Current assets		
Prepaid expenses	0	2,400
Available for sale investment	34	131
Investments held to maturity	0	18,500
Accounts receivables and other receivables	1,507	1,512
Financial assets at fair value through profit or loss	8,853	0
Cash and cash equivalents	10,891	6,738
	21,285	29,281
Total	31,526	42,804
Equity and liabilities		
Shareholders’ equity		
Share capital	43,057	36,361
Reserve for invested unrestricted equity	1,180	980
Retained earnings	-37,092	-31,754
Net income/loss	-16,083	-5,477
Shareholders’ equity total	-8,938	110
Non-current liabilities		
Provisions	160	121
Non-current financial liabilities	25,597	24,930
Pension benefit obligation	543	574
Other non-current liabilities	6,729	5,881
Non-current deferred revenues	1,375	2,966
Deferred tax liabilities	0	1,859
	34,404	36,331
Current liabilities		
Provisions	594	641
Pension benefit obligation	17	10
Current financial liabilities	217	144
Current deferred revenues	1,953	3,501
Accounts payable and other current liabilities	3,279	2,067
	6,060	6,363
Liabilities total	40,464	42,694

Total	31,526	42,804

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Attributable to equity holders of the parent company

EUR 1,000	Shares (1000 pcs)	Share Capital	Reserve For invested Un-restricted equity	Own Shares	Retained Earnings	Share-holders' equity total
Balance at 1.1.2008	90,212	19,850	980	-15	-31,930	-11,117
Total comprehensive income for the period					-5,477	-5,477
Options granted					193	193
Share issue	54,109	16,873				16,873
Cost of share issue		-362				-362
	54,109	16,511	0	0	-5,285	11,227
BALANCE AT 31.12.2008	144,321	36,361	980	-15	-37,215	110
Total comprehensive income for the period					-16,083	-16,083
Options granted					339	339
Share issue	14,432	7,216				7,216
Cost of share issue		-520				-520
Reissue of own shares pursuant to SEDA agreement			200		-200	0
	14,432	6,696	200	0	-15,944	-9,048
BALANCE AT 31.12.2009	158,753	43,057	1,180	-15	-53,160	-8,938

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	1.1.-31.12.2009 12 months	1.1.-31.12.2008 12 months
Cash flow from operating Activities		
Net income/loss	-16,083	-5,477
Adjustments:		
Non-cash transactions	3,331	-4,303
Addition/disposal due to revaluation of financial assets at fair value through profit or loss	-53	0
Interest and other financial expenses	963	1,863
Interest income	-599	-1,431
Taxes	-1,859	-76
Change in working capital:		
Change in accounts receivables and other receivables	-126	446
Change in accounts payable and other liabilities	1,172	-277
Change in mandatory provisions	-8	-152
Interests paid	-106	-29
Interests received	48	66
Taxes paid	-6	0
Net cash from operating activities	-13,326	-9,370
Cash flow from investing activities		
Acquisition of subsidiary, net of cash acquired	0	1,881
Change in financial assets at fair value through profit or loss		
Additions	-9,000	0
Disposals	200	27,685
Change in investments held to maturity		
Additions	-900	-46,300
Disposals	20,142	28,321
Investments to tangible assets	-165	-34
Net cash used in investing activities	10,277	11,553
Cash flow from financing activities		
Payments from share issue	7,216	3,300
Share issue costs	-520	-362
Proceeds from borrowings	632	1,374
Repayment of loans	-40	-40
Repayment of lease Commitments	-86	-21
Net cash from financing activities	7,202	4,250
Net increase (+) or decrease (-) in cash and cash equivalents	4,153	6,433
Cash and cash equivalents in the beginning of the period	6,738	305
Cash and cash equivalents in the	10,891	6,738

end of the period

CONTINGENT LIABILITIES

EUR 1,000	31.12.2009	31.12.2008
Operating lease commitments	**137**	**123**
Due within a year	88	64
Due later	49	59
Rent commitments	**382**	**532**
Due within a year	237	233
Due later	145	299
Total	**519**	**655**

The Group leases motor vehicles, machines and equipment with leases of 3 to 5 years.

Rent commitments include Pharmacity premises until 30 November 2011. These premises have been subleased.

Commitments

On December 31, 2009 Biotie had purchase commitments, primarily for contract research work services, totaling EUR 6.9 million.

KEY FIGURES

EUR 1,000	1.1.-31.12.2009 12 months	1.1.-31.12.2008 12 months
Business development		
Revenues	5,628	5,127
Personnel on average	81	42
Personnel at the end of period	82	80
Research and development costs	21,109	8,730
Capital expenditure	475	116
Profitability		
Operating profit/loss	-17,631	-5,121
as percentage of revenues, %	-313.27	-99.9
Profit/loss before taxes	-17,942	-5,553
as percentage of revenues, %	-318.80	-108.3
Balance sheet		
Cash and cash equivalents	19,744	25,238
Shareholders equity	-8,938	110
Balance sheet total	31,526	42,804
Financial ratios		
Return on equity, %	-	-
Return on capital employed, %	-86.0	-18.3
Equity ratio, %	-28.4	0.3
Gearing, %	-67.9	-148.5
Per share data		
Earnings per share (EPS) basic & diluted, EUR	-0.11	-0.06
Shareholders´equity per share, EUR	-0.0563	0.0008
Dividend per share, EUR	-	
Pay-out ratio, %	-	
Effective dividend yield, %	-	
P/E-ratio	-	
Share price		
Lowest share price, EUR	0.23	0.24
Highest share price, EUR	0.67	0.94
Average share price, EUR	0.42	0.51
End of period share price, EUR	0.55	0.26
Market capitalization at the end of period MEUR	87.3	37.5
Trading of shares		
Number of shares traded	51,471,584	15,350,613
As percentage of all	32.4	10.6
Adjusted weighted average number of shares during the period	144,992,735	96,734,553
Adjusted number of shares	158,752,560	144,320,560

at the end of the period

Formulas for the Calculation of the Key figures

Return on capital employed, %

$$\frac{\text{Profit (loss) before taxes + interest expenses and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities}} \times 100$$

Equity ratio, %

$$\frac{\text{Shareholders' equity}}{\text{Balance sheet total - advanced received}} \times 100$$

Gearing, %

$$\frac{\text{Interest bearing liabilities - cash and cash equivalents}}{\text{Shareholders' equity}} \times 100$$

Earnings per share (EPS)

$$\frac{\text{Profit attributable to parent company shareholders}}{\text{Adjusted average number of outstanding shares during the period}}$$

Shareholders' equity per share

$$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the period}}$$