Biotie Financial Statement Release 2013

Company Highlights
October - December 2013

- H. Lundbeck A/S (Lundbeck) continued the launch of Selincro (nalmefene) in further European markets, with launches in 17 countries by the end of 2013. Lundbeck expanded its existing alliance with Otsuka Pharmaceutical Co. Ltd. (Otsuka) to include development and commercialization of nalmefene in Japan. Biotie received royalties on sales of Selincro across all markets of EUR 49,000 during the fourth quarter.
- Continued activities to advance tozadenant (SYN115) into Phase 3 development in Parkinson's disease in collaboration with partner UCB Pharma S.A. (UCB).
- Continued to actively develop NRL-1, a proprietary intranasal diazepam that became part of Biotie's development portfolio in June 2013 through an option agreement with Neurelis, Inc. (Neurelis).
- Biotie's loan obligations to Tekes (The Finnish Funding Agency for Technology and Innovation) were reduced by EUR 2.8 million, with Tekes forgiving certain capital loans relating to Biotie's carbohydrate and cancer glycosylation projects that were discontinued in 2005 and an R&D loan relating to Biotie's Integrin project that was discontinued in 2010.
- Biotie has continued discussions for a partnership for further development and commercialization of SYN120. However, the Company has now concluded that Biotie will be better served by progressing SYN120 internally to the next stage of development.
- Biotie's financial result for Q4 2013 was a net income of EUR 2.1 million; the financial result for 12 months ended 31 December 2013 was a net income of EUR 6.3 million.
- Biotie ended 2013 with cash, cash equivalents and short term investments of EUR 43.7 million (EUR 46.9 million, 30 September 2013). Operating cash flow was EUR 10.9 million positive in 2013.

Key figures

EUR thousand **Continuing operations**	**10-12/ 2013 3 months**	**10-12/ 2012 3 months**	**1-12/ 2013 12 months**	**1-12/ 2012 12 months**
Revenues	5,821	592	27,712	4,831
Research and development costs	-6,657	-7,227*	-17,360	-24,229*
Financial result:	2,130	-8,772*	6,275	-25,607*
Earnings per share (EUR)	0.00	-0.02	0.01	-0.06
Cash flow from operating activities	-2,533	-7,695	10,851	-27,108

*Financial result for 2012 was impacted by a non-cash impairment charge of EUR 3.4 million for ronomilast

EUR thousand	**31 Dec, 2013**	**31 Dec, 2012**
Liquid assets	43,678	33,847
Equity	80,797	75,032
Equity ratio (%)	69.2	66.7

Timo Veromaa, Biotie's President and CEO commented, "2013 was a highly successful year for Biotie. Selincro was approved in Europe to treat alcohol dependence, and our partner, Lundbeck, is now launching the product across Europe. We secured a license agreement for our novel A2a antagonist, tozadenant, with UCB Pharma and received a $20 million milestone payment in 2013. With UCB funding we are now preparing to conduct Phase 3 tozadenant trials, which we expect to start in the first half of 2015. Also, a Phase 2 trial commenced for nepicastat in treatment seeking cocaine addicted patients, which is being funded by the U.S. National Institute on Drug Abuse (NIDA). We remain focused on delivering greater returns for our shareholders and as part of our evolving strategy we plan to use our financial strength to create a clinical platform with products that we can develop and commercialize ourselves."

Product Portfolio Review:

Selincro (nalmefene) is a dual-acting opioid system modulator and the first therapy approved in Europe for the reduction of alcohol consumption in alcohol dependent individuals. Our partner Lundbeck received European marketing authorization for Selincro in February 2013 and had introduced the product in over 17 European markets by the end of 2013. Biotie has licensed global rights to Selincro to Lundbeck. Under the terms of the agreement with Lundbeck, Biotie is eligible for up to EUR 89 million in upfront and milestone payments, plus royalties on sales of Selincro, of which EUR 16 million in milestone payments has been received to date.

On 31 October 2013, Biotie announced that Lundbeck expanded its existing alliance with Otsuka to include development and commercialization of nalmefene in Japan. Lundbeck and Otsuka will jointly finalize the clinical program for nalmefene in Japan, and it is expected that the first clinical phase 3 study will be initiated during 2014.The announcement has no immediate financial impact on Biotie.

Lundbeck will continue the rollout of Selincro in additional European markets into 2014. This is expected to include launches in Germany, Spain and France, for which Biotie would receive additional milestones of EUR 2 million in each market.

Biotie is eligible to receive further potential milestone payments on launches in certain other markets and if the product reaches certain pre-determined sales.

Biotie will continue to receive royalties on sales in all launched markets and will make a contribution to Lundbeck towards post approval commitment studies.

Tozadenant (SYN115) is an oral, potent and selective adenosine A2a receptor antagonist being developed for the treatment of Parkinson's disease. Tozadenant has displayed clinically relevant and statistically highly significant effects in Parkinson's disease, across multiple pre-specified evaluation metrics, in a 420

patient Phase 2b study completed in December 2012, and it is currently transitioning into Phase 3 development.

Biotie granted UCB a license for exclusive, worldwide rights to tozadenant in 2010. Under the terms of the 2010 agreement, UCB exercised the license and made a USD 20 million (EUR 14.5 million) milestone payment to Biotie in February 2013. Biotie remains eligible for up to USD 340 million (EUR 246.5 million) in further milestone payments plus royalties on sales of tozadenant. In February 2013, the parties amended the original 2010 license agreement, such that Biotie will conduct Phase 3 development of tozadenant in return for additional payments from UCB in the low triple digit millions in total over the next six years, based on the successful completion of defined development, regulatory and commercialization milestones.

In Q4 2013, preparations for the tozadenant Phase 3 program in Parkinson's disease were ongoing in collaboration with UCB. These activities included CMC and non-clinical work, and certain Phase 3 enabling clinical pharmacology studies were also commenced during the review period. Patient enrollment in the Phase 3 program is currently planned to commence by the first half of 2015. Biotie received EUR 3.6 million in milestone payments under the amended agreement in Q4 2013, bringing the total received in 2013 to EUR 9.7 million; EUR 5.8 million of related revenue was recognized in Q4 2013 (EUR 9.1 million during the year as a whole).

NRL-1 is a proprietary intranasal formulation of diazepam which is being developed to help patients with epilepsy requiring intermittent use of diazepam to manage bouts of acute and repetitive seizures. It became part of Biotie's portfolio in June 2013 when the Company signed an exclusive option to acquire Neurelis.

Under the terms of the option and merger agreement, Biotie has made a payment of USD 1.0 million to Neurelis for the exclusive right, but not the obligation, to acquire all of the outstanding shares of Neurelis for a pre-defined amount of USD 8.75 million, subject to certain adjustments. Any purchase of Neurelis would be paid for in new shares of Biotie that would be issued on approval by the Board of Directors. Biotie may exercise the option up until the start of the pivotal pharmacokinetic clinical studies that will form the basis of a 505 (b)(2) New Drug Application (but no later than 3 December 2014).

In Q4 2013, Biotie was engaged in conducting further manufacturing and pre-clinical work with NRL-1 under the option arrangement. However, after a thorough assessment the Company has concluded that its timely access to market is not guaranteed and that it will not exercise the option to acquire Neurelis in H1 2014 as initially expected. Biotie will not make any further significant investment into this opportunity until further notice.

Nepicastat (SYN117) is an orally administered, potent and selective inhibitor of dopamine beta hydroxylase (DBH), the enzyme responsible for the conversion of dopamine into norepinephrine. Nepicastat is currently in Phase 2 development as a potential treatment for cocaine dependence.

A Phase 2 trial in 180 treatment seeking cocaine addicted patients, which is being funded by the U.S. National Institute on Drug Abuse (NIDA) under a Collaborative Research and Development Agreement, is continuing to recruit, with results expected H1 2015.

Biotie retains full rights to nepicastat and will be able to use data from studies conducted with NIDA to support future potential regulatory submissions.

BTT-1023 is a monoclonal antibody targeting Vascular Adhesion Protein 1 (VAP-1). In addition to its clinically demonstrated role in inflammatory diseases, VAP-1 has an important role in fibrotic diseases and treatment with the VAP-1 antibody may have important therapeutic potential e.g. in the treatment of certain inflammatory fibrotic diseases of the liver.

Biotie is preparing for a Phase 2 proof of concept study with BTT-1023 in primary sclerosing cholangitis, a rare fibrotic disease of the liver affecting young adults. Discussions for non-dilutive co-funding for the study are at an advanced stage.

SYN120 is an oral, potent, dual antagonist of the 5-HT6 and 5HT2a receptors. These two distinct properties could result in a unique therapeutic profile for SYN120 combining pro-cognitive and antipsychotic activities. SYN120 has completed single and multiple ascending dose Phase 1 clinical studies and a Phase 1 positron emission tomography imaging study to determine therapeutic dose for subsequent Phase 2 studies.

Biotie has continued discussions for a partnership for further development and commercialization of SYN120. However, the Company has now concluded that Biotie will be better served by progressing SYN120 internally to the next stage of development. Preparations for a Phase 2 study in Alzheimer's disease have started, with the study expected to begin recruitment by the end of 2014.

Financial review for reporting period January – December 2013
Figures in brackets, unless otherwise stated, refer to the same period the previous year (EUR million).

Revenues: Revenues amounted to EUR 27.7 million (4.8). Revenues consisted of the one-time milestone payment for exercise of the license to tozadenant (SYN115) and an allocation of the development milestones received under the revised agreement from UCB; and the UK and Italy launch milestones and royalties for Selincro from Lundbeck.

Research and development costs amounted to EUR 17.4 million (24.2).The majority of these R&D costs were assigned to the development of tozadenant (SYN115) and NRL-1.

Total comprehensive income including the currency translation differences amounted to EUR 3.8 million (-26.8).

Financial result: Net income, continuing operations, for the period was EUR 6.3 million (net loss of 25.6).

Financing: Cash, cash equivalents and short term investments totaled EUR 43.7 million on 31 December 2013 (EUR 46.9 million at 30 September 2013 and EUR 33.8 million on 31 December 2012).

Shareholders' equity: The shareholders' equity of the group amounted to EUR 80.8 million (IFRS) on 31 December 2013. Biotie's equity ratio was 69.2% on 31 December 2013 (66.7% on 31 December 2012).

Investments and cash flow*:* Cash flow from operating activities in January – December 2013 amounted to EUR 10.9 million (-27.1).

The group's investments in tangible and intangible assets during the reporting period amounted to EUR 954 thousand (EUR 113 thousand).

Personnel

During the reporting period January – December 2013, the average number of employees amounted to 35 (38) and at the end of the reporting period, Biotie employed 37 people (37 people).

Change in the management team

After the reporting period on 6 January 2014 Mehdi Paborji, Ph.D. was appointed Chief Operating Officer and a member of the Group´s management team. Mehdi Paborji is based in our South San Francisco office and reports to Timo Veromaa, President and Chief Executive Officer.

Equity rights

2009 Plan

Biotie issued option rights to certain of its employees pursuant to an option program in 2009, amounting to potential 7,000,000 new shares in the company. Each option right granted based on this option program entitled the holder to subscribe one share in the company. All of the options issued pursuant to this plan expired unexercised at the end of 2013.

Swiss Option Plan

The Swiss company Synosia Therapeutics Holding AG (currently Biotie Therapies AG) acquired by Biotie in February 2011 also has a stock option plan under which stock options have been granted to employees, directors and consultants. In connection with the completion of the acquisition of Synosia, the option plan was amended so that instead of shares in Synosia an aggregate maximum of 14,912,155 shares in Biotie may be subscribed based on the plan.

The conveyed shares previously held by the Company's subsidiary have not carried any voting rights. As a result of the conveyances, the total number of votes attached to Biotie's shares increased (May 2011 – December 2013) by 8,415,365 votes to 446,213,948 votes. The conveyance does not affect the number of registered shares (total of 452,710,738 shares) but the number of the Company's shares held by its subsidiary Biotie Therapies AG is reduced to 6,496,790 shares, over which only 5,288,580 options remain outstanding.

2011 Plans

In December 2011, The Board of Directors of Biotie approved two new share-based incentive plans for the Group employees; a stock option plan for mainly its European employees and an equity incentive plan for mainly its US employees.

Stock Option Plan 2011: The maximum total number of stock options issued is 7,401,000, and they entitle their owners to subscribe for a maximum total of 7,401,000 new shares in the company or existing shares held by the company. However, 1,458,750 of these stock options were unissued or have been forfeited at the end of 2013 and so the maximum total of new shares in the company that can now be issued under the plan is 5,942,250.

Equity Incentive Plan 2011: The maximum number of share units to be granted and the number of corresponding shares to be delivered on the basis of the plan will be total of 4,599,000 shares. However, 259,090 of these share units are unissued or have been forfeited at the end of 2013 and so the maximum total of new shares in the company that can now be issued is 4,339,910.

Shares, share units and options held by management

At the end of financial year 2013 the amount of company's shares held by the Board of Directors and the company's management and their controlled companies amounted to 1,195,702 shares, 940,000 share units and 6,490,613 option rights of which 750.000 options are conditional upon achieving certain set targets.

Available Facilities

Biotie has a standby equity distribution agreement (SEDA) in place with US fund Yorkville. Yorkville is under certain pre-agreed terms and conditions obliged to subscribe and pay for Biotie shares in multiple

tranches up to a total value of EUR 20 million during the period until November 2015 at Biotie's discretion. The purpose of this arrangement is to have an option to secure the financing of Biotie's working capital in the short and medium term. Biotie last made use of this arrangement in 2010, raising a total amount of EUR 1.1 million, but since then has not conveyed any shares under this agreement.

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 quoted on NASDAQ OMX Helsinki Ltd (Mid cap).

On 31 December 2013 the registered number of shares in Biotie Therapies Corp. was 452,710,738. Of these shares 6,496,790 were held by the company or its group companies. The registered share capital of Biotie was EUR 195,919,182.85.

Market capitalization and trading

At the end of the reporting period the share price was EUR 0.28. The highest price during the reporting period January – December 2013 was EUR 0.46, the lowest was EUR 0.26, and the average price was EUR 0.35. Biotie's market capitalization at the end of the reporting period was EUR126.8 million.

The trading volume on NASDAQ OMX Helsinki during the reporting period January – December 2013 was 157,920,531 shares, corresponding to a turnover of EUR 55,399,666.

Changes in ownership

During the reporting period, January – December 2013, Biotie made one announcement according to Chapter 2, Section 10 of the Finnish Securities Market Act.

Information on notices of changes 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 registered in the shareholders' register maintained by Euroclear Finland Ltd on 31 December 2013

Ilmarinen Mutual Pension Insurance Company	16,732,271	3.70%
The Finnish National Fund for Research and Development Sitra	11,785,350	2.60%
OP-Delta Fund	7,909,932	1.75%
Veritas Pension Insurance Company Ltd.	7,908,629	1.75%
Juha Jouhki and his controlled companies: - Thominvest Oy (2,937,900) - Dreadnought Finance (2,098,416) - Juha Jouhki (1,501,356)	6,537,672	1.44%
Nordea Fennia Fund	6,500,000	1.44%
OP-Finland Small Firms Fund	5,215,797	1.15%
FIM Fenno Sijoitusrahasto	4,121,810	0.91%

SR Arvo Finland Value	3,254,407	0.72%
Harri Markkula and his controlled companies -Harri Markkula (2,968,868) -Tilator Oy (213,000)	3,181,868	0.70%
	73,147,736	16.16%
Nominee registered shares total	***239,363,046***	***52.87%***
Others	140,199,956	30.97%
Number of shares, total	452,710,738	100.00%

The number of the Company's shares held by its subsidiary Biotie Therapies AG is 6,496,790 shares.

Decisions of the Annual General Meeting

The Annual General Meeting of Biotie Therapies Corp. was held on 4 April 2013 and the stock exchange release regarding the resolutions was published on 4 April 2013.

Short-term risks and uncertainties

Biotie's strategic risks are predominantly related to the technical success of the drug development programs, regulatory issues, strategic decisions of its partners and its ability to obtain and maintain intellectual property rights for its products. Once products reach the market, the development of their sales may be significantly impacted by decisions of pricing and reimbursement authorities, acceptance by prescribers and patients and changes in the competitive environment, such as the launch of competitive products. The development and success of Biotie's products depends to a large extent on third parties. Any adverse circumstance in relation to any of its programs might impair 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 may not be possible to foresee. The key operational risks of Biotie's activities include the dependency on key personnel, assets (especially in relation to intellectual property rights) and dependency on its license partners' decisions.

The group can influence to some extent the amount of capital used in its operations by adapting its cost base according to the financing available.

Furthermore, significant financial resources are required to advance the drug development programs into commercialized pharmaceutical products. To fund the operations, Biotie relies on financing from two major sources: income (royalty and milestone payments) from its license partners and raising equity financing in the capital markets. Additionally, it may be possible to arrange financing from debt providers.

The company may rely on capital markets to raise equity financing from time to time. There can be no assurance that sufficient funds can be secured in order to permit the company to carry out its planned activities. Current capital market conditions are very volatile. While in September 2012 the company was able to raise a significant amount of capital from a share issue to fund its operations in the medium term, there can be no assurance that the company can secure equity financing in the future if and when it needs it.

Although Biotie has currently active license agreements in place, the termination of any such agreement could have a negative effect on the short to medium term access to liquidity for the company. While income

generated from commercial agreements with third parties relating to its clinical programs might significantly improve Biotie's financial position, a forecast on possible income from future licensing arrangements cannot be provided reliably. Therefore, it is possible that Biotie will need to secure additional financing from share issues in the future.

Acquired assets within the product portfolio are held as intangible assets on the balance sheet at carrying values determined at the time of the acquisition, which are reviewed annually for impairment. Should the clinical programs for these assets not proceed as expected, should the assets be partnered or out-licensed utilizing a transaction structure that changes the timing or amount of Biotie's future economic rights to the product, or should some of the economic value from those assets be realized then, it is possible that an impairment of the intangible asset will be required; this would take the form of a non-cash impairment charge to the consolidated statement of comprehensive income.

The Board of Directors proposal for handling of the loss of the parent company

The Board of Directors proposes that no dividend for the financial year 2013 will be paid and that the loss of the parent company for the financial year of EUR 0.1 million (FAS) will be carried forward to shareholders' equity.

Annual General Meeting

Biotie's Annual General Meeting will be held at the Alpha auditorium of ICT-building, Joukahaisenkatu 3-5 Turku on Thursday 3 April 2014 at 10.00 a.m.

Outlook for 2014 and key upcoming milestones:

Selincro: Lundbeck will continue the rollout of Selincro in additional European markets into 2014. Biotie is eligible for launch milestones in France, Germany and Spain of EUR 2 million in each market, and further royalties on sales in all markets. Due to the early phase of the launch of Selincro no guidance can be given on expected royalty revenue in 2014. The first clinical phase 3 study under the joint Lundbeck/Otsuka development program in Japan is expected to be initiated in 2014, but this will not impact Biotie's financial results.

Tozadenant (SYN115): Phase 3 development plans will continue in collaboration with UCB and a key event this year will be the end-of-Phase 2 meeting with FDA, planned for H1 2014. Biotie is expected to receive additional payments from UCB in the low triple digit millions in total over the next six years, based on the successful completion of defined development, regulatory and commercialization milestones, which are intended to be used to cover the costs of the development program. The Phase 3 program in Parkinson's disease is expected to commence by H1 2015.

NRL-1: Biotie has concluded that its timely access to market is not guaranteed and that Biotie will not exercise the option to acquire Neurelis in H1 2014 as initially expected. Biotie will not make any further significant investment into this opportunity until further notice.

Nepicastat (SYN117): A Phase 2 trial in cocaine dependence, funded by NIDA, is continuing to recruit, and top-line data from the study is currently expected in H1 2015.

BTT-1023: Preparations for a clinical Phase 2 study in primary sclerosing cholangitis are ongoing. The Company is in advanced discussions for non-dilutive co-funding for the study.

SYN120: Preparations for a Phase 2 study in Alzheimer's disease have started, with the study expected to begin recruitment by the end of 2014.

Strategic: The Company will use its financial strength to seek additional pipeline opportunities, including those that it could potentially develop itself through to regulatory approval and beyond.

Financial: The company expects that both its revenue and research and development expenses will increase during 2014, as a result of milestones that will be received on both tozadenant and Selincro, and the development work that will be performed on tozadenant and SYN120.

Financial calendar 2014

Financial statements 2013	4 March 2014
Corporate Governance Statement 2013 (the statement will be published separately from the Board of Directors' report)	4 March2014
Interim report January - March	9 May 2014
Interim report for January - June	30 July 2014
Interim report for January - September	31 October 2014

Biotie's Annual General Meeting is planned to be held on 3 April 2014

Key events after the reporting period

After the reporting period on 3 January 2014 Biotie announced that pursuant to the authorization of the Annual General Meeting of Shareholders held on 4 April 2013, the Board of Directors resolved to issue 3,321,660 shares to the company itself without consideration in accordance with Chapter 9 Section 20 of the Finnish Companies Act (624/2006, as amended). The shares were issued for the purposes of being conveyed to employees entitled to them pursuant to the terms and conditions of the 2011 equity plans. The shares are of the same class as the existing shares in the company. The new shares issued were registered with the Trade Register on 8 January 2014 and entered into the book-entry system maintained by Euroclear Finland Ltd.; they could be traded together with the company's current series of shares on the stock exchange list of NASDAQ OMX Helsinki Ltd from 9 January 2014.

After the reporting period on 3 January 2014, Biotie announced that the Board of Directors had approved two new share-based incentive plans for the group employees for awards to be made in the period 2014 to 2016 to follow-on from the current incentive plans under which awards have been made in the period 2011 to 2013; the Stock Option Plan 2014 for its European employees and the Equity Incentive Plan 2014 for its US employees (together the 2014 Plans). The 2014 Plans are intended to form part of the remuneration, incentive and commitment program for the employees and to support the hiring of new employees as the group increases the number of its employees to ensure that the currently planned clinical trials are conducted effectively and efficiently. The incentives support the attainment of the targets established by the group and the implementation of the group's strategy, as well as the group's long-term productivity. The 2014 Plans also reflect the competitive environment in which the group operates, particularly in the US, and are an important tool in enabling the group to attract and retain the right quality employees.

After the reporting period on 28 January 2014 and 28 February 2014, Biotie announced that the Company has conveyed Biotie shares held as treasury shares and that were issued on 2 January 2014 pursuant to the Stock Option Plan 2011 (232,500 shares conveyed) and the Equity Incentive Plan 2011 (106,250 shares conveyed).

As a result of the conveyances, the total number of votes attached to Biotie's shares increased to 338,750 votes and the total number of the Company's shares held by the Company or its fully owned subsidiary is

9,479,700 shares. The conveyance does not affect the number of registered shares (total of 456,032,398 shares).

After the reporting period on 28 February 2014, Biotie announced that it will progress SYN120 internally to the next stage of development. Preparations for a Phase 2 study in Alzheimer's disease have started, with the study expected to begin recruitment by the end of 2014. Also, the Company announced that it has concluded that its timely access to market for NRL-1 is not guaranteed and that Biotie will not exercise the option to acquire Neurelis in H1 2014 as initially expected. Biotie will not make any further significant investment into this opportunity until further notice.

About Biotie

Biotie is a specialized drug development company focused primarily on products for neurodegenerative and psychiatric disorders. For the past years, Biotie has successfully operated a strategy built around search, profile and partner. This has delivered Selincro (nalmefene) for alcohol dependency, which received European marketing authorization in February 2013 and is currently being rolled out across Europe by partner Lundbeck, and tozadenant, a novel A2a antagonist which is transitioning into Phase 3 development for Parkinson's disease in collaboration with UCB. Biotie also has exclusive rights through an option to acquire Neurelis, which includes NRL-1, an intranasal formulation of diazepam for epileptic seizure management. Biotie plans to seek further opportunities of this kind to generate a strong portfolio of products. Biotie's shares are listed on NASDAQ OMX Helsinki.

Group structure: The parent company of the group is Biotie Therapies Corp. The domicile of the company is Turku, Finland. The Company has two operative subsidiaries, Biotie Therapies Inc, located in South San Francisco, United States of America and Biotie Therapies AG, located in Basel, Switzerland.

The Group also has two non-operational subsidiaries, Biotie Therapies GmbH located in Radebeul, Germany and Biotie Therapies International Ltd located in Finland.

IFRS and accounting principles

The 2013 financial statements have been prepared in accordance with IFRS recognition and measurement principles and applying the same accounting policies as for the 2012 financial statements. The financial statement release has been prepared in accordance with IAS 34, Interim Financial Reporting.

In addition, as a result of the acquisition of Synosia Therapeutics, Biotie has applied the following principle beginning with the Q1 2011 financial statements:

The results and financial position of all the group entities that have a currency different from the presentation currency are translated into the presentation currency as follows:

a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

b) Income and expenses for each income statement are translated at average exchange rates.

c) All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of inter-company borrowings that are considered of being part of the net investment, are taken to other comprehensive income. When a foreign operation is disposed of or sold (either partially or as a whole), exchange differences that were recorded in equity are recognized in the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

This financial statement report is unaudited.

Turku, 28 February 2014

Biotie Therapies Corp.
Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR 1,000	10-12/ 2013 3 months	10-12/ 2012 3 months	1-12/ 2013 12 months	1-12/ 2012 12 months
Revenue	5,821	592	27,712	4,831
Research and development expenses	-6,657	-7,227	-17,360	-24,229
General and administrative expenses	-1,844	-2,622	-8,988	-7,533
Other operating income	144	799	565	1,716
Operating profit (loss)	-2,537	-8,458	1,928	-25,216
Financial income	3,231	56	3,454	168
Financial expenses	-759	-370	-1,302	-972
Profit (loss) before taxes	-65	-8,772	4,080	-26,020
Taxes	2,195	0	2,195	414
Net profit (loss), continuing operations	2,130	-8,772	6,275	-25,607
Net profit (loss), discontinued operations	0	-748	0	-748
Net profit (loss)	2,130	-9,520	6,275	-26,355
Other comprehensive income/loss:				
Currency translation differences	-647	-695	-2,433	-420
Total comprehensive income/loss of the period	1,483	-10,215	3,842	-26,775
Net profit (loss) attributable to				

Parent company shareholders	2,130	-9,520	6,275	-26,355
Total comprehensive income/loss attributable to:				
Parent company shareholders	1,483	-10,215	3,842	-26,775
Earnings per share (EPS) basic & diluted, EUR, continuing operations	0.00	-0.02	0.01	-0.06
Earnings per share (EPS) basic & diluted, EUR, discontinued operations	-	0.00	-	0.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)
EUR 1,000

	31 Dec, 2013	31 Dec, 2012
Assets		
Non-current assets		
Intangible assets	69,174	71,084
Goodwill	5,315	5,497
Property, plant and equipment	627	256
Investment property	817	846
Non-current receivables	231	0
Other shares	10	10
	76,175	**77,694**
Current assets		
Accounts receivable and other receivables	575	2,888
Financial assets at fair value through profit or loss	33,457	20,294
Cash and cash equivalents	10,221	13,553
	44,253	**36,735**
Total assets	**120,428**	**114,429**
Equity and liabilities		
Shareholders' equity		
Share capital	193,285	193,285
Reserve for invested unrestricted equity	5,252	4,882
Cumulative translation adjustment	2,595	5,029
Retained earnings	-126,611	-101,808
Net income/loss	6,275	-26,355

Shareholders' equity total	**80,797**	**75,032**
Non-current liabilities		
Non-current financial liabilities	20,690	23,492
Pension benefit obligation	553	558
Other non-current liabilities	8,798	8,489
Non-current deferred revenues	2,972	2,000
Deferred tax liabilities	0	2,238
	33,013	**36,776**
Current liabilities		
Pension benefit obligation	15	15
Current deferred revenues	743	0
Accounts payable and other current liabilities	5,860	2,605
	6,619	**2,621**
Total liabilities	**39,632**	**39,397**
Total equity and liabilities	**120,428**	**114,429**

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 1.1.2012	387,594	166,446	4,657	-15	-97,751	73,337
Total comprehensive income for the period					-26,775	-26,775
Options granted					1,606	1,606
Options exercised			224			224
SEDA costs					-200	-200
Directed issues of new shares	65,116	28,000				28,000
Cost of share issue		-1,160				-1,160
	65,116	26,840	224	0	-25,369	1,695
BALANCE AT 31.12.2012	452,711	193,285	4,882	-15	-123,119	75,032
Total comprehensive income for the period					3,842	3,842
Options granted					1,552	1,552
Options exercised			370			370
	0	0	370	0	5,394	5,764
BALANCE AT 31.12.2013	452,711	193,285	5,252	-15	-117,726	80,797

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	1-12/ 2013 12 months	1-12/ 2012 12 months
Cash flow from operating activities		
Net income/loss	6,275	-25,607
Adjustments:		
Non-cash transactions	1,908	5,193
Interest and other financial expenses	1,302	972
Interest income	-3,454	-168
Foreign exchange losses/gains on operating activities	-296	115
Taxes	-2,195	-399
Change in working capital:		
Change in accounts receivables and other receivables	2,241	-4,447
Change in accounts payable and other liabilities	3,305	-4,361
Change in deferred revenues	1,780	1,634
Interest paid	-44	-40
Interest received	28	0
Net cash from operating activities	**10,851**	**-27,108**
Cash flow from investing activities		
Change in financial assets at fair value through profit or loss		
Additions	-15,492	-20,141
Disposals	2,000	0
Change in investments held to maturity		
Disposals	0	16,000
Interest from investments held to maturity	3	344

Change in restricted cash	-192	0
Investments in tangible assets	-329	-111
Investments in intangible assets	-499	-2
Net cash used in investing activities	**-14,510**	**-3,910**
Cash flow from financing activities		
Receipts from share issue	371	28,224
Share issue costs	0	-1,160
SEDA costs	0	-200
Repayment of lease commitments	0	-145
Net cash from financing activities	**371**	**26,719**
Net decrease in cash and cash equivalents	**-3,288**	**-4,299**
Effect of changes in exchange rates on cash and cash equivalents	-45	84
Cash and cash equivalents at the beginning of the period	13,553	17,769
Cash and cash equivalents at the end of the period	**10,221**	**13,553**

All cash flow items relate to continuing activities only

Liquid assets		
Cash and cash equivalents	10,221	13,553
Short term investments	33,457	20,294
Liquid assets, total	**43,678**	**33,847**

SYNOSIA OPTION PLAN

As a result of the combination agreement signed with Synosia Therapeutics Holding AG, Biotie Therapies Corp. has issued 14,912,155 shares as a bonus issue to its subsidiary Biotie Therapies AG to be held in treasury and to be used to satisfy exercise of Biotie Therapies AG (formerly Synosia Therapeutics Holding AG) options in accordance with the existing Biotie Therapies AG option plans.

The option plan has been described more in detail in the Q1 2011 interim report released May 13, 2011.

The following table provides information on the number and pricing of options at December 31, 2013

	Amount	**Weighted average exercise price**
Options exercised	8,415,365	0.17
Options outstanding	5,288,580	0.28
Options exercisable	4,811,888	0.28

CONTINGENT LIABILITIES AND COMMITMENTS

EUR 1,000	**31Dec, 2013**	**31 Dec, 2012**
Operating lease commitments	**261**	**231**
Due within a year	132	122
Due later	129	109
Rent commitments	**2,821**	**194**
Due within a year	566	194
Due later	2,255	0
Total	**3,082**	**425**

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

On 31 December 2013 Biotie had purchase commitments, primarily for contract research work services, totaling EUR 2.7 million.

TRANSACTIONS WITH RELATED PARTIES

There have not been any major changes within the related party transactions in 2013.

KEY FIGURES

The formulas for the calculation of the key figures are presented in the notes of the consolidated financial statements 2013

Including both continuing and discontinued operations	**1-12/ 2013**	**1-12/ 2012**	**1-12/ 2011**
EUR 1,000	**12 months**	**12 months**	**12 months**
Business development			
Revenues	27,712	4,831	1,007
Personnel on average	35	38	39
Personnel at end of period	37	37	39
Research and development costs	17,360	24,229	35,315
Capital expenditure	954	113	65
Profitability			
Operating profit (loss)	1,928	-25,216	-41,510
as percentage of revenues, %	7.0	-522.0	-4,122.1
Profit (loss)before taxes	4,080	-26,020	-39,482
as percentage of revenues, %	14.7	-538.6	-3,920.8
Balance sheet			
Liquid assets	43,678	33,847	33,938
Shareholders' equity	80,797	75,032	73,337
Balance sheet total	120,428	114,429	118,236
Financial ratios			
Return on equity, %	5.2	-35.1	-179.7
Return on capital employed, %	5.4	-26.1	-82.8

Equity ratio, %	69.2	66.7	62.0
Gearing, %	-28.5	-13.8	-14.0
Per share data			
Earnings per share (EPS) basic, EUR	0.01	-0.06	-0.09
Earnings per share (EPS) diluted, EUR	0.01	-0.06	-0.09
Shareholders' equity per share,€	0.18	0.19	0.19
Dividend per share, EUR	-	-	-
Pay-out ratio, %	-	-	-
Effective dividend yield, %	-	-	-
P/E-ratio	-	-	-
Share price			
Lowest share price, EUR	0.26	0.32	0.34
Highest share price, EUR	0.46	0.55	0.82
Average share price, EUR	0.35	0.45	0.58
End of period share price, EUR	0.28	0.41	0.50
Market capitalization at end of period MEUR	126.8	185.6	193.8
Trading of shares			
Number of shares traded	157,920,531	83,333,092	243,335,806
As percentage of all	34.9	18.4	62.8
Adjusted weighted average number of shares during the period	452,710,738	408,166,908	161,919,250
Adjusted number of shares at end of the period	452,710,738	452,710,738	176,003,931

Biotie Therapies Corp.

Joukahaisenkatu 6
FI-20520 Turku
Finland

Tel. +358 2 274 89 00
Fax +358 2 274 89 10

www.biotie.com

For further information please contact:

David Cook
Chief Financial Officer
email: david.cook@biotie.com

Tel: +358 2 2748 900

Virve Nurmi
Investor Relations Manager
email: virve.nurmi@biotie.com

Tel: +358 2 2748 911