Biotie Financial Statement Release 2014

Company Highlights
October – December 2014

- Preparations to advance tozadenant into Phase 3 development in Parkinson's disease as part of Biotie's proprietary portfolio continued during the quarter. The Phase 3 program is expected to start recruiting patients in the middle of 2015.
- Biotie advanced SYN120, a 5-HT6 / 5-HT2a antagonist, into Phase 2 development. The SYNAPSE study, a Phase 2a clinical study in patients with Parkinson's disease dementia, started in December 2014. The study is largely funded by The Michael J. Fox Foundation (MJFF).
- Biotie´s partner H. Lundbeck A/S (Lundbeck) continued the rollout of Selincro in Europe and it has now been introduced in 26 European markets. Favorable reimbursement decisions have been issued in a number of European markets, including France, Spain and the United Kingdom, where NICE issued its final positive guidance in November 2014.
- Annual impairment review of intangible assets and goodwill resulted in a non-cash impairment charge of EUR 27.6 million in respect of nepicastat and SYN120.
- Biotie's revenue in Q4 2014 was EUR 1.9 million (EUR 5.8 million) and the financial result was a net loss of EUR 32.4 million (net profit of EUR 1.7 million).
- Biotie ended 2014 with liquid assets of EUR 32.4 million (EUR 35.9 million, 30 September 2014). Operating cash flow for the full year was a net outflow of EUR 14.1 million (net inflow of EUR 10.6 million).

Key figures

EUR thousand **Continuing operations** (unaudited)	**10-12/ 2014 3 months**	**10-12/ 2013** 3 months**	**1-12/ 2014 12 months**	**1-12/ 2013** 12 months**
Revenues	1,850	5,821	14,901	27,712
Research and development costs	-6,313	-7,104	-17,192	-17,807
Net income (loss)	-32,425*	1,701	-35,165*	5,846
Earnings per share (EUR)	-0.07	0.00	-0.08	0.01
Cash flow from operating activities	-4,746	-2,807	-14,092	10,577

The financial information in this financial statement release is unaudited.

*Financial result for the three and twelve months ended 31 December 2014 was impacted by a non-cash impairment charge of EUR 27.6 million for nepicastat and SYN120.

** Certain amounts have been adjusted or reclassified in the 2013 comparative statements. Refer to page 11 for further information.

EUR thousand (unaudited)	**31 Dec, 2014**	**31 Dec, 2013****
Liquid assets	32,393	43,678
Equity	52,623	80,366
Equity ratio (%)	61.0	69.1

** Certain amounts have been adjusted or reclassified in the 2013 comparative statements. Refer to page 11 for further information.

Timo Veromaa, Biotie's President and CEO commented: "The events of 2014 presented Biotie with new opportunities for creating shareholder value. Our top priority in the near term is securing the financial resources to advance our lead product tozadenant into a Phase 3 trial in Parkinson's disease. There are currently limited treatment options available to help patients experiencing the daily burden of motor fluctuations, despite taking a cocktail of current anti-Parkinson's drugs, and we believe tozadenant will be an important new treatment option for these patients."

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.

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, of which EUR 22 million had been received at 31 December 2014, plus royalties on sales of Selincro. Biotie is eligible to receive further potential milestone payments on launches in certain ex-EU markets and if the product reaches certain pre-determined sales. Biotie will continue to receive royalties on sales in all markets and will make a contribution to Lundbeck towards post approval commitment studies.

Lundbeck received European marketing authorization for Selincro in February 2013, and by the end of 2014, it had been introduced in 26 European markets. Favorable reimbursement decisions have been made in a number of key markets, including France, Spain and the United Kingdom and Lundbeck is starting to increase its sales and marketing effort following these decisions.

Lundbeck and Otsuka Pharmaceutical Co. Ltd. are collaborating, as part of their existing alliance, to develop and commercialize nalmefene in Japan and it is expected that a Phase 3 study in Japan will be initiated during 2015.

Tozadenant (SYN115) is an oral, potent and selective adenosine A2a receptor antagonist being developed for the treatment of Parkinson's disease. Biotie considers tozadenant to potentially be its most valuable asset given the high unmet medical need in Parkinson's disease and stage of development and has concluded that the most suitable development strategy to maximize its value to shareholders can be best met by continuing development within its current portfolio.

Tozadenant has displayed clinically relevant and statistically significant effects in Parkinson's disease, across multiple pre-specified evaluation metrics, in a 420 patient Phase 2b study. It is expected that this successful study will be accepted as one of the two pivotal studies required for registration. Full data from the study were published in Lancet Neurology in July 2014. Tozadenant is currently transitioning into Phase 3 development as part of Biotie's proprietary portfolio.

Biotie regained global rights to tozadenant from UCB Pharma S.A. (UCB) in March 2014. The companies have subsequently been collaborating to execute an appropriate transfer of the program back to Biotie, and the details of the transfer were formally agreed in August 2014. The transfer agreement confirmed that UCB will meet all its contractual and scientific commitments regarding the ongoing development program for tozadenant, and these commitments have now been completed. As part of the transfer agreement, UCB has made a contribution to a portion of the short term development costs related to the termination, which it will be able to recover from future revenues generated from tozadenant by Biotie. UCB also agreed to certain restrictions on its current shareholding in Biotie into 2015.

Preparations for the tozadenant Phase 3 program in Parkinson's disease, including CMC and non-clinical work and certain Phase 3 enabling clinical pharmacology studies, have continued to progress well. The Phase 3 study, which is expected to be the second pivotal study required for registration, should be able to start recruiting patients in the middle of 2015. The Phase 3 study protocol will largely replicate that of the successful Phase 2b study and will enroll 882 PD patients experiencing levodopa related end of dose wearing off. Patients will be randomized to receive twice daily doses of 60mg or 120mg of tozadenant or placebo in addition to their standard anti-PD medications for 24 weeks. The primary endpoint will be reduction in time spent in the “off” state in patients taking tozadenant as compared to placebo between baseline and week 24. The placebo controlled period will be followed by 52 week open label treatment period to collect additional clinical safety data. The planned Phase 3 study will be conducted in the United States, Canada and selected European countries, and based on current estimates, top-line data is expected to be available by the end of 2018.

Biotie continues to consider financing options to fully fund the tozadenant Phase 3 program to approval.

SYN120 is an oral, potent, dual antagonist of the 5-HT6 and 5-HT2A 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 announced on 8 July 2014 that it had been awarded a USD 2.0 million (approximately EUR 1.6 million) research contract with MJFF to investigate SYN120 in Parkinson's disease patients with dementia. Biotie announced on 23 December 2014 that the Phase 2a clinical study of SYN120 had started recruitment. The SYNAPSE study is an 80 patient, Phase 2a, randomized, double-blind, multi-center, placebo-controlled trial in patients with Parkinson's disease dementia. Patients are randomized 1:1 to placebo or SYN120 dosed once daily over a 16 week treatment period. In addition to assessing safety and tolerability, the main focus of the study is to establish efficacy of SYN120 on cognition using the Cognitive Drug Research (CDR) Computerized Cognition Battery as the primary efficacy endpoint. The study is being conducted by the Parkinson Study Group (PSG) at approximately 12 specialist sites in the United States. Biotie and the PSG share responsibility for the design and execution of the study, and top-line results of the study are expected in the second half of 2016.

Biotie retains the rights to SYN120 and will be able to use data from the MJFF-funded study for any future regulatory submission. Development opportunities for SYN120 in other indications, including Alzheimer’s disease, will be assessed based on the availability of funding and the status of other products in the development portfolio, but are not being actively pursued at present. As a result of the impairment review now being based on Parkinson’s disease dementia study, the financial result for the three and twelve months ended 31 December 2014 was impacted by a non-cash impairment charge for SYN120 of EUR 16.5 million.

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.

After the reporting period in January 2015, Biotie announced top-line results from a Phase 2 study investigating nepicastat for cocaine dependence. When compared to placebo, nepicastat did not meet the primary efficacy endpoint of an increased proportion of subjects remaining abstinent from cocaine during the last two weeks of the treatment period. Nepicastat was generally well tolerated in the study. The 11-week, 179-patient study was conducted at 10 US clinics under a Collaborative Research and Development Agreement (CRADA) with the National Institute on Drug Abuse (NIDA) at the US National Institutes of Health.

As a result of these top-line data, the related intangible asset was fully impaired as of 31 December 2014. Consequently, the financial result for the three and twelve months ended 31 December 2014 was impacted by a non-cash impairment charge of EUR 11.1 million for SYN117.

BTT1023 is a fully human 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.

On 24 July 2014, Biotie announced that it will be working in partnership with the University of Birmingham, UK, who have been awarded funding of up to approximately EUR 1.0 million for an investigator-sponsored, Phase 2, proof of concept study with BTT1023 in primary sclerosing cholangitis (PSC), a chronic and progressive orphan fibrotic disease for which there are currently no approved therapeutic treatments. The grant was awarded by the UK's National Institute for Health Research (NIHR) Efficacy and Mechanism Evaluation Programme, funded and managed by NIHR on behalf of the MRC-NIHR partnership.

The BUTEO study is an open label, single arm, multi-centre study enrolling 41 patients. The duration of drug treatment in the study is 11 weeks and the primary efficacy endpoint is reduction of elevated levels of alkaline phosphatase, a blood biomarker of bile duct inflammation. The study is expected to start in Q1/2015.

After the reporting period on 17 February 2015 Biotie announced that The Committee for Orphan Medicinal Products (COMP) of the European Medicines Agency (EMA) had in its February 2015 meeting issued a positive opinion recommending orphan drug designation for BTT1023 for the treatment of primary sclerosing cholangitis (PSC).

Biotie retains full rights to BTT1023.

Financial review for reporting period January – December 2014
Figures in brackets, unless otherwise stated, refer to the same period the previous year (EUR million).

Revenues amounted to EUR 14.9 million (27.7). Revenues consisted of Selincro launch milestones of EUR 6.0 million, royalties for Selincro from Lundbeck of EUR 0.9 million, an allocation of the Phase 3 development milestones of tozadenant from UCB of EUR 5.0 million and part of the contribution to the Phase 3 development of tozadenant from UCB of EUR 3.0 million.

Research and development costs amounted to EUR 17.2 million (17.8).

Annual impairment review of intangible assets and goodwill resulted in non-cash impairment charges totaling EUR 27.6 million (0.0).

Financial result: Net loss for the period was EUR 35.2 million (net income of 5.8). Financial result for 2014 was impacted by a non-cash impairment charge of EUR 27.6 million for SYN117 and SYN120.

Total comprehensive (loss)/income including the currency translation differences amounted to EUR -28.7 million (3.2).

Financing: Cash, cash equivalents and short term investments totaled EUR 32.4 million at 31 December 2014 (EUR 35.9 million at 30 September 2014 and EUR 43.7 million on 31 December 2013).

Shareholders' equity: The shareholders' equity of the group amounted to EUR 52.6 million (IFRS) on 31 December 2014 (EUR 80.4 million on 31 December 2013). Biotie's equity ratio was 61.0% on 31 December 2014 (69.1% on 31 December 2013).

Investments and cash flow*:* Cash flow from operating activities in January – December 2014 amounted to an outflow of EUR 14.1 million (inflow of 10.6).

The group's investments in tangible and intangible assets during the reporting period amounted to EUR 0.2 million (0.4).

Personnel

During the reporting period January – December 2014, the average number of employees amounted to 36 (35) and at the end of the reporting period, Biotie employed 38 people (37 people).

Equity rights

Swiss Option Plan

The Swiss company Synosia Therapeutics Holding AG (currently Biotie Therapies AG) acquired by Biotie in February 2011 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 Swiss subsidiary holds and has held Biotie's shares and such shares have been conveyed to satisfy the terms and conditions of the Swiss option plan. The conveyed shares previously held by the Company's subsidiary have been treated as treasury shares and such shares have not carried any voting rights. As of 31 December 2014 a total of 9,575,772 shares have already been delivered on the basis of the Swiss option plan. As a result of certain stock options being cancelled, a total of 2,698,627 stock options remain outstanding and so the outstanding shares and votes of Biotie may further increase by a maximum of this amount based on the Swiss option plan.

The Board of Directors of Biotie has pursuant to an application by its Swiss subsidiary, Biotie Therapies AG, resolved to cancel 2,511,599 shares in the Company that are held as treasury shares by Biotie Therapies AG, and which it no longer requires to settle exercises of options under the Synosia option plan. The cancellation was registered with the Finnish trade register on 23 December 2014 and reduces the number of shares held by Biotie Therapies AG to 2,698,627 shares.

2011 Plans

In December 2011, the Board of Directors of Biotie approved two 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 (together the 2011 Plans).

On 2 January 2014, 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 new 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 conveying them to employees entitled to the shares pursuant to the terms and conditions of the 2011 Plans. After the conveyance released on 17 December 2014, all 3,321,660 shares issued on 2 January 2014 and held in treasury for this purpose have been conveyed.

On 17 December 2014, Biotie announced that pursuant to the authorization of the Annual General Meeting of Shareholders held on 3 April 2014, the Board of Directors of Biotie resolved to issue 2,447,375 new 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 Plans. The Treasury Shares are of the same class as the existing shares in the Company. The shares were registered in the Finnish Trade Register on 23 December 2014.

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, due to share issues already made pursuant to the plan, forfeitures and some of the instruments based on the having been left unallocated, a maximum of 4,023,000 shares at 31 December 2014 may still be issued pursuant to the plan.

A total of 1,844,250 shares have been subscribed for during the period January - December 2014 under the Stock Option Plan 2011 and 1,844,250 of the treasury shares issued on 2 January 2014 have been used for these share subscriptions.

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 a total of 4,599,000 shares. However, due to share issues already made pursuant to the plan, forfeitures and some of the instruments based on the plan having been left unallocated, a maximum of 1,449,375 shares at 31 December 2014 may still be issued pursuant to the plan.

2014 Plans

On 2 January 2014 the Board of Directors of Biotie approved three year incentive plans for employees. A stock exchange release regarding the plans was published on 3 January 2014.

Stock Option Plan 2014: The maximum total number of stock options issued is 10,337,500, of which 4,320,000 relate to the Senior Management team only. Stock options entitle their owners to subscribe for a maximum total of 10,337,500 new shares in the company or existing shares held by the company. The Board of Directors shall decide on the distribution of the stock options.

Equity Incentive Plan 2014: 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 a total of 14,002,500 shares, of which 2,520,000 relate to the Senior Management team only.

Shares and options held by management

At the end of financial year 2014, the amount of company's shares held by the Board of Directors and the company's management and their controlled companies amounted to 2,462,155 shares,1,910,000 share units and 5,539,568 option rights, of which 1,440,000 options and 840,000 share units are subject to a

multiplier of between nil and three times dependent on the growth in the Company's share price in the three years ending 31 December 2016.

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). As from 2 January 2015 market segment is Small Cap.

On 17 December 2014, pursuant to the authorization of the Annual General Meeting of Shareholders held on 3 April 2014, the Board of Directors of Biotie Therapies Corp. resolved to issue 2,447,375 shares ("Treasury Shares") to the Company itself without consideration in accordance with Chapter 9 Section 20 of the Finnish Companies Act (624/2006, as amended). The Treasury Shares are issued for the purposes of being conveyed to employees entitled to them pursuant to the terms and conditions of the 2011 Plans.

The Treasury Shares registered into the Finnish Trade Register on 23 December 2014 and entered into the book-entry system maintained by Euroclear Finland Ltd. The registered new shares were traded together with the Company´s current series of shares on the stock exchange list of NASDAQ OMX Helsinki Ltd on 29 December 2014.

Further, the Board of Directors of Biotie Therapies Corp. has pursuant to an application by its Swiss subsidiary, Biotie Therapies AG, resolved to cancel 2,511,599 shares in the Company that were held as treasury shares by Biotie Therapies AG, and which it no longer requires to settle exercises of options under the Synosia option plan. The cancellation was registered with the Finnish trade register on 23 December 2014.

On 31 December 2014 the registered number of shares in Biotie Therapies Corp. was 455,968,174. Of these shares 5,272,159 were held by the company or its group companies. The registered share capital of Biotie was EUR 195,919,182.85 (FAS).

Market capitalization and trading

At the end of the reporting period the share price was EUR 0.19. The highest price during the reporting period January – December 2014 was EUR 0.36, the lowest was EUR 0.18, and the average price was EUR 0.24. Biotie's market capitalization at the end of the reporting period was EUR 87.5 million.

The trading volume on NASDAQ OMX Helsinki during the reporting period January – December 2014 was 124,604,223 shares, corresponding to a turnover of EUR 29,333,126.

Changes in ownership

During the reporting period January – December 2014, Biotie was not aware of any notices of change in ownership exceeding the disclosure threshold.

Ten largest shareholders of Biotie on 31 December 2014

Ilmarinen Mutual Pension Insurance Company	17,732,271	3.89%
The Finnish National Fund for Research and Development Sitra	11,785,350	2.58%
Veritas Pension Insurance Company Ltd.	8,935,000	1.96%
OP-Delta Fund	7,909,932	1.73%
Nordea Fennia Fund	7,500,000	1.64%
Juha Jouhki and his controlled companies: - Thominvest Oy (2,937,900) - Dreadnought Finance (2,098,416) - Juha Jouhki (1,501,356)	6,537,672	1.43%
OP-Finland Small Firms Fund	5,215,797	1.14%
Harri Markkula and his controlled companies -Harri Markkula (3,328,868) -Tilator Oy (948,956)	4,277,824	0.94%
FIM Fenno Sijoitusrahasto	4,121,810	0.90%
Sijoitusrahasto Alfred Berg Finland	2,801,607	0.61%
Nominee registered shares total	***221,123,284***	***48.50%***
Others	158,027,627	34.66%
Number of shares, total	455,968,174	100.00%

The number of the Company´s shares held by the Company and its fully owned subsidiary, Biotie Therapies AG, is 5,272,159.

The 2,511,599 treasury shares previously held by Biotie Therapies AG, the Swiss subsidiary of Biotie Threapies Corp., were cancelled in the Trade Register in December 2014 and do therefore not appear in the above table. Such shares were cancelled in the Euroclear Finland Oy's book-entry system in January 2015.

Decisions of the Annual General Meeting

The stock exchange release regarding the resolutions of the Annual General Meeting of Biotie was published on 3 April 2014.

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 appropriation of result

The Board of Directors proposes that no dividend for the financial year 2014 will be paid and that the income of the parent company for the financial year of EUR 5.1 million (FAS) will be carried forward to shareholders' equity.

The parent company has no distributable equity as of 31 December 2014.

Annual General Meeting

Biotie's Annual General Meeting will be held at the Conference center Mauno, President auditorium of Biocity –building, address Tykistökatu 6, Turku, Finland on Wednesday 15 April 2015 at 10.00 a.m.

Outlook for 2015 and key upcoming milestones:

Selincro® (nalmefene): Lundbeck will continue the roll out of Selincro in European markets during 2015 following the positive pricing and reimbursement decisions received in the second half of 2014. In addition to royalties, Biotie may also receive further milestone payments if the product reaches certain pre-determined sales. The first clinical Phase 3 study under the joint Lundbeck/Otsuka development program in Japan is expected to be initiated during 2015, but will not impact Biotie's financial results.

Tozadenant (SYN115): The Phase 3 clinical study, which is expected to be the second pivotal study required for registration, is on track to commence patient recruitment in the middle of 2015, as originally planned. The additional studies required to ensure that there is a strong regulatory filing package will continue to be performed at the same time as the clinical study.

SYN120: An 80-patient Phase 2 study with SYN120 in Parkinson's disease dementia started in December 2014. The SYNAPSE study, funded by MJFF, is being conducted by the Parkinson Study Group at approximately 12 specialist sites in the United States. Top-line results of the study are expected in the second half of 2016.

BTT1023: Patient recruitment into the BUTEO study, a Phase 2 study in primary sclerosing cholangitis, is expected to start in Q1 2015. The 41-patient study is being conducted in the UK and is supported by grant funding from the UK's National Institute for Health Research.

Financial: In 2015, the Company expects to continue receiving revenue from Selincro royalties from Lundbeck and a limited contribution towards certain tozadenant development costs from UCB. Research and development expenses on all development products are expected to increase, predominantly due to the start of the tozadenant Phase 3 study.

Strategic: The Company believes that it has sufficient cash to fund its current activities into 2016. Biotie continues to consider financing options to fully fund the tozadenant Phase 3 program to approval. The Phase 2 studies with SYN120 and BTT1023 are funded largely with non-dilutive financing, and top-line data from the SYNAPSE study is expected in the second half of 2016.

Financial calendar 2015

Financial statements 2014	9 March 2015
Corporate Governance Statement 2014 (The statement will be published separately from the Board of Directors' report)	9 March 2015
Interim report January - March	29 April 2015
Interim report for January - June	30 July 2015
Interim report for January - September	29 October 2015

Biotie's Annual General Meeting will be held on 15 April 2015.

Key events after the reporting period

After the reporting period on 20 January 2015 Biotie announced that the Company has conveyed Biotie shares held as treasury shares, that were issued on 17 December 2014, pursuant to the Stock Option Plan 2011 (942,500 shares conveyed) and the Equity Incentive Plan 2011 (66,875 shares conveyed). As a result of the conveyances, the total number of voting rights attached to Biotie´s shares increased to 451,705,390 votes and the total number of the Company´s shares held by the Company or its fully owned subsidiary in 4,262,784. The conveyance does not affect the number of registered shares (total of 455,968,174 shares).

After the reporting period in January 2015, Biotie announced top-line results from a Phase 2 study investigating nepicastat for cocaine dependence. When compared to placebo, nepicastat did not meet the primary efficacy endpoint of an increased proportion of subjects remaining abstinent from cocaine during the last two weeks of the treatment period. Nepicastat was generally well tolerated in the study. The 11-week, 179-patient study was conducted at 10 US clinics under a Collaborative Research and Development Agreement (CRADA) with the National Institute on Drug Abuse (NIDA) at the US National Institutes of Health.

After the reporting period on 17 February 2015 Biotie announced that The Committee for Orphan Medicinal Products (COMP) of the European Medicines Agency (EMA) had in its February 2015 meeting issued a positive opinion recommending orphan drug designation for BTT1023 for the treatment of primary sclerosing cholangitis (PSC).

After the reporting period on 20 February 2015 Biotie announced further detail on its clinical development plan for tozadenant.

About Biotie

Biotie is a specialized drug development company focused on products for neurodegenerative and psychiatric disorders. Biotie's development has delivered Selincro (nalmefene) for alcohol dependence, which received European marketing authorization in 2013 and is currently being rolled out across Europe by partner Lundbeck. The current development products include tozadenant for Parkinson's disease, which is transitioning into Phase 3 development, and two additional compounds which are in Phase 2 development for cognitive disorders including Parkinson's disease dementia, and primary sclerosing cholangitis (PSC), a rare fibrotic disease of the liver.

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 2014 financial statements have been prepared in accordance with IFRS recognition and measurement principles and applying the same accounting policies as for the 2013 financial statements. The Company has adjusted its classification of post-approval costs that were previously capitalized as other intangible assets to be presented as research and development costs. The amount of the adjustment for 2013 amounted to EUR 430 thousand. In addition, the Company reclassified certain amounts in their comparative statements of financial position, statements of comprehensive income, statements of changes in shareholder's equity and statements of cash flow to be consistent with the current year presentation. The adjustment and reclassifications did not have a material impact to the Company's results of operations, total assets, cash flow statement or the key figures presented in the Company's financial statements and did not impact to any previously reported periods. Biotie has on 1 January 2014 adopted the new and amended IASB's IFRS standards and IFRIC interpretations mentioned in the 2013 financial statement's accounting principles. These new and amended standards and interpretations do not have an impact on the group financials in the reporting period. The financial statement release has been prepared in accordance with IAS 34, Interim Financial Reporting.

This financial statement report is unaudited.

Turku, 27 February 2015

Biotie Therapies Corp.
Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

(unaudited) (€ in thousands, except per share data)	**10-12/ 2014** **3 months**	**10-12/ 2013**** **3 months**	**1-12/ 2014** **12 months**	**1-12/ 2013**** **12 months**
Revenue	1,850	5,821	14,901	27,712
Research and development expenses	-6,313	-7,104	-17,192	-17,807
Impairment of in-process R&D assets	-27,605	-	-27,605	-
General and administrative expenses	-2,063	-1,827	-7,326	-8,971
Other operating income	356	144	1,132	565
Operating income (loss)	-33,775	-2,966	-36,090	1,499
Interest income	-	2	-	37
Interest expenses	-201	-201	-687	-726
Other net financial income/ expenses	1,551	2,671	1,612	2,841
Income (loss) before taxes	-32,425	-494	-35,165	3,651
Income taxes	-	2,195	-	2,195
Net income (loss)	-32,425	1,701	-35,165	5,846
Other comprehensive income (loss):				
Items that may be subsequently reclassified to profit and loss				
Remeasurements of post-employment benefit obligations	-81	-	-81	-
Currency translation	931	-843	6,593	-2,629

differences				
Total comprehensive income (loss) of the period	-31,575	857	-28,653	3,217
Net income (loss) attributable to				
equity holders of the parent	-32,425	1,701	-35,165	5,846
Total comprehensive income (loss) attributable to:				
equity holders of the parent	-31,575	857	-28,653	3,217
Earnings per share (EPS) basic & diluted, EUR	-0.07	0.00	-0.08	0.01

** Certain amounts have been adjusted or reclassified in the 2013 comparative statements. Refer to page 11 for further information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (IFRS)
(€ in thousands)

(unaudited)	**31 Dec, 2014**	**31 Dec, 2013****
Assets		
Non-current assets		
Intangible assets	47,356	68,744
Goodwill	5,799	5,315
Property, plant and equipment	653	627
Investment property	-	817
Other financial assets	324	242
	54,132	**75,745**
Current assets		
Accounts receivable and other receivables	1,806	575
Financial assets at fair value through profit or loss	24,941	33,457
Cash and cash equivalents	7,452	10,221
	34,199	**44,253**
Total assets	**88,331**	**119,998**
Equity and liabilities		
Shareholders' equity		
Share capital	193,285	193,285
Reserve for invested unrestricted equity	5,378	5,252
Other reserves	9,029	2,517
Retained earnings	-155,069	-120,688
Shareholders' equity total	**52,623**	**80,366**
Non-current liabilities		

Non-current financial liabilities	20,690	20,690
Pension benefit obligation	670	569
Other non-current liabilities	9,671	8,798
Non-current deferred revenues	2,000	2,972
	33,031	**33,029**
Current liabilities		
Current deferred revenues	-	743
Accounts payable and other current liabilities	2,677	5,860
	2,677	**6,603**
Total liabilities	**35,708**	**39,632**
Total equity and liabilities	**88,331**	**119,998**

** Certain amounts have been adjusted or reclassified in the 2013 comparative statements. Refer to page 11 for further information.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Attributable to equity holders of the parent

(€ in thousands) (unaudited)	Share Capital	Reserve for invested un-restricted equity	Other reserves	Retained Earnings	Share-holders' equity total
BALANCE AT 1.1.2013	193,285	4,882	5,146	-128,282	75,031
Net income for the period	-	-	-	5,846	5,846
Other comprehensive income (loss)	-	-	-2,629	-	-2,629
Total comprehensive income (loss)	-	-	-2,629	5,846	3,217
Share based compensation	-	-	-	1,748	1,748
Options and RSUs exercised	-	370	-	-	370
	-	370	-2,629	7,594	5,335
BALANCE AT 31.12.2013**	193,285	5,252	2,517	-120,688	80,366
BALANCE AT 1.1.2014	193,285	5,252	2,517	-120,688	80,366
Net income for the period	-	-	-	-35,165	-35,165
Other comprehensive income (loss)	-	-	6,512	-	6,512
Total comprehensive income (loss)	-	-	6,512	-35,165	-28,653
Share based compensation	-	-	-	784	784
Options and RSUs exercised		126	-	-	126
	-	126	6,512	-34,381	-27,743
BALANCE AT 31.12.2014	193,285	5,378	9,029	-155,069	52,623

** Certain amounts have been adjusted or reclassified in the 2013 comparative statements. Refer to page 11 for further information.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)	**1-12/2014**	**1-12/2013****
(€ in thousands)	**12 months**	**12 months**
Cash flow from operating activities		
Net income (loss)	-35,165	5,846
Adjustments:		
Non-cash impairment of in-process R&D assets	27,605	-
Other non-cash transactions	777	1,814
Interest expenses	687	726
Other financial income/expenses, net	-1,612	-2,841
Interest income	-	-37
Taxes	-	-2,195
Changes in working capital:		
Change in accounts receivables and other receivables	-1,108	2,241
Change in accounts payable and other liabilities	-3,479	3,305
Change in deferred revenues	-1,770	1,731
Interest paid	-27	-44
Interest received	-	31
Net cash from operating activities	**-14,092**	**10,577**
Cash flow from investing activities		
Investments in financial assets at fair value through profit or loss	-	-15,492
Proceeds from sale of financial assets at fair value through profit or loss	9,773	2,000
Proceeds from sale of investment property	1,350	-
Change in other financial assets	-53	-192

Investments in property, plant and equipment	-146	-329
Investments in intangible assets	-50	-52
Net cash from investing activities	**10,874**	**-14,065**
Cash flow from financing activities		
Receipts from share issue	126	370
Net cash from financing activities	**126**	**370**
Net decrease in cash and cash equivalents	**-3,092**	**-3,118**
Effect of changes in exchange rates on cash and cash equivalents	323	-214
Cash and cash equivalents at the beginning of the period	10,221	13,553
Cash and cash equivalents at the end of the period	**7,452**	**10,221**

Liquid assets		
Cash and cash equivalents	7,452	10,221
Short term investments	24,941	33,457
Liquid assets, total	**32,393**	**43,678**

** Certain amounts have been adjusted or reclassified in the 2013 comparative statements. Refer to page 11 for further information.

SWISS OPTION PLAN

(unaudited)

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 13 May 2011.

The following table provides information on the number and pricing of options at 31 December 2014

	Amount	**Weighted average exercise price**
Options exercised	9,575,772	0.16
Options outstanding	2,824,784	0.26
Options exercisable	2,760,213	0.26

2011 EQUITY PLANS

(unaudited)

The Board of Directors of Biotie Therapies Corp. approved on 7 December 2011 two 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. The plans were intended to form part of the incentive and commitment program for the employees. The incentives supported the attainment of the targets established by the Company and the implementation of the Company's strategy, as well as the Company's long-term productivity. The plans are described in more detail in the release made on 7 December 2011.

On 2 January 2014, the Board of Directors of Biotie Therapies Corp. resolved to issue 3,321,660 shares ("Treasury Shares") to the Company itself without consideration in accordance with Chapter 9 Section 20 of the Finnish Companies Act (624/2006, as amended). The Treasury Shares are issued for the purposes of being conveyed to employees entitled to them pursuant to the terms and conditions of the Stock Option Plan 2011 and the Equity Incentive Plan 2011 ("Plans"). The Treasury Shares are of the same class as the existing shares in the Company.

The following table provides information on the number and pricing of the options that relate to those Treasury Shares issued in respect of awards under the 2011 Stock Option Plan at 31 December 2014.

	Amount	**Weighted average exercise price**
Options exercised	1,844,250	0.01
Options outstanding	-	0.01

Options exercisable	-	0.01

The following table provides information on the number and pricing of the restricted stock units (RSU) that the relate to those Treasury Shares issued in respect of awards under the 2011 Equity Incentive Plan at 31 December 2014

	Amount	**Weighted average exercise price**
RSU delivered	1,477,410	0.00
RSU outstanding	-	0.00
RSU deliverable	-	0.00

CONTINGENT LIABILITIES AND COMMITMENTS

(unaudited) (€ in thousands)	**31 Dec, 2014**	**31 Dec, 2013**
Operating lease commitments		
Due within a year	338	698
Due in 1-5 years	2,590	2,384
Due later than 5 years	-	-
Total	**2,928**	**3,082**

Operating lease commitments comprise rent commitments for leasehold properties and lease commitments for motor vehicles, machines and equipments with leases of 3 to 5 years. The Group operating leases are non-cancellable and they do not include redemption or extension options.

On 31 December 2014 Biotie had purchase commitments, primarily for contract research work services, totaling EUR 0.2 million.

TRANSACTIONS WITH RELATED PARTIES

(unaudited)

There were no significant related party transactions in 2014.

KEY FIGURES

(unaudited)

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

(€ in thousands)	**1-12/ 2014 12 months**	**1-12/ 2013** 12 months**
Business development		
Revenues	14,901	27,712
Personnel on average	36	35
Personnel at end of period	38	37
Research and development costs	17,192	17,807
Capital expenditure	196	381
Profitability		
Operating (loss)/income	-36,090	1,499
as percentage of revenues, %	-242.2	5.4
(Loss)/income before taxes	-35,165	3,651
as percentage of revenues, %	-236.0	13.2
Balance sheet		
Liquid assets	32,393	43,678
Shareholders' equity	52,623	80,366
Balance sheet total	88,331	119,998
Financial ratios		

Return on equity, %	-52.9	4.7
Return on capital employed, %	-35.7	4.4
Equity ratio, %	61.0	69.1
Gearing, %	-22.2	-28.6

** Certain amounts have been adjusted or reclassified in the 2013 comparative statements. Refer to page 11 for further information.

Per share data

Earnings per share (EPS) basic, EUR	-0.08	0.01
Earnings per share (EPS) diluted, EUR	-0.08	0.01
Shareholders' equity per share,€	0.12	0.18
Dividend per share, EUR	-	-
Pay-out ratio, %	-	-
Effective dividend yield, %	-	-
P/E-ratio	-	-

Share price

Lowest share price, EUR	0.18	0.26
Highest share price, EUR	0.36	0.46
Average share price, EUR	0.24	0.35
End of period share price, EUR	0.19	0.28
Market capitalization at end of period MEUR	87.5	126.8

Trading of shares

Number of shares traded	124,604,223	157,920,531
As percentage of all	27.3	34.9
Adjusted weighted average number of shares during the period	455,958,187	452,710,738

Adjusted number of shares at end of the period	455,968,174	452,710,738

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