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Biotie purchases option to acquire Neurelis, Inc.

BIOTIE THERAPIES CORP. STOCK EXCHANGE RELEASE 4 June 2013 at 11.30 a.m.

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- **Opportunity to develop late-stage product for treatment of epileptic seizures**

Biotie Therapies Corp. ("Biotie") today announced that it has obtained an exclusive option to acquire Neurelis, Inc. ("Neurelis"), a private specialty pharmaceutical company based in San Diego, CA, focused on developing products for epilepsy and other disorders of the central nervous system ("CNS").

Neurelis' lead product, NRL-1, is a proprietary intranasal formulation of diazepam delivered via an already marketed nasal sprayer. It is being developed to help patients with epilepsy who require intermittent use of diazepam to manage bouts of acute and repetitive seizures.

Timo Veromaa, President and Chief Executive Officer of Biotie stated "Our interest in Neurelis is in line with our ongoing portfolio review, which is focused on ensuring that we are developing products that address areas of significant unmet medical need and have the greatest potential for creating value for our shareholders. We are now in a position to assess the potential of NRL-1 alongside our internal pipeline opportunities." He continued "NRL-1 is an exciting late-stage product for the control of epileptic seizures. We believe the product could offer a far better solution for patients and their caregivers who currently rely on rectal administration of diazepam or visits to the emergency room to control debilitating episodes. Importantly, NRL-1 could also provide a much needed treatment option for those individuals who are not willing to use rectal administration, a particular issue in the United States."

Under the terms of the option and merger agreement entered into today between Biotie, Neurelis and Neurelis' shareholders, Biotie will make a payment of US$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 US$8.75 million, subject to certain adjustments, to be paid in new shares of Biotie to be issued on approval by the Board of Directors. Biotie may exercise the option right 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 December 3, 2014). This is expected in approximately 12-18 months' time.

Biotie's decision to exercise its option will be dependent on, among other factors, the outcome of ongoing discussions with the FDA and further manufacturing and pre-clinical work which Biotie will be conducting.

If the acquisition is completed, Neurelis will become a wholly owned subsidiary of Biotie and former Neurelis shareholders would, in addition to the pre-defined acquisition payment, be entitled to receive additional milestone payments related to pre-determined regulatory and commercial milestones in respect of NRL-1 and NRL-2 in the United States and further milestones if further regulatory approvals are obtained, payable in shares of Biotie or cash as determined by the Board of Directors.

Turku, 4 June 2013

Biotie Therapies Corp.

Timo Veromaa
President and CEO

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ABOUT NRL-1:

NRL-1 (intranasal diazepam) is a proprietary formulation of diazepam delivered via an already marketed nasal sprayer. It is being developed for the management of patients who require intermittent use of diazepam to control bouts of acute repetitive seizure activity. There are over 2.7 million people with epilepsy in the United States with approximately 200,000 new patients diagnosed each year. It is estimated that between 30% and 40% of these patients are uncontrolled on oral therapy and are at-risk for acute breakthrough seizures. Studies have shown that prolonged or repetitive seizures can cause neurological damage and dramatically increase the risk of changes in neuropsychological function or even death.

Presently, the only product approved in the US for the treatment of acute repetitive seizures outside of the hospital setting, is a rectally administered formulation of diazepam called Diastat®. Because of its rectal mode of administration, Diastat® has been primarily relegated to use in younger pediatric patients (usually less than 10 years of age). The majority of patients with acute repetitive seizures however, are currently seen in emergency rooms and treated with intravenous benzodiazepines. Most of these patients are admitted to the hospital. Intranasal diazepam has the potential to provide a superior alternative to either rectal administration of Diastat® or the need to visit the emergency room for intravenous administration of drugs.

ABOUT 505(b)(2) pathway TO New Drug Application

Section 505(b)(2) of the Federal Food, Drug and Cosmetic Act in the United States was established to avoid unnecessary duplication of studies already performed on a reference drug, which in the case of NRL-1 is diazepam, in general and a rectally administered formulation of diazepam called Diastat®, in particular.

Because approval can rest in part on data already accepted by the FDA or otherwise available in the public domain, fewer and smaller studies may be required, thus mitigating costs and shortening development time. The 505(b)(2) pathway could provide relatively fast-track New Drug Application for NRL-1 in due course provided that all the regulatory requirements can be satisfied.

ABOUT BIOTIE:

Biotie is a specialized drug development company focused on the development of drugs for neurodegenerative and psychiatric disorders (e.g. Parkinson's disease, Alzheimer's disease and other cognitive disorders, alcohol and drug dependence (addiction) and post-traumatic stress disorder), and inflammatory and fibrotic liver disease. The company has a strong and balanced development portfolio with several innovative small molecule and biological drug candidates at different stages of clinical development. Biotie's products address diseases with high unmet medical need and significant market potential.

Biotie's most advanced product, Selincro(TM) (nalmefene), licensed to H. Lundbeck A/S, has received European marketing authorization for the reduction of alcohol consumption in adult patients with alcohol dependence who have a high level of alcohol consumption; it was launched in April 2013 in a number of European countries and further launches are planned through 2013 and 2014. In addition, Biotie has a strategic collaboration with UCB Pharma S.A. covering tozadenant which is transitioning into Phase 3 development for Parkinson's disease. Biotie shares are listed on NASDAQ OMX Helsinki Ltd.

ABOUT NEURELIS:

Neurelis, Inc. is a San Diego-based specialty pharmaceutical company organized to license, develop, and commercialize product candidates for epilepsy and the broader central nervous system ("CNS") market. Neurelis leverages expertise in the development and commercialization of CNS compounds and strong relationships with leading researchers and clinicians in these markets to advance unique product candidates to address significant unmet medical needs.