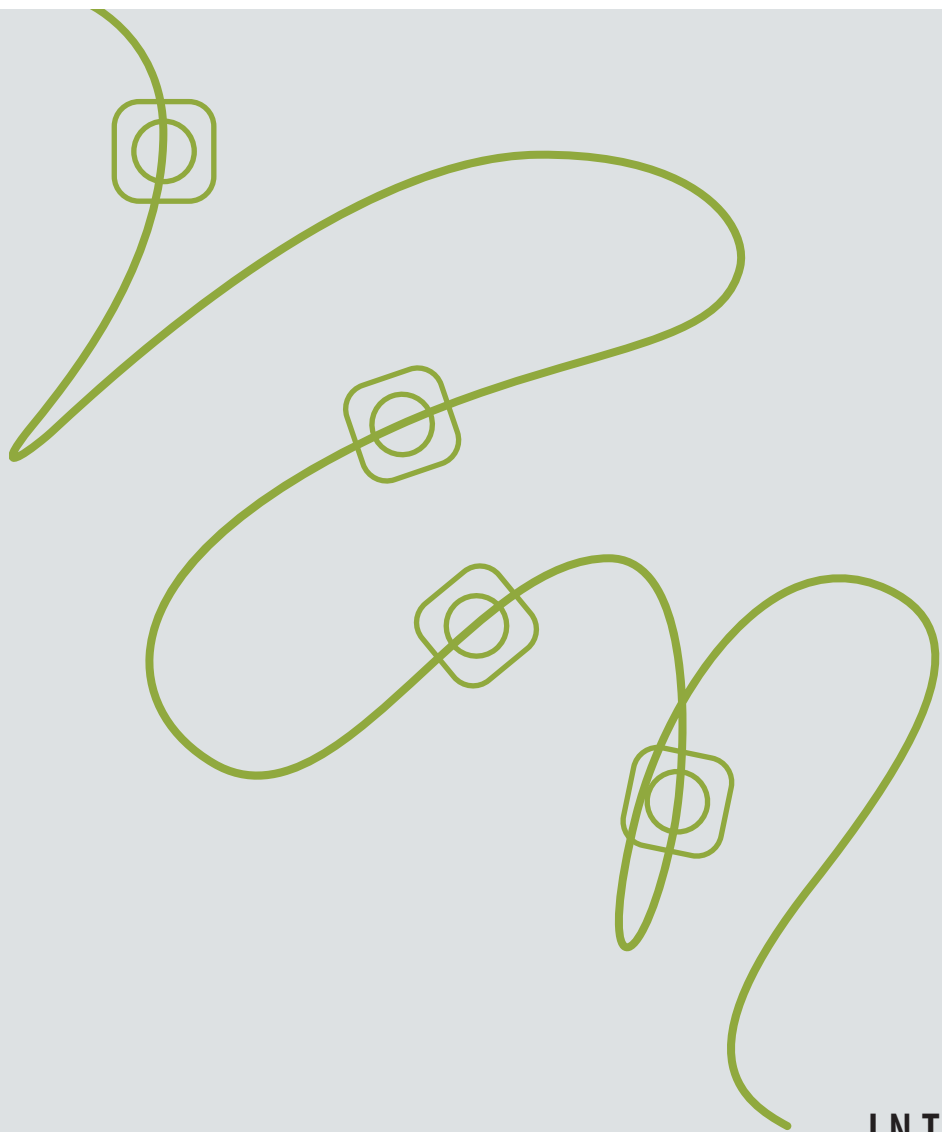




Ortivus develops and markets information and decision-marking systems for the fields of Cardiology and Emergency Services.



INTERIM REPORT
January-March 2005

SIGNIFICANT EVENTS

- › Sales reached MSEK 24.6 (45.1). The reduction in sales can be attributed to the conclusion of the exclusive license agreement with Philips Medical Systems.
- › Ortivus has now initiated the launch of the newly developed CoroNet system on its own. The Company received a substantial order for three hospitals in Sweden's Västra Götaland for a total value of about MSEK 9.0.
- › Earnings after financial items totaled MSEK 0.4 (9.6).
- › Net result after tax amounted to MSEK 0.2 (7.0).
- › Earnings per share reached SEK 0.01 (0.51).

› OPERATIONS – BACKGROUND

Ortivus AB is a medical device company that develops and markets information systems for ambulances and emergency services, as well as clinical decision-making support systems. The operation is divided into two business areas, Cardiology and Emergency Services. Ortivus AB is listed on the OM O list of the Stockholm Stock Exchange (OM Stockholmsbörsen AB) and was established in 1985. Ortivus has subsidiaries in Great Britain, Canada, and the United States. The company has approximately 110 employees.

EMERGENCY SERVICES

Emergency Services includes the following North American products: Sweet's products for invoicing ambulance services, Sweet CAD, Sweet's medical record system, and Avel-Tech's dispatch systems, as well as MobiMed. These products and systems comprise solutions that cover the information needs of emergency services, the police, and the fire department for dispatching vehicles to the scene of accidents, systems for transporting, diagnosing, and treating patients, and for following up operations.

CARDIOLOGY

Cardiology offers CoroNet, a complete cardiology monitoring system. CoroNet is based on the MIDA algorithm, which makes it possible to monitor oxygen levels in the cardiac muscle in patients with suspect myocardial infarction (MI) and angina pectoris, make the correct diagnosis, and follow up MI patients.

RESULTS AND FINANCIAL POSITION

SALES

The Group's sales during the first three months of the year totaled MSEK 24.6 (45.1).

SEK million Revenues,	2005 Jan–March	2004 Jan–March
Cardiology	0.6	14.6
Emergency Services	23.7	28.6
Other	0.3	1.9
Total	24.6	45.1

The reduction in sales can be attributed to the conclusion of the exclusive license agreement with Philips Medical Systems. As a result Ortivus has now ensured an independence that made possible the launch of the newly developed CoroNet system.

The launch of the newly developed cardiac monitoring system CoroNet is therefore proceeding according to plan. Interest in CoroNet from the important Scandinavian markets is great.

GROSS PROFIT AND OVERHEAD

Consolidated gross profit amounted to MSEK 20.8 (36.6). Gross margin increased from 81 percent to 85 percent due to a changed product mix.

The Group's overhead amounted to MSEK 21.2 (27.9). This reduction can be attributed in part to implemented and ongoing streamlining measures and part to capitalization of R&D expenses totaling MSEK 3.2 (0.5).

NET RESULT

Operating loss for the period amounted to MSEK –1.1 (9.0). Earnings after financial items totaled MSEK 0.4 (9.6). Earnings were lower compared with the same period last year solely because of the loss of license revenues from Philips.

Net result after tax was MSEK 0.2 (7.0), corresponding with earnings per share of SEK 0.01 (0.51).

CASH FLOW, INVESTMENTS, AND LIQUIDITY

Consolidated cash flow for the period was negative, amounting to MSEK –7.5 (30.4) as a result of investments, MSEK –6.0 (0.4), and somewhat higher working capital, MSEK –2.0 (16.9).

Investments in intangible fixed assets totaled MSEK 3.1 (0.5), investments in tangible assets reached MSEK 2.6 (1.2) and investments in financial fixed assets were MSEK 0.6 (0).

The Group's liquid funds at end of period, including current investments, amounted to MSEK 116.0 (106.3). The Group's interest coverage ratio was 0% (1%). Net financial items for the Group amounted to MSEK 1.5 (0.6).

BUSINESS AREAS

Emergency Services

Revenues for *Emergency Services* totaled MSEK 23.7 (28.6). This reduction is due to the lower revenues recognized as income for MobiMed.

The North American companies have ensured an increase in revenues of 10 percent compared with the previous year. The launch of the new software system Sweet CAD is still in full swing with good results. The subsidiary has carried out installations for some 30 customers, which is above expectations.

The continued internationalization of MobiMed generated its first order in Italy with delivery during the beginning of the year. Additional procurement processes in Italy are underway and therefore the prospects for additional orders are good.

In Great Britain the procurement process for comprehensive information systems for the National Health Service, the organization responsible for British health care, continues. The goal is to create a uniform electronic medical records system. However, the program is reportedly about nine months behind schedule, which means that expectations for income from this market will not be met during 2005. Interest in Ortivus' patient records for ambulances remains.

Operating result for *Emergency Services* was MSEK 6.0 (–0.7). The positive operating result supports the continued development of *Emergency Services* into a successful and profitable field.

Cardiology

Revenues for *Cardiology* amounted to MSEK 0.6 (14.6). The lower revenues compared with the same period last year can be attributed to the earlier, but now concluded, exclusive license agreement with Philips. During the first quarter of 2005 Ortivus received no license revenues, while corresponding revenues last year had a total effect on revenues amounting to MSEK 14.6.

The launch of the newly developed cardiology patient monitoring system CoroNet is proceeding as planned. Since the beginning of the year the first system went into operation at the hospital Capio S:t Görans Sjukhus AB in Stockholm. An additional important strategic order was signed with the Västra Götalandsregion health care district where all cardiology departments at the hospitals in Göteborg will be equipped with Ortivus' new monitoring system. The order is worth about MSEK 9.0 and will be delivered during the third quarter of 2005. Interest in CoroNet after the launch in the Swedish and Finnish markets is extremely strong and Ortivus expects additional orders during the year.

Operating loss for *Cardiology* amounted to MSEK –3.3 (11.9). The lower earnings can be attributed to the loss of license revenues from Philips as well as the costs of the launch of the newly developed CoroNet system.

MSEK Jan–March	Cardiology		Emergency Services		Other		Total	
	2005	2004	2005	2004	2005	2004	2005	2004
Net sales	0.6	14.7	23.7	28.6	0.3	1.9	24.6	45.1
Cost of goods sold	–0.5	–0.3	–3.3	–8.2	0.0	–0.1	–3.8	–8.5
Gross profit	0.1	14.3	20.4	20.4	0.3	1.8	20.8	36.6
Overhead/Depreciation & Amortization	–3.4	–2.4	–14.4	–21.1	–4.1	–4.1	–21.9	–27.6
Operating profit/loss	–3.3	11.9	6.0	–0.7	–3.8	–2.3	–1.1	9.0
Operating margin %	—	82	25	–2	—	—	–5	20

The table above shows Ortivus' operations, distributed by business area.

OTHER

The group Other mainly includes unallocated administration costs, as well as minor costs and revenues that cannot be attributed to either of the business areas.

CONTINUED DEVELOPMENT OF THE GROUP

The operation is focusing on fulfilling its potential by strengthening Ortivus' position through marketing and integration of the company's products into total system solutions developed within the Group. The Group's product portfolio encompassing a complete selection of medical devices, administrative, and telemedicine products, as well as services for locating vehicles and mobile data transmission for emergency medical services. The potential for growth is strengthened through product synergies for applications within the police and fire departments.

Ortivus is also focusing on establishment and expansion in the larger European markets of Germany, Holland, and France. However, in general the sales process in these countries is characterized by long lead times during which prospective customers evaluate clinical and health economics benefit. The first results from these markets are expected to be seen in late 2005.

With a complete integrated product portfolio parallel to a substantially strengthened sales and marketing organization, prospects for growth and positive development are good in both domestic and international markets.

APPLICATION OF IAS/IFRS FROM 2005

Beginning in 2005 Ortivus is applying new accounting standards (IFRS) in compliance with the IAS regulation adopted by the EU in 2002. This earnings report has been prepared in compliance with IAS 34, Interim Financial Reporting. Because of the change of accounting standards, the comparative figures from 2004 were restated according to the new accounting principles. A recently published separate press release showed the restated quarterly values for the Ortivus Group for 2004 after applying the new International Financial Reporting Standard.

PARENT COMPANY

The parent company's sales totaled MSEK 10.8 (25.8) and earnings after financial items and taxes were MSEK –1.4 (4.9).

The parent company's liquid assets at end of period, including short-term investments, amounted to MSEK 76.6 (76.4). During the period the company invested in tangible assets totaling MSEK 0.3 (0.1).

FORECAST FOR THE GROUP FOR 2005

The expected increase in earnings in *Emergency Services* will not compensate lower earnings in *Cardiology*. The reduction in earnings in *Cardiology* is the result of the conclusion of the exclusive agreement with Philips. Through this strategic change Ortivus has ensured an independence enabling the Company to pursue its own marketing and sales of its products in the field of cardiology.

Revenues for business area *Cardiology* during the beginning of 2005 were low since the launch of the newly developed CoroNet patient monitoring system is still in the introductory phase.

The major IT initiative in Great Britain led by the National Health Service is delayed. The result is a general uncertainty and therefore purchasers are postponing their purchasing decisions. Revenues for MobiMed from this market are therefore expected to decrease.

Ortivus has initiated a strengthening of its own sales and marketing organization, which is expected to establish good prospects for growth and positive development during the coming year, in both the domestic and international markets.

For the reasons cited above, with comparable accounting policies, the Group expects significantly lower earnings after net financial items for 2005 than 2004.

CONSOLIDATED STATEMENT OF INCOME

Amounts in SEK thousand	Jan-March 2005	Jan-March 2004	Jan-Dec 2004
Net sales	24,576	45,106	140,808
Cost of goods sold	-3,800	-8,524	-18,032
Gross Profit	20,776	36,582	122,776
Selling expenses	-11,740	-12,117	-45,366
Administrative expenses	-4,578	-7,914	-30,207
R&D costs	-4,906	-7,917	-26,990
Other operating revenues/expenses	-659	343	416
Operating Profit 1)	-1,107	8,977	20,629
Financial items, net	1,541	611	3,503
Profit after financial items	434	9,588	24,132
Current tax 2)	-150	-88	-463
Deferred Tax	-126	-2,451	-5,097
Net result after tax	158	7,049	18,572
Earnings/share, SEK (result after tax/average number of shares)	0,01	0,51	1,35
Number of shares per closing day (thousands)	13,805	13,805	13,805
Average number of shares (thousands)	13,805	13,805	13,805
¹ Depreciation and amortization charged to these results Of which amortization of intangible assets.	1,760 1,201	2,460 1,942	9,071 6,684

² Current tax is attributable to the subsidiary Ortivus Inc. USA
(Sweet Computer Services, Inc.)

CONSOLIDATED BALANCE SHEET

Amounts in SEK thousand	03-31-05	03-31-04	12-31-04
Fixed assets			
Intangible assets	38,871	7,315	35,963
Goodwill	37,078	52,987	42,655
Tangible assets	8,638	4,921	6,825
Financial fixed assets	25,083	40,060	24,942
Total fixed assets	109,670	105,283	110,385
Current assets			
Inventories	9,666	5,156	5,593
Current receivables	32,578	60,261	27,723
Short-term investments	53,913	58	52,574
Cash and bank balances	62,132	106,225	68,173
Total current assets	158,289	171,700	154,064
Total assets	267,959	276,983	264,448
Shareholders' equity	226,426	232,836	230,052
Provisions and long-term liabilities	768	752	552
Current liabilities	40,765	43,395	33,844
Total shareholders' equity and liabilities	267,959	276,983	264,448

During the period R&D expenditures were capitalized totaling SEK 3,164,000 (461,000) for the development of CoroNet.

CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in SEK thousand	Jan-March 2005	Jan-March 2004	Jan-Dec 2004
Current operations	900	10,162	25,534
Change in working capital	-2,015	3,361	30,035
Investments	-6,207	-1,671	-76,898
Acquisitions	-179	0	0
Financing	0	-104	-2,773
Change in liquid funds	-7,501	11,748	-24,102

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

Amounts in SEK thousand	March 31, 2005	March 31, 2004	Dec 31, 2004
Opening balance	230 052	225,088	225,088
Translation differences in subsidiaries	-3,784	699	-13,608
Result for the period	158	7,049	18,572
Closing balance	226,426	232,836	230,052

BUSINESS AREAS

SEK million, Jan-March	Cardiology		Emergency Services		Other	
	2005	2004	2005	2004	2005	2004
Net sales	0.6	14.6	23.7	28.6	0.3	1.9
Cost of goods sold	-0.5	-0.3	-3.3	-8.2	0.0	-0.1
Gross profit	0.1	14.3	20.4	20.4	0.3	1.8
Overhead/depreciation	-3.4	-2.4	-14.4	-21.1	-4.1	-4.1
Operating profit	-3.3	11.9	6.0	-0.7	-3.8	-2.3
Operating margin %	—	82	25	-2	—	—

KEY FINANCIAL MEASURES

	03-31-05	03-31-04	12-31-04	12-31-03
Net result after tax	159	7,049	18,572	7,674
Net result margin, %	2	20	17	9
Net profit/Share, SEK	0.01	0.51	1.35	0.56
Return on shareholders' equity ¹ , %	4	5	5	3
Return on capital employed ¹ , %	6	6	13	7
Equity/Assets ratio, %	84	84	87	86
Equity/Share, SEK	16.40	16.87	16.66	16.30

¹ On rolling-12 month basis. Key figures are calculated according to IFRS for Q1 2005, Q1 2004, and for the twelve-month period 2004. Earlier periods were not restated according to IFRS.

Täby May 11, 2005

Ortivus AB (publ)
Corporate ID number 556259-1205
The Board of Directors

FUTURE REPORTING DATES:

Interim Reports:
January – June will be published on August 24, 2005
January – September published on October 25, 2005

The company's auditors did not examine this interim report.



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