

**Ortivus AB (publ)
Semi-Annual Report
January – June 2001**

Significant events:

- Sweet Computer Services, Inc. (Sweet) was acquired and integration of the company follows plans. Sales showed a very positive development during the period.
- Net sales amounted to MSEK 73.7 (preceding year MSEK 32.1, not including Sweet). The operating result before depreciation, amortization and financial items amounted to MSEK 0.4 (–8.7). The result after financial items was MSEK –7.1 (Preceding year MSEK –13,4, not including Sweet).
- Net sales in the United States amounted to MSEK 28.1. Net profit before taxes in this market amounted to MSEK 3.5 (not including amortization of goodwill Sweet MSEK 2.1).
- Sales of Mobimed showed a very strong development during the period with a strong flow of orders in Great Britain.
- The new generation of Mobimed was launched at the AMBEX ambulance trade show in Great Britain June 29 – July 1 and will be launched for a broader market at the convention of the European Society of Cardiology in Stockholm September 1 – 5, 2001. Biosaca was re-launched at APSS (Associated Professional Sleep Societies) in the United States June 7 – 9.

Financial Report

Interim report January – June 2001

Sales and result

The Group had revenues of MSEK 73.7 (32.1*). MSEK 25.8 (24.4) of this amount was in the form of sales to Agilent Technologies; MSEK 28.1 were sales by subsidiary Sweet, sales of Mobimed amounted to MSEK 18.9 (6.0) and other sales amounted to MSEK 0.9 (1.7). Revenue from Agilent Technologies was determined by the contractual minimum guaranty.

Expenses amounted to MSEK 67.1 (42.7*), including depreciation and amortization of MSEK 10.6 (7.4). The increase in expenses is explained by expenses in newly acquired subsidiary Sweet, amortization of goodwill arising in the acquisition of Sweet, development costs in a joint project with the University of Uppsala** and increased costs for consultants in connection with completion of the generation of Mobimed. These consulting costs amounted to MSEK 3.7 during the period.

Previously capitalized development costs are added in connection with the acquisition of Sweet. There was no further capitalization of development costs during the period.

The result after financial items amounted to MSEK –7.1 (–13.4*). Operating profit before depreciation, amortization and financial items amounted to MSEK 0.4 (–8.7). The improved result is explained by higher growth in sales of Mobimed in Great Britain and the acquisition of Sweet.

The Group's total consolidated cash flow for the period amounted to MSEK –14.6 (–23.8). Not including the acquisition of Sweet, the operative cash flow was MSEK +0.6.

The Group's consolidated equity increased during the period to MSEK 219.7 from 207.6, of which newly issued shares to the shareholders of Sweet Computer Services, Inc. in connection with the acquisition amounted to MSEK 20.3, the period's result was MSEK –8.5 and translation differences in subsidiaries amounted to MSEK 0.3.

Capital spending in tangible fixed assets amounted to MSEK 1.0 (1.3).

Consolidated liquid funds amounted to 81.0 (109.0). Interest-bearing liabilities amounted to MSEK 0.8 (1.3). The debt equity ratio was 1% (1%). The Group's net financial income was MSEK 3.1 (2.6).

The Group has engaged in hedging operations during the period related to estimated currency flows denominated in USD. Without hedging, the reported result would have been higher by MSEK 2.4. The Group's deferred tax expense of MSEK 1.4 for the period is attributable to Sweet.

Parent Company revenue amounted to MSEK 39.7 (31.7), and the result after financial items and taxes was MSEK –12.5 (–5.8), MSEK 4.2 (4.0) of which is attributable to depreciation of shares in subsidiaries.

The Group has accumulated tax loss carryforwards of at least MSEK 130 for year 2001.

* Not including Sweet Computer Services, Inc. (Sweet)

** Ortivus collaborates with three researchers at the University of Uppsala to develop a computer-based decision-making support system for early diagnosis, risk assessment and treatment of patients with suspected cardiac infarction.

Report for period April – June 2001

Sales and result

Consolidated revenue amounted to MSEK 36.9 (16.9*). MSEK 12.6 (12.4) of this amount was in the form of sales to Agilent Technologies; revenue for sales in subsidiary Sweet amounted to MSEK 15.0, sales of Mobimed were MSEK 8.7 (3.9) and other sales amounted to MSEK 0.6 (0.7). Sales of Sweet's products showed a strong development and the American operations are financed by funds generated internally in the United States. Revenue from Agilent Technologies was determined by the contractual minimum guaranty.

Market

MIDA

Cooperation agreement with Philips Medical System (Agilent Technologies (Hewlett- Packard))

Royal Philips Electronics acquired the Health Care Division of Agilent Technologies during the period, which is now a part of Philips Medical System. This makes Philips one of the three largest suppliers of medical technology equipment and solutions to health and hospital care. The agreements between Ortivus AB and Agilent Technologies have been transferred to Philips. The cooperation will thus continue according to plan. The agreements have a term of five years and contain provisions for guaranteed minimum compensation totaling USD 32 million.

Mobimed

Marketing and sales efforts have resulted in several large orders. The flow of new orders from Great Britain was very high during the period; orders for a total of 50 patient and 10 hospital units were received (January – June 2000: 15 patient and 2 hospital units). There are 32 ambulance organizations in Great Britain, 8 of which have purchased Mobimed. Discussions are in progress with an additional 14 ambulance organizations. In Sweden, discussions are under way with two ambulance organizations for procurement of major systems. Three county councils have complemented their existing installations with a total of 1 patient unit and 4 hospital units.

During the period April – June, Mobimed was installed in a total of 129 ambulances and at 22 hospitals in Sweden and Great Britain. Revenue from these installations has flowed during the period and will continue to flow during the remainder of the year. Ortivus UK is also in discussions about additional orders. Ortivus US, Inc. is in discussions with customers in North America.

Experience is very positive from all reference installations, which is also the basis for orders received.

The new generation of Mobimed was rolled out at AMBEX in Great Britain June 29 – July 1 and will be launched for a broader market at the convention of the European Society of Cardiology in Stockholm September 1 – 5, 2001. The system will also be presented at the FLISA ambulance show in Halmstad, September 3 – 5, 2001. The system is based on Windows 2000, which makes it more suitable for a broader rollout in the European market via distributors.

Sweet

Ortivus acquired the American company Sweet January 1, 2001. Sweet is a market leader in the United States in administrative systems for ambulance health care.

Sweet has recently launched new software that offers ambulance health care a complete administrative system for alarms, invoicing and patient records, which has been very well received. Sweet's existing sales and service organization, and customer base of 1,700 customers all over the United States paves the way for introducing Mobimed in the American market. Together with Ortivus' clinical systems, a complete product program for ambulance health can be launched in the United States.

Biosaca

Upgrading of Biosaca was completed during the period and Biosaca was re-launched at the APSS convention (Associated Professional Sleep Societies) convention June 7–9. One system was sold in Sweden during the period and two in USA/Canada. Additional orders for Biosaca are expected during the fall.

Organization and business development

Mats-Olof Wallin was appointed to the post of Vice President / Chief Financial Officer for the Group. Mats-Olof was most recently with Pharmacia, where he for several years held leading managerial positions.

Agneta Franksson was appointed to the post of sales manager for the Nordic Region with responsibility for developing our operations in the Nordic market. Agneta comes most recently from the IT and telecom industry and has prior long-time experience from the bio-medical engineering industry.

With the launch of the new generation of Mobimed, focus will be on building a network of distributors in the major European markets. A marketing manager for this job has been recruited and will take office no later than November 1.

Ortivus US, Inc. present Vice President, Walter Young, has been appointed as President of subsidiary Sweet. The acquisition of Sweet has given Ortivus products that generate a positive operating result and which thus will be able to participate in the financing of the continued efforts to introduce Mobimed and to position Ortivus in the U.S. market. Existing customers will have a better opportunity of upgrading their present systems to include the entire Mobimed system.

Development work during the period was focused on completing the next generation of systems for Patient Informatics. Upgrading and customization of existing Mobimed equipment have been made for existing markets and customers. The development work was also aimed at completing the upgrade of the software for Biosaca. The launch of these systems is expected to increase sales of Mobimed and Biosaca.

Biohome is a collective name for Ortivus activities for care outside the traditional care institutions, such as remote care or care in the patient's own home. Cooperation was initiated during the period with several qualified partners in the areas of neonatal home care and care for older, chronically ill patients. Through these projects, and additional projects to be added during the year, Ortivus intends to position itself as a leading

provider of products and services in the emerging market for remote care and treatment. In the longer term, this market is believed to possess considerable commercial potential. Ortivus' solutions and services are to a large extent based on products and components already developed in the Company, such as Mobimed. This is then complemented by proprietary new development or by components from other suppliers and partners. So far, the work has been concentrated to IT infrastructure and measuring systems suitable for home care.

Together with three researchers at the University of Uppsala, Ortivus continued during the period to develop an integrated, computer-based decision-making support system for early diagnosis, risk assessment and treatment of patients with suspected cardiac infarction.

Year 2001

Cooperation agreement with Philips Medical System (Agilent Technologies)

The agreement with Philips Medical System (Agilent Technologies) means opportunities for increased sales of MIDA and for distribution of Ortivus' other products. The industrial cooperation has commenced, which means that joint projects have been identified and are in the process of being evaluated. The cooperation with Philips (Agilent) has thus been intensified and is already during 2002 expected to result in the launch of new products, among them products with MIDA integrated with Philips (Agilent Technologies') new patient monitoring system. Thanks to this cooperation with a global company, it will be possible to include Ortivus' technology and systems solutions in far more products and in larger volumes.

Mobimed

Revenue from Mobimed is expected to increase in coming years as health and hospital care will be placing more emphasis on early treatment of many acute illnesses, such as thrombolysis treatment in cases of cardiac infarction and requirements for improved documentation, follow-up, information integration and quality assurance. Ambulances equipped with Mobimed can initiate treatment before or during transportation to the hospital. This increases the possibility of saving the patient's life and reduces the cost of health care. In addition, Mobimed provides computerized patient data management, observations and advanced opportunities for post-processing and integration of patient-related information.

Experience is highly positive from all reference facilities, which should lead to further commercial orders during the year. Discussions with prospective distributors in those European countries where Ortivus currently lacks representation will be intensified in conjunction with the launch of a new generation of Mobimed. Sales will also increase thanks to new service, training and upgrading agreements with hospital administrations, whose ambulances are already equipped with Mobimed.

Acquisition of Sweet

Effective as of January 1, 2001, Ortivus acquired the American company Sweet, which is the market leader in the United States in administrative programs for ambulance health care. Sweet's existing sales and service organization and customer base of 1,700 customers all over the United States pave the way for introducing Mobimed in the American market. Sales of Sweet's program showed a very positive development during the period.

Biosaca

Biosaca was re-launched during the period. Sales of Biosaca are expected to increase substantially in coming years.

Biosys

As of August 2, 2001 Ortivus AB received advance possession to the outstanding minority of 1.9 percent of the shares outstanding in Biosys AB. Biosys AB is treated as wholly owned in the Group's interim report as of June 30, 2001.

Future prospects

The Board of Directors provides a forecast for the full year for a sharp increase in sales even though sales during the second half are expected to be lower than during the first six months. The result is thus expected to be lower for the second half of the year.

Ortivus AB combines IT and telecommunications in medical/technical applications. The Company develops manufactures and markets systems and components that save lives and monitor patients' health in ambulances, at hospitals and in the home. The most important business areas are Patient Informatics and decision-making support in the field of emergency cardiac disease, pre-hospital care and analysis and support in connection with investigations of sleep disturbances, epilepsy and other neurological conditions. Ortivus AB was established in 1985 in Sweden. In addition to subsidiary Biosys, subsidiaries are established in the United Kingdom and the United States. In January 2001, the American company Sweet Computer Services, Inc. was acquired. Sweet is the market leader in the United States in administrative systems for ambulance health care. Sales in 2000 were MSEK 67. The number of employees is about 110.

Ortivus AB is listed on the O-list of the Stockholm Stock Exchange (Stockholmsbörsen AB) since January 1997.

Consolidated Statement of Income

Amounts in SEK Thousand	Apr. - June 2001	Apr. - June 2000	Jan. - June 2001	Jan. - June 2000	Full year 2000				
Net sales	36 864	16 924	73 710	32 068	66 706				
Cost of goods sold	-7 606	-4 132	-16 910	-6 591	-15 734				
Gross profit	29 258	12 792	56 800	25 477	50 972				
Selling expense	-14 637	-6 753	-24 050	-12 748	-26 101				
Administrative expense	-5 054	-5 497	-14 168	-10 261	-19 833				
R&D expense	-14 804	-9 839	-28 888	-19 681	-41 025				
Other operating income/expenses	255	524	68	1 150	1 640				
Operating result 1)	-4 982	-8 773	-10 239	-16 063	-34 347				
Net financial items	1 218	1 250	3 142	2 635	3 954				
Result after financial items	-3 764	-7 523	-7 097	-13 428	-30 393				
Taxes	-641	-1	-1 393	-10	-92				
Result after taxes	-4 405	-7 524	-8 490	-13 438	-30 485				
1) Depr. and amortization charged to this result	5 428	3 766	10 644	7 402	15 346				
Of which amortization of intangible assets	4 932	3 183	9 430	6 347	12 969				
			06-30-01	12-31-00	06-30-00	12-31-99	12-31-98	12-31-97	12-31-96
Earnings per share, SEK		-0,62	-2,33	-1,03	-0,11	-2,03	0,52	0,12	
Result per share, fully diluted basis, SEK		-0,60	-2,28	-1,00	-0,11	-2,01	n/a	n/a	
					06-30-01	06-30-00	12-31-00		
Number of shares outstanding (thousands)					13 732	13 059	13 059		
Number of warrants outstanding (thousands)					110	110	110		

Consolidated Balance Sheet

	06-30-01	06-30-00	12-31-00
Fixed assets			
Intangible fixed assets	122 414	87 255	80 661
Tangible fixed assets	4 653	4 771	5 022
Financial assets	532	116	109
Total fixed assets	127 599	92 142	85 792
Current assets			
Inventories	6 679	5 597	7 214
Short-term receivables	39 659	33 193	37 323
Short-term investments	28 909	49 196	49 243
Liquid funds	52 125	59 778	46 368
Total current assets	127 373	147 764	140 148
Total assets	254 972	239 906	225 940
Shareholders' equity	219 703	223 756	207 613
Minority interest	0	94	92
Provisions and long-term liabilities	1 155	1 541	1 212
Current liabilities	34 114	14 515	17 023
Total shareholders' equity and liabilities	254 972	239 906	225 940

Amortization of goodwill is included in R&D expense in an amount of KSEK 4 244 (4 023).

Amortization of goodwill is included in selling expense in an amount of KSEK 2 080 (0).

Sweet Computer Services, Inc. was not part of the Group in 2000.

Interim report for the period January–September will be published November 7, 2001.

Accounting policies:

The same accounting policies and calculation methods have been applied in this interim report as in the most recent Annual Report with the following exceptions:

From 2001, the accounting has been adapted to recommendation RR9 Income taxes and RR15 Intangible assets of the Swedish Financial Accounting Standards Council. This adaptation has had no effect on the comparative periods. KSEK 1 392 of the period's deferred tax expense is attributable to subsidiary Sweet Computer Services acquired during the period.

No deferred tax claim is reported for tax loss carryforwards since the prerequisites for such accounting currently are not fulfilled. No other significant temporary differences exist.

Consolidated Statement of Cash Flow

Amounts in SEK thousand	06-30-01	06-30-00	12-31-00
Current operations	3 795	-5 872	-15 139
Change in working capital	-2 218	-14 277	-17 516
Investments	-16 154	-4 131	-5 088
Financing	0	475	-100
Change in liquid funds	-14 577	-23 805	-37 843

Change in consolidated shareholders equity

	06-30-01	06-30-00	12-31-00
Opening balance	207 613	237 194	237 194
Translation differences in subsidiaries	252	0	904
New issue	20 328	0	0
Net result for the period	-8 490	-13 438	-30 485
Closing balance	219 703	223 756	207 613

Key financial measures

	06-30-01	12-31-00	06-30-00	12-31-99	12-31-98	12-31-97	12-31-96
Result	-8 490	-30 485	-13 438	-1 244	-22 639	5 804	1 392
Profit margin	-10%	-46%	-42%	-2%	-54%	13%	3%
Return on equity	-4%	-14%	-7%	-1%	-13%	3%	2%
Return on capital employed	-3%	-13%	-6%	0%	-13%	4%	2%
Equity ratio	86%	92%	93%	92%	92%	94%	91%
Equity per share, SEK	16,00	15,90	17,13	18,16	14,68	16,71	16,00

Täby, August 21, 2001
Board of Directors

Auditors' Statement I have reviewed this semi-annual report in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants (FAR). A review is significantly limited in comparison to an audit. Nothing has come to our attention to indicate that the semi-annual report does not fulfill the requirements of the Swedish Annual Accounts Act.

Stockholm, August 21, 2001
Bo Ribers
Authorized Public Accountant

Questions will be answered by Claes Stenlander, President & CEO, telephone +46-8-446 45 00, +46-70-663 39 81 (claes.stenlander@ortivus.se) and Mats-Olof Wallin, CFO, +46-8-446 45 00, +46-70-593 52 73 (mats-olof.wallin@ortivus.se).

This is a translation of Ortivus AB's semi-annual report in Swedish. In the event of any discrepancy between the semi-annual report in Swedish and the translation, the former shall have precedence.