

**Ortivus AB (publ)
Interim Report
January - March 2002**

NOTE! Published earlier than previously announced; April 11, 2002 instead of April 25, 2002.

Significant Events:

- Sales increased by 13 percent to MSEK 41.8 (36.8 previous year).
- Operating profit amounted to MSEK 5.3 (-5.3).
- Net result after tax amounted to MSEK 3.7 (-4.1).
- The subsidiary Sweet Computer Services, Inc., had very strong growth during the first quarter with a 56 percent increase in sales compared with the previous year.
- Revenue from the cooperation agreement with Philips Medical Systems increased during the period.

Financial Report

Sales and Result

The Group's net sales increased by 13 percent to MSEK 41.8 (36.8). Of this, revenue from sales to Philips Medical System amounted to MSEK 17.6 (13.2), revenue from sales in the subsidiary Sweet to MSEK 20.4 (13.1), sales of MobiMed to MSEK 3.2 (10.2) and other sales to MSEK 0.6 (0.3). Revenue from Philips was determined by the contractual minimum guarantee. Based on the agreement on technology and product development between Philips and Ortivus, MSEK 3.6 was taken up as revenue during the period.

Gross profit increased by 36 percent compared with previous year. The major reasons are the strong increase in revenue from the agreement with Philips and the favourable effects of exchange rates. The strong increase in sales of Sweet's products with high gross profit had a favourable affect on gross profits.

Costs amounted to MSEK 32.0 (32.6), including depreciation and amortisation of MSEK 3.6 (5.2).

The result after financial items amounted to MSEK 5.6 (-3.3). Operating profit before depreciation, amortization and financial items amounted to MSEK 8.9 (0.0). The improvement in performance can be explained mainly through successful growth in the subsidiary Sweet, increased revenue from the cooperation agreement with Philips via the agreement on technology and product development, and the positive dollar exchange rate and hedging. Parent company costs and depreciation and amortization have decreased.

Total consolidated cash flow for the period amounted to MSEK -4.2 (-8.9). The negative cash flow is mainly the result of an increase in accounts receivables.

Consolidated equity during the period has increased to MSEK 165.4 from 161.9, profit for the period amounts to MSEK 3.5 and translation differences in subsidiaries MSEK 0.0.

Investments in tangible fixed assets amounted to MSEK 1.8 (0.4).

The Group's liquid funds amounted to MSEK 61.8 (86.8). Interest-bearing liabilities amounted to MSEK 0.0 (1.0). The debt-to-equity ratio was 0 percent (1 percent). The Group's net financial items were MSEK 0.3 (1.9).

The Group hedged estimated currency inflows in US dollars during the period. Without hedging, the reported result would have been MSEK 0.6 lower. The Group's tax expense of MSEK 2.2 is attributable to Sweet.

The parent company's revenue amounted to MSEK 20.5 (20.4) and the result after financial items and taxes amounted to MSEK 3.9 (-4.8).

The Group has estimated accumulated tax loss carry-forwards of at least MSEK 135 for year 2002.

Market

MIDA

Cooperation agreement with Philips Medical System

Ortivus' two agreements with Philips Medical System consist of a distribution agreement for MIDA technology and an industrial cooperation agreement. The two agreements include provisions for guaranteed minimum compensation totaling MUS\$ 32. Ortivus has recognised MUS\$ 14.8 as revenue, as guaranteed minimum compensation through first quarter 2002.

The industrial collaboration with Philips has become more extensive. New product launches are expected in 2002 that should include products such as Ortivus' system integrated in Philips' new patient monitoring system. By collaborating with a global company, Ortivus' technology and systems solutions can become components in a significantly larger range of products, and in substantially greater volumes.

MobiMed

Marketing and sales campaigns for the new generation MobiMed 300, launched in autumn 2001, have brought great attention to the system. During the period, ten MobiMed 300 have been sold to customers in the Nordic countries and Great Britain.

Discussions are currently in progress with distributors in several European countries. A test installation was implemented in France during the period.

Customers have been very enthusiastic about MobiMed 300. Discussions about purchases are in progress with several ambulance organisations. Sales of MobiMed in Great Britain were lower during the first quarter this year compared with previous year, as was expected. MobiMed sales are expected to be higher for the current twelve-month period, compared with 2001.

Sweet

Effective as of January 1, 2001, Ortivus acquired the American company Sweet, the market leader in the United States in the area of emergency management software.

Sweet has launched new software offering a complete management system for dispatching, invoicing and patient medical records, which has been well received. Sweet's existing sales and service organisation, as well as their customer base of 1,700 customers across the United States, pave the way for MobiMed in the American market. Together with Ortivus' clinical systems, a complete product program for ambulance health care can be offered in the United States.

Biosaca

Biosaca was recently launched via distributors to customers in the Nordic countries and Canada. Five Biosaca units were sold during the first quarter this year. Discussions are currently in progress with several distributors, which should result in increased sales during the year.

Organisation and business development

Göteborg operations were moved to the Stockholm office during the period. The lease agreement for the office in Göteborg was transferred to another company beginning in April, relieving Ortivus of all obligations to the property owner. By concentrating operations in one site, the company can realize substantial cost-savings and efficiency gains.

The strengthening of the sales and marketing organisation initiated last year has continued. The aim is to provide resources and skills to establish Ortivus on new markets, with a focus on building distributor networks in the larger European markets. At the same time, support and sales functions on existing markets have been strengthened in markets such as Scandinavia and Great Britain.

In early 2002, development concentrated on increasing functionality in the MobiMed system to better meet customer needs for follow-up and quality assurance of the operation. The new MobiMed 300 platform simplifies adaptation of the system to specific customer requests. In addition, the new platform makes it possible to expand the system with new functions in the future.

The industrial collaboration with Philips continues and will be further intensified during the year. In late autumn, several elements of Ortivus technology will be integrated in Philips' new patient monitoring system.

Ortivus is also running several remote monitoring projects for patients in the home environment. For example, equipment and systems have been developed to monitor infants at home. Using this equipment, the physician can remotely monitor the child's vital signs (EKG, blood oxygen level, etc.) and even observe the child via a bed-mounted camera. The demonstration has been carried out in cooperation with JM Bygg in a model apartment for the future.

Future Prospects

Ortivus has built a strong position in Sweden and Great Britain in the field of ambulance and emergency health care services. MobiMed 300 and Biosaca have been launched and enjoyed a positive reception. The products are heading for an even broader launch in Europe. This means that MobiMed 300 and Biosaca are expected to continue growing rapidly in Europe and North America during the year, even though the first quarter of 2002, as was previously forecast, was somewhat lower than last year. Sweet holds a strong position in the United States with flourishing sales. At yearend, Philips is expected to launch its Viridia-system with integrated MIDA algorithms.

The 2001 annual report stated that strong sales growth would continue, with significantly improved operating profit compared with 2001, and this forecast remains unchanged.

Consolidated Statement of Income January-March

Amount in SEK thousand

	2002	2001	full-year 2001
Net sales	41 752	36 846	152 413
Cost of goods sold	-4 255	-9 304	-30 266
Gross profit	37 497	27 542	122 147
Selling expenses	-13 579	-8 427	-52 983
Administrative expenses	-9 372	-9 114	-30 754
Research and development expenses	-9 092	-15 070	-53 877
Other operating revenues/expenses	-173	-187	-9
Items affecting comparability	0	0	-49 854
Operating result 1) 2)	5 282	-5 257	-65 329
Financial items, net	346	1 924	3 563
Result after financial items	5 628	-3 333	-61 766
Taxes	-2 155	-752	-4 135
Net result after tax	3 473	-4 085	-65 901
1) Depreciation and amortization charged against this result	3 591	5 216	21 253
Of which amortization of intangible assets	3 021	4 498	18 828
2) Writedown of goodwill relating to Biosys charged against this result	0	0	47 780

	03-31-02	12-31-01	03-31-01	12-31-00	12-31-99	12-31-98	12-31-97
Earnings per share, SEK	0,25	-4,8	-0,3	-2,33	-0,11	-2,03	0,52

	03-31-02	03-31-01	12-31-01
Number of shares outstanding (thousands)	13 732	13 732	13 732

Consolidated Balance Sheet

Amount in SEK thousand

	03-31-02	03-31-01	12-31-01
Fixed assets	03-31-02	03-31-01	12-31-01
Intangible fixed assets	62 085	124 807	65 125
Tangible assets	5 742	4 145	4 728
Financial assets	6 552	743	6 129
Total fixed assets	74 379	129 695	75 982
Current assets			
Inventories	9 760	7 845	8 569
Current receivables	54 894	30 887	51 102
Short-term investments	29 844	49 767	29 532
Cash and bank balances	31 936	36 983	36 466
Total current assets	126 434	125 483	125 669
Total assets	200 813	255 177	201 651
Shareholders' equity	165 407	223 634	161 874
Minority interest	154	92	338
Provisions and long-term liabilities	590	1 104	590
Current liabilities	34 662	30 348	38 849
Total shareholders' equity and liabilities	200 813	255 177	201 651

The quarter's R&D expenses include amortization in an amount of KSEK 889 (2,012).

The quarter's Sales expenses include amortization in an amount of KSEK 1,041 (986).

The quarter has included R&D expenses associated with a project with three researchers from Uppsala University which were capitalized with KSEK 174 (0), these costs were expensed the previous year. In quarter 1, 2001 KSEK 925 were expensed.

Accounting principles:

The same accounting principles and methods of computation have been used in this report as in the most recent Annual Report. Taxes for the year refer to KSEK 2,155 for current and deferred taxes attributable to the subsidiary Sweet Computer Services, Inc. No deferred taxes are reported for deficit deduction, as the conditions for such accounting are not fulfilled at this time. No other significant temporary differences exist.

Consolidated Statement of Cash Flow

Amount in SEK thousand	03-31-02	03-31-01	12-31-01
Current operations	6 923	2 808	715
Change in working capital	-9 170	4 068	-6 063
Investments	-1 971	-15 628	-25 174
Financing	0	-108	0
Change in liquid funds	-4 218	-8 861	-30 522

Change in Consolidated Shareholders' Equity

	03-31-02	03-31-01	12-31-01
Opening balance	161 874	207 613	207 613
Translation differences in subsidiaries	60	-224	-168
New issue	0	20 330	20 330
Result for the period	3 473	-4 085	-65 901
Closing balance	165 407	223 634	161 874

Key Financial Measures

	03-31-02	12-31-01	03-31-01	12-31-00	12-31-99	12-31-98	12-31-97
Net result	3 473	-65 901	-4 085	-30 485	-1 244	-22 639	5 804
Net result margin	13%	-41%	-9%	-46%	-2%	-54%	13%
Return on shareholders' equity	2%	-36%	-2%	-14%	-1%	-13%	3%
Return on capital employed	3%	-33%	-1%	-13%	0%	-13%	4%
Equity/assets ratio	82%	80%	88%	92%	92%	92%	94%
Equity per share, SEK	12,05	11,79	16,29	15,9	18,16	14,68	16,71

Report for the period January – June will be published August 29, 2002.

Please direct any questions to Claes Stenlander, CEO, +46 (0)8-446 45 00, +46 (0)70-663 39 81 (claes.stenlander@ortivus.se) or Mats-Olof Wallin, CFO +46 (0)8-446 45 00, +46 (0)70-593 52 73 (mats-olof.wallin@ortivus.se).

Täby, April 11, 2002
Board of Directors

This report has not been subject to review by the company's auditors.

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