

**Ortivus AB (publ)
Interim Report
January – September 2002**

Significant events during the period:

- Sales were up 19 percent to MSEK 125.9 (105.8 previous year).
- Positive operating profit amounted to MSEK 18.2 (-13.9).
- Earnings per share amounted to SEK 0.86 (- 0.88).
- The subsidiary Sweet Computer Services, Inc., has shown very strong growth, with a 62 percent increase in sales compared with last year.
- During the period, customers ordered MobiMed for 48 ambulances and 17 hospitals. In October, the company received orders for 71 ambulance units.
- An agreement was reached with minority owners to acquire minority shares in Ortivus US, Inc. In September, the company merged with Sweet Computer Services, Inc.
- The company's strong performance to date during 2002 is expected to continue during the last quarter of the year.

Ortivus

Ortivus develops, manufactures and markets systems and components that save lives and monitor patient health in ambulances, at hospitals, and in the home. Ortivus' areas of operation include patient monitoring and decision-making support in the area of acute cardiac disease, pre-hospital monitoring, and analysis and support in investigations of sleep disturbances. Ortivus was started in 1985 in Sweden. Subsidiaries are established in Great Britain and the United States.

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

Financial Report January – September 2002

Developments During Third Quarter 2002

Sales increased by 31% to MSEK 41.9 (32.1). Of this, sales to Philips Medical Systems amounted to MSEK 17.1 (16.5), sales in the subsidiary Sweet to MSEK 22.4 (12.7), sales of MobiMed to MSEK 1.6 (1.9), and other sales to MSEK 0.8 (1.0).

Operating profit during the period amounted to MSEK 10.2 (-3.7) and the result after financial items to MSEK 10.6 (-2.0).

The improvement in earnings can mainly be explained by the successful performance by the subsidiary Sweet, as well as by sharply lowered costs in the Parent Company, and by lower depreciation and amortization.

Sales and Result January – September 2002

The Group's sales increased during the nine-month period by 19% to MSEK 125.9 (105.8). Of this, sales to Philips Medical Systems amounted to MSEK 51.9 (42.3), sales in the subsidiary Sweet to MSEK 65.9 (40.8), sales of MobiMed to MSEK 6.2 (20.8), and other sales to MSEK 1.9 (1.9).

The sales increase for Philips Medical Systems was the result of MSEK 10.8 (3.4) taken up as revenue from the agreement on technology and product development. The substantial increase in sales by the subsidiary Sweet was the result of customers upgrading to Sweet's new systems. MobiMed sales are lower compared with 2001 because several larger orders, mainly in the United Kingdom, were invoiced during the first six months of 2001.

Operating profit amounted to MSEK 18.2 (-13.9) and the result after financial items to MSEK 19.3 (-9.1). The improvement is the result of increased sales and because cost of goods sold is significantly lower for Philips and Sweet compared with MobiMed. Moreover, Parent Company costs have decreased because of factors such as the closing of the Göteborg office. Depreciation is also lower than the previous year.

The Group hedged estimated currency inflows in US dollars during the period. Had this not been done, the reported result would have been MSEK 6.2 lower. The Group's tax expense of MSEK 7.4 (3.0) is attributable to Sweet.

Net result after tax amounted to MSEK 11.9 (-12.1), and earnings per share of SEK 0.86 (-0.88).

Cash Flow, Investments, and Liquidity

Total consolidated cash flow for the nine-month period amounted to MSEK 3.6 (-23.9).

Investments in tangible assets amounted to MSEK 1.7 (1.1), intangible fixed assets to MSEK 3.0 (0.0), and other investments to MSEK 3.5 (20.0). Other investments for the nine-month period refer to a long-term financial investment of MSEK 3.5. For the corresponding period last year, with a total of MSEK 20.0, the amount of MSEK 4.8 was attributable to a long-term lease agreement for Sweet and the MSEK 15.2 acquisition of the subsidiary Sweet.

The Group's liquid funds at end of period, including current investments, amounted to MSEK 69.6 (71.7). Interest-bearing liabilities amounted to MSEK 0.0 (0.8). The Group's net financial items amounted to MSEK 1.1 (4.9).

Parent Company

The parent company's sales for the nine-month period amounted to MSEK 59.4 (58.6) and the result after financial items and taxes amounted to MSEK 14.0 (-12.6).

Market

MIDA

Cooperation agreement with Philips Medical Systems

Ortivus' two agreements with Philips Medical Systems 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 recognized an accumulated MUS\$ 17.9 as revenue, with MUS\$ 4.7 of this amount to date during 2002.

MIDA has now been integrated into Philips' patient monitoring system, and the application for approval to market the product in the United States has been submitted to the Food and Drug Administration (FDA). The system launch is planned for early in the second quarter next year.

The industrial collaboration with Philips is proceeding according to the agreement. This means that Philips is entitled to sign cooperation agreements for the distribution of products developed within the framework of this agreement.

Other

The continued development of MIDA II has begun in cooperation with Karolinska Hospital in Stockholm.

The cooperative project with Uppsala University researchers to develop a decision-making system for risk assessment of myocardial infarction patients is proceeding according to plan.

MobiMed

Marketing and sales campaigns for the new generation MobiMed 300, launched in autumn 2001, have brought great attention to the system. MobiMed sales involve capital-intensive procurement by health care administrations, characterized by complex decision-making processes that make it difficult to predict how long it will take until an order is placed.

During the period, thirteen MobiMed 300 have been invoiced to customers in the Nordic countries and Great Britain. Additional orders for 35 MobiMed 300 and 17 HWS units were received in Sweden, Finland, and the Great Britain. In October, the company received orders for 71 ambulance units. Thus the backlog of orders amounts to a total of 123 ambulance and hospital units.

A distributor was chosen in France and a reference facility is in operation. Negotiations are in progress with distributors in high-priority countries in Europe.

The reference facility in Lehigh Valley is in the process of upgrading to MobiMed 300 with a patient medical records system from Sweet. Lehigh Valley Hospital in northeastern Pennsylvania, USA, was designated by U.S. News to be one of the best hospitals in cardiology in the United States. In its brochure, "The Regional Heart Center," the hospital states that it is the first in the United States to monitor patients with acute myocardial infarction, stroke, and other traumas starting in the ambulance and during transport to the hospital using MobiMed. The clinical and health economics benefits of MobiMed 300 will be compiled, in cooperation with Lehigh Valley, in a report aimed at influencing the reimbursement system for telemedicine services in the United States.

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, and as a result, most existing customers upgraded their systems during the period. Sweet's existing sales and service organization, as well as its customer base of 1,700 customers across the United States, paves 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. Rights to the software Nightingale were acquired according to an agreement with Judex A/S, Denmark. Ortivus sells Nightingale under the brand name Sleep Studio, and it strengthens the competitive advantages of Biosaca.

During the period, orders were received for five Biosaca units and two Sleep Studio licenses. Distributors with customers in several countries in Europe are handling purchasing negotiations.

Organization and Business Development

An agreement has been reached with minority owners to acquire a minority holding in Ortivus US, Inc. For this acquisition, the annual general meeting authorized the Board of Directors to approve a rights issue in Ortivus AB for 73,125 Class B shares, which will increase the company's share capital by SEK 365,625 to SEK 69,027,295. On September 12, Ortivus merged the two US companies Ortivus US, Inc. and Sweet Computer Services, Inc. The merger will reduce the Group's tax cost. Ortivus US, Inc. has accumulated a tax loss of about MSEK 30.

Göteborg operations were moved to the Stockholm office during the period. By concentrating operations in one site, the company will realize savings of about MSEK 6.0 in 2002 and at least MSEK 12.0 in 2003.

The strengthening of the sales and marketing organization 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.

Forecast for the Fourth Quarter

The company's strong performance to date during 2002 is expected to continue. In addition, the first part of the technological collaboration with Philips Medical Systems will be invoiced, boosting revenues by MUS\$ 1.0. The merger of the two US subsidiaries will substantially cut the Group's tax cost.

Amounts in SEK thousand	Consolidated Statement of Income				
	July - Sept 2002	July - Sept 2001	Jan - Sept 2002	Jan - Sept 2001	Full year 2001
Net sales	41 910	32 104	125 863	105 814	152 413
Cost of goods sold	-1 990	-4 388	-11 477	-21 298	-30 266
Gross profit	39 920	27 716	114 386	84 516	122 147
Selling expenses	-11 300	-12 691	-42 409	-36 741	-52 983
Administrative expenses	-9 727	-6 348	-26 730	-20 516	-30 754
R&D costs	-8 764	-12 329	-27 402	-41 217	-53 877
Other operating revenues/expenses	85	-55	384	13	-9
Items affecting comparability	0	0	0	0	-49 854
Operating profit 1) 2)	10 214	-3 707	18 229	-13 945	-65 329
Financial items, net	386	1 709	1 055	4 851	3 563
Profit after financial items	10 600	-1 998	19 284	-9 094	-61 766
Tax	-2 449	-1 652	-7 431	-3 045	-4 135
Net profit for the year	8 151	-3 650	11 853	-12 139	-65 901
1) Depreciation & amortization charged to these results	3 322	5 043	10 652	15 687	21 253
Of which amortization of intangible assets	3 109	4 508	9 237	13 938	18 828
2) Writedown of goodwill relating to Biosys charged against this result	0	0	0	0	47 780
			09-30-02	09-30-01	12-31-01
Net profit/share, SEK			0,86	-0,88	-4,80
			09-30-02	09-30-01	12-31-01
Number of shares outstanding (thousands)			13 805	13 732	13 732

Consolidated Balance Sheet			
Amounts in SEK thousand			
Fixed assets	09-30-02	09-30-01	12-31-01
Intangible fixed assets	59 116	117 793	65 125
Tangible assets	3 725	4 299	4 728
Financial assets	8 289	5 968	6 129
Total fixed assets	71 130	128 060	75 982
Current assets			
Inventories	13 380	6 246	8 569
Current receivables	56 737	42 752	51 102
Short-term investments	30 745	30 415	29 532
Cash and bank balances	38 874	41 316	36 466
Total current assets	139 736	120 729	125 669
Total assets	210 866	248 789	201 651
Shareholders' equity	173 548	215 486	161 874
Minority interest	0	0	338
Provisions and long-term liabilities	590	1 156	590
Current liabilities	36 728	32 147	38 849
Total shareholders' equity and liabilities	210 866	248 789	201 651

The nine month's R&D Costs include goodwill amortization totaling KSEK 2,667 (6,292).

The nine month's Sales Costs include goodwill amortization amounting to KSEK 3,123 (3,122).

The nine month's has included R&D Costs associated with a project with three researchers from Uppsala University capitalized with KSEK 1,756 (0); these costs were expensed the previous year. In the nine month period 2001 KSEK 1,837 were expensed.

Accounting policies:

The same accounting policies and methods of computation have been used in this report as in the most recent Annual Report, with the exception that beginning on January 1, 2002, the company applied RR15, RR16 and RR17. As can be seen above, only RR15 affected comparability.

Taxes for the year refer to KSEK 7,431 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

Amounts in SEK thousand	Jan-Sept 2002	Jan-Sept 2001	Jan-Dec 2001
Current operations	24 334	3 655	715
Change in working capital	-12 567	-6 431	-6 063
Investments	-8 146	-21 105	-25 174
Financing	0	0	0
Change in liquid funds	3 621	-23 880	-30 522

Change in consolidated shareholders' equity

Amounts in SEK thousand	09-30-02	09-30-01	12-31-01
Opening balance	161 874	207 613	207 613
Translation differences in subsidiaries	-1 179	-316	-168
New share issue	1 000	20 328	20 330
Result for the period	11 853	-12 139	-65 901
Closing balance	173 548	215 486	161 874

Key Financial Measures

	09-30-02	12-31-01	09-30-01	12-31-00	12-31-99	12-31-98	12-31-97
Results	11 853	-65 901	-12 139	-30 485	-1 244	-22 639	5 804
Net result margin	15%	-41%	-9%	-46%	-2%	-54%	13%
Net profit/share, SEK	0,86	-4,80	-0,88	-2,33	-0,11	-2,03	0,52
Return on shareholders' equity	6%	-36%	-6%	-14%	-1%	-13%	3%
Return on capital employed	10%	-33%	-4%	-13%	0%	-13%	4%
Equity/assets ratio	82%	80%	87%	92%	92%	92%	94%
Equity/share, SEK	12,57	11,79	15,69	15,90	18,16	14,68	16,71

Report for the period January-December will be published on February 6, 2003.

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Täby, October 24, 2002
The Board of Directors

This report has not been subject to an examination 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.