



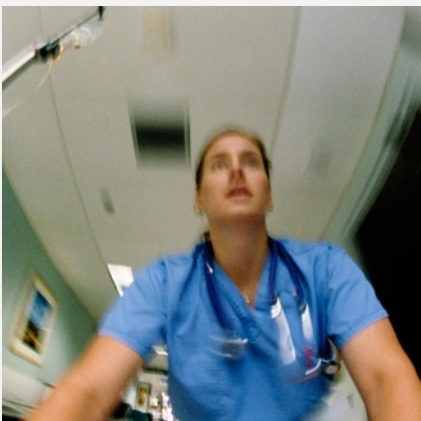
2008

ANNUAL REPORT



5 MIN

Every fifth minute someone in Great Britain suffers from a stroke



ACCURATE TREATMENT IN TIME





ORTIVUS

Ortivus offers unique solutions by combining expertise in wireless, IT and medical technology with clinical knowledge. Ortivus solutions secure that the patient get accurate medical treatment and expertise instantly throughout the care process. This results in better medical outcome as well as improved efficiency for the entire health care system.

Ortivus is a listed company on NASDAQ OMX and was founded in 1985. It is based in Danderyd, Sweden. Ortivus has 100 employees in Sweden, US, Canada and Great Britain. In total more than 2 600 emergency services, 1 000 ambulances and 500 hospital beds are equipped with Ortivus solutions.

Table of contents

- 1 Important events
- 2 CEO Report
- 5 Vision, business concept and strategies
- 6 Activities - Challenges and Solutions
- 10 Products
- 12 Employees
- 13 Research and Development
- 14 Quality and environment
- 15 Corporate Governance Report
- 18 Board, Management and auditors
- 20 Shares and shareholders
- 22 Director's Report
- 28 Financial reports, Group
- 32 Financial reports, parent company
- 36 Notes
- 54 Auditor's report
- 55 Five year overview
- 56 Glossary, definitions and AGM

page 8

read about Ortivus' solutions

Accurate treatment in time

Ortivus history

1985

Ortivus is founded with the purpose of developing, manufacturing and marketing a unique system for monitoring patients suffering from ischemic heart disease - MIDA (Myocardial Ischemia Dynamic Analysis). Initial development takes place in collaboration with the Medical and Technological Foundation at Chalmers in Gothenburg.

1987-1991

Clinical prototypes of MIDA are tested and assessed at sites that include the Karolinska and Sahlgrenska hospitals.

1992

The first commercial version of MIDA-Coronet is launched on the Swedish market. Most of the customers choose this system, which gains a strong footing in Sweden.

1994

An OEM agreement (Original Equipment Manufacturer) is signed with Hewlett-Packard (later Philips Medical Systems) for MIDA. Ortivus acquires Svenska Telemedicin System AB in Gothenburg, which develops and markets various telemedicine applications, including MobiMed.

1995

MobiMed is introduced in a full-scale commercial version to the Swedish market.

1997

Ortivus is listed on the Stockholm Stock Exchange ordinary list. Ortivus US is founded in order to establish the company on the US market.

1998

MobiMed PWS-1000 is launched, probably the world's first complete portable telemedicine terminal for pre-hospital use. Ortivus UK is founded to market MobiMed on the British MARKET.

2000

Cooperation begins with Cardiological Decision Support Uppsala AB (CARDES), which is developing a decision support system for risk assessment of patients with acute chest pain

2001

Acquisition of the US company, Sweet Computer Services Inc. in the US, which gives Ortivus a strong market position within administrative systems for ambulance healthcare. Ortivus is the first company in the world to present a medical technology product that uses Bluetooth technology - MobiMed 300.

2002

Ortivus U.S., Inc., integrated with Sweet Computer Services, Inc. The first installation of the monitoring tool MobiMed Information System for ambulances put into full operation in Sweden. MobiMed is now established in Sweden, Norway, United Kingdom and tested in the U.S.

2003

The Canadian company AveL-TECH acquired. This makes the product portfolio is supplemented by including positioning and alarmsystem for civil protection. A new electronic patient system for ambulances to be developed and introduced in selected markets.

2004

AveL-TECH's products are integrated with Sweet's products. Ortivus UK is deeply involved in procurement for the national IT program NPfIT. MobiMed installations are being rolled out in Italy and Spain. The cooperation agreement with Philips Medical ceases. The pilot of a new monitoring system for cardiac intensive services, Coronet, installed in the test client in Sweden.

2005

CoroNet is launched in Sweden, which results in orders from the Sahlgrenska and Karolinska University hospitals. Around 100 Norwegian ambulances in one health region are equipped with MobiMed. Ortivus UK is strongly involved in negotiations concerning the national IT program "Connecting for Health" and Ortivus' North American companies reinforce their position in the Emergency Services market. In May 2005, Medos AG is acquired in Germany. This involves both a broadening and strengthening of the product range in Healthcare IT, and establishment on the German market.

2006

Ortivus is selected as preferred supplier to NHS Connecting for Health in Great Britain, the world's largest Healthcare IT project. Important MobiMed orders in Italy and Canada are won. Ortivus carries out a MSEK 170 share issue.

2007

Policy changes and restructuring of the Swedish operations. First order of MobiMed in Spain and Switzerland. Coronet wins further contracts on the domestic market.

2008

Medos AG sold. Start-up of a reference installation of MobiMed in Neuss, Germany. First commercial MobiMed order in Germany. First Coronet order in Germany and Italy. Cooperation begins with Excense AB around Heart Journal.

Important events

- Net sales totalled 83.1 (101.9) MSEK.
- Costs fell by 19% via the cost-cutting programme.
- Focusing the strategy towards prehospital clinical pathways and Cardiovascular Monitoring.
- Restructuring in the United States and in Germany.
- Västra Götaland Health Service orders (Q1 2009) MobiMed for 110 ambulances and MobiMed becomes the de facto standard in Sweden.
- Penetration of the German market with CoroNet and MobiMed.

83.1 MSEK

Net sales in 2008



Ortivus in the starting blocks towards a growing market

Dear Shareholders,

We can now look back on an intense year. Ortivus faces significant challenges in reaching a satisfactory level of profitability. But we can also note a development within the medical service sector and awareness in society as a whole that is leading to an increased need for Ortivus' solutions.

I took over as CEO in August 2008. I found a company with high levels of expertise, able to offer the customer a unique range of products, but with an urgent need to revise its cost structure and to implement a number of strategic measures.

In order for Ortivus to secure a leading position in its market segment, there was a need for overall cost management, a number of strategic choices, and an increased focus on service and support for existing customers, along with an intensification of the development of potential customers.

In 2008 Group turnover dropped from 102 to 83 million SEK (Swedish krona) due to lower revenues and to exchange rate factors. The operating result showed a loss of -41.9 million SEK.

A cost-cutting program was introduced and implemented in the autumn. Altogether it was possible to reduce operating costs by 19 per cent over the preceding year.

TERMINATED ACTIVITIES

The decision was taken to terminate certain unprofitable activities in the otherwise profitable North American market where Ortivus has a significant customer base.

Moreover, development was focussed on the core area - Emergency Medical Services.

An increased focus on solutions within the prehospital clinical pathway and monitoring of patients with cardio-vascular diseases was implemented. The sale of the German company Medos, which manufactures radiological information systems, is one consequence of this.

STRATEGIC BUSINESS

Given Ortivus' situation, gaining strategic businesses in certain selected markets is a priority for ensuring an enduring profitability and market position.

The German speaking market, consisting of Germany, Switzerland and Austria, is one such priority area. These are countries with very advanced healthcare sectors with high demand. During autumn 2008 and the first quarter of 2009, thanks to CoroNet and MobiMed, Ortivus has achieved major market penetration in Germany.

GREAT BRITAIN

Great Britain is another prioritised market where Ortivus already has a strong position, having equipped over 400 ambulances with MobiMed



A cost-cutting program was introduced and implemented in the autumn. Altogether it was possible to reduce operating costs by 19 per cent over the preceding year.



We are observing a markedly increased awareness among politicians and increased demand from patients throughout the world for better care, patient safety and greater efficiency throughout the healthcare system.

solutions. In Great Britain, a national initiative for the co-ordination of IT management within the health service, "Connecting for Health", has been undertaken. This should bring sweeping changes and increased business opportunities for Ortivus. We had previously reported a setback for Ortivus with the ending of a partnership, but we now see a continued potential for the British market. It is, however, important to remember that the decision-making process within the healthcare system is slow.

Continued on next page →



30,000

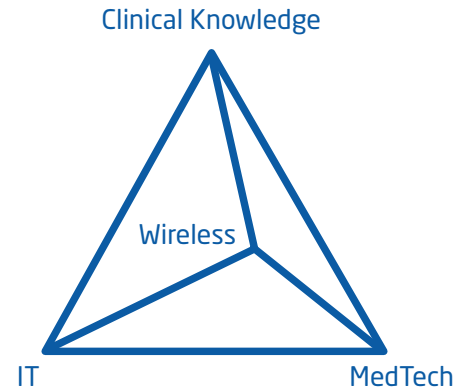
In Sweden about 30 000 people a year suffers from a stroke.

12%

In Sweden, about 12 percent of the population suffers cardiovascular disease and they cause half of all deaths.



Today we can observe a strong aspiration in many countries towards better and more efficient healthcare, and Ortivus' market is not affected by the financial crisis to as high a degree as other markets.



→ Continued from last page

The procurement of equipment for 110 ambulances by Västra Götaland Health Service was a transaction that we had prioritised. They were seeking a solution to ensure and expedite access to vital patient information for transfer to specialists in the region's hospitals, whilst the patient is still in the ambulance. This information is needed so that a precise decision can be taken about the next appropriate medical measure. Ortivus MobiMed system was chosen and the agreement with the customer was signed in the first quarter of 2009. Delivery will begin shortly.

In addition to this disciplined focus on selected markets and a number of specific purchases, comprehensive action has been carried out within the company to increase the quality of our customer support. We have already received favourable customer feedback regarding this change.

NEW BUSINESS MODELS

As yet one more way towards profitability and client centeredness, new business models have been instigated. These include the opportunity for the customer to purchase the solution gradually by continuous payments, thereby avoiding the necessity to invest in infrastructure. In addition, the customer can sign up to continuous updating and software solutions services.

An important element in the attainment of good profitability levels is the continued effi-

ciency drive both internally and in sales. Ortivus offers a unique range of products and services that are the result of over 20 years' development within the company. Ortivus' strength lies in our combination of medical knowledge, IT and wireless with our clinical experience. Provided that the current move towards change continues apace, the company is in a position to be successful.

Today we can observe a strong aspiration in many countries towards better and more efficient healthcare, and Ortivus' market is not affected by the financial crisis to as high a degree as other markets.

INCREASED DEMAND FOR HEALTHCARE

We see an aging population and increasing healthcare costs. Patients with cardiovascular conditions including strokes take up an increasing share of healthcare costs.

Patients suffering from cardiovascular conditions and strokes comprise a group that represents the highest costs for the healthcare sector.

Modern therapies, such as PCI treatment, that are implemented in the acute phase (the prehospital stage), improve medical outcomes and can save many lives. Ortivus focuses on these patient groups and efficiency benefits throughout the whole healthcare process. We are witnessing increased demand for continual documentation throughout the whole clinical pathway, due not least to increased regulation.

We are observing a markedly increased awareness among politicians and increased demand from patients throughout the world for better care, patient safety and greater efficiency throughout the healthcare system.

Ortivus provides a unique range of products and services to meet these needs in some of the most critical areas of the clinical pathway and in some of the major patient groups.

There is continually strong interest in Ortivus' products and services, but the sales process is lengthy. In spite of the demanding situation in the market I look to the future with confidence. Ortivus has a unique, well-positioned range of products and services for customers all over the world, with great potential for growth, and our sights are now set on a positive cash flow in the fourth quarter of 2009.

Jan B Andersson
CEO Ortivus



Ortivus way forward - Our strategic choices

Ortivus is a leader in supporting healthcare professionals and emergency services to make accurate decisions so that they in turn can help people to get the right care, at the right time, in the right place.

KNOW-HOW AND CUSTOMER BENEFIT

Ortivus provides unique solutions by combining expert know-how of wireless technology, IT and medical technology with clinical expertise. Ortivus' solutions ensure that the patient has immediate access to the right medical treatment and expertise throughout the entire healthcare process. This results in better medical outcomes as well as in improved efficiency throughout the whole healthcare system.

FOCUS MEANS CHOOSING CERTAIN AREAS

Ortivus is working on solutions for decision-making and documentation support and monitoring for the ambulance service and for cardiovascular monitoring. The focus is on

telemetry and the integration of its solutions with other systems.

Our solutions in North America are principally directed towards the prehospital Emergency Medical Services, including solutions to support the ambulance organisations in the invoicing of their services.

BUSINESS MODEL FOR LONGEVITY

Ortivus is working with models for service and support and models for software upgrades that provide the customer with long term solutions and provide Ortivus with a secure income.

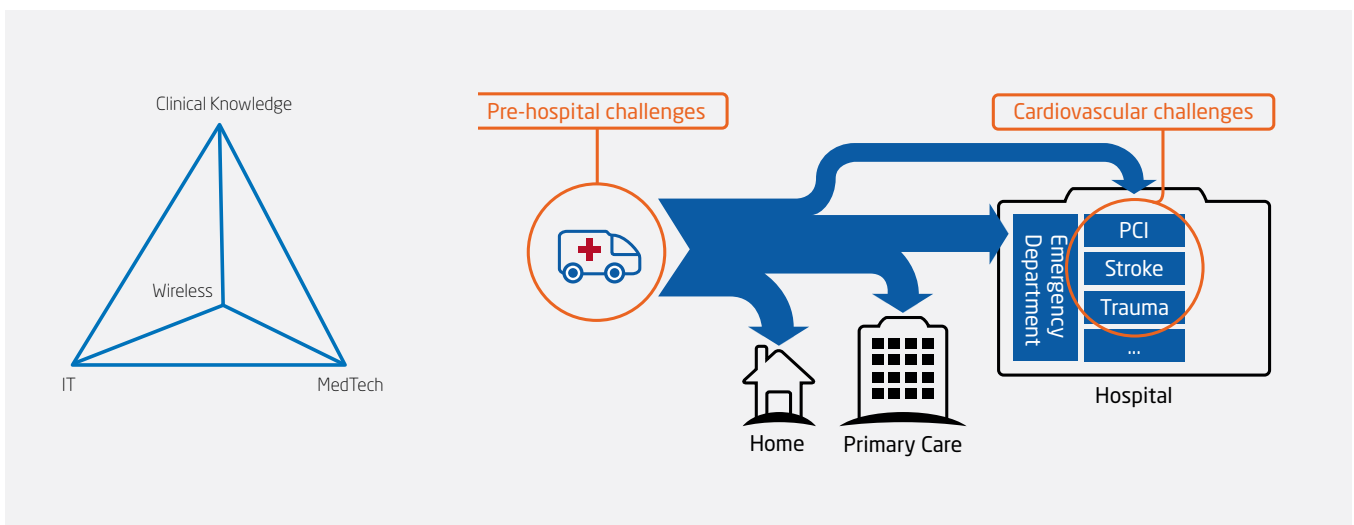
MEDICAL TECHNOLOGY REQUIREMENTS NOW ALSO FOR IT SOLUTIONS

Ortivus has decided to use its experience of producing CE marked medical technology products

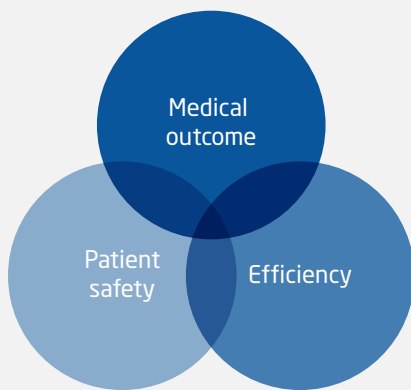
in the production of patient records which meet the strict regulatory requirements. The new requirements from the EU exist to improve patient safety and Ortivus is well prepared for them.

HEALTHCARE IS COOPERATING - ORTIVUS IS PARTICIPATING

The challenge of constructing clinical pathways and instituting more efficient work practices has begun in many hospitals, ambulance organisations and county councils. Ortivus is working to integrate existing systems with our own solutions, the aim being to increase the efficiency of the healthcare providers.



TRENDS CHALLENGES SOLUTIONS



MEDICAL OUTCOME

How care processes and best practice secures accurate treatment and recovery.

PATIENT SAFETY

How clinical processes and state of the art technology secures the patient's accurate and documented treatment and integrity.

EFFICIENCY

How accurate care links clinical and administrative sub processes and delivers the best possible effect of every investment.

Healthcare around the world faces an enormous economic challenge



The number of elderly people is increasing in both relative and absolute terms

The number of patients with multiple illnesses is increasing

The number of stroke patients is increasing

The cost of healthcare is increasing

And...

- High cost awareness among all stakeholders
- Focus on preventative care and clinical pathways
- Fewer people available to provide care to increasingly more people in need of it
- Focus on quality of care, patient safety and integrity
- Heart conditions and strokes – increasingly common causes of death
- An increasing need to provide care across borders – we move and travel more
- Increased need for integration and cooperation between different stakeholders



Read more about our solutions on www.ortivus.com

Major healthcare challenges

Each year medical advances produce developments in healthcare. Despite this, healthcare is facing major economic limitations throughout the world - a challenge that is increasing every day.



HERE ARE SOME OF THE LEADING TRENDS

- We have an accelerating population growth with a continually increasing average age
- Cardiovascular disease including strokes is the most common cause of death among elderly people
- The number of patients with multiple illnesses is increasing
- The cost of healthcare is increasing
- Increased cost awareness among all stakeholders
- Increased demand from patients for safety, quality of care and integrity
- Focus on efficient chains of care and systems integration

In a future scenario we may see the population being affected by the same types of illnesses as today, but that the number of patients will increase as the population increases. Average age climbs and life expectancy rises.

The demographic structure means that fewer people must bear the cost of care for ever more patients, a situation which presents the healthcare systems around the world with a massive resource problem.

EFFICIENT PROCESSES

Efficient processes that pave the way for the proper use of each investment to give the optimum medical outcomes has become the undisputed "must have".

The consequences of cardiovascular illnesses as a whole, including stroke patients, will take up more and more resources.

In the western world 2 per cent of the population already suffer from some form of chronic heart condition.

There are now as many patients dying from heart attacks as patients who die from cancer.

In the area of cardiovascular diseases we have also seen the development of different types of therapy. Rapid interventions in the acute phase, with early interventions such as "balloon inflation" PCI, have shown significantly improved medical outcomes and lives have been saved.

Another important patient group is that of stroke patients. In Sweden alone, with a population of 9 million people, 30,000 people suffer from a stroke every year. 6,000 die and 10,000 become dependent on some form of care. Altogether the treatment and care of stroke patients in Sweden costs 12 billion SEK per year.

Problems associated with the treatment greatly resemble those for heart patients.

As many as 80 per cent of stroke patient are struck by ischemic stroke, i.e. an infarction. Rapid diagnosis and rapid treatment are decisive for good medical outcomes. The majority of patients will be given drugs for clot unclogging, while the remaining 20 per cent have become ill through bleeding, meaning that incorrect therapy would have devastating results.

Efficient selection

Efficient selection and assessment of patients in the acute phase is becoming a pre-condition of high quality care and patient safety. A large amount of resources and costs can be saved by ensuring that the patient is taken to the right

treatment centre and that the clinical pathway is efficient.

The use of IT and telecommunications provides significant benefits in the acute phase for the whole clinical pathway from ambulance to hospital. This does not only apply to heart and stroke patients but also to trauma patients.

Economic restrictions in combination with the increased possibility of providing good treatment to ever larger patient groups is leading to new and increased efforts to make the healthcare process more efficient.

Treatment of patients with cardiovascular symptoms is naturally in focus.

Efficient interventions in the prehospital phase is another area of focus, economising with limited resources for an expanding healthcare service.

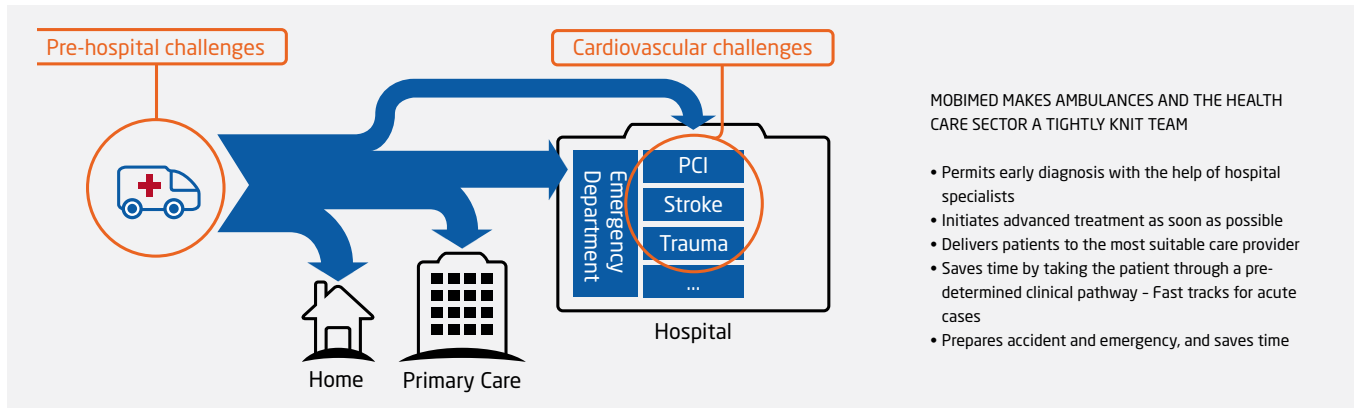
We also see an increased effort to improve patient safety. The praxis of basing care interventions on documented research results is becoming increasingly accepted around the world. Regulation is making this into a requirement. This systematic documentation can lead to continuous evaluation and improved treatment.

PATIENT SAFETY

Patient safety is an area of focus for healthcare providers. This increased awareness puts new and increased demands on documentation and record management.

The major challenges that the healthcare services are facing will require constant development and improvement in order to achieve better medical outcomes, increased patient safety and increased efficiency at every stage of the clinical pathway.

Ortivus solutions...



MOBIMED MAKES AMBULANCES AND THE HEALTH CARE SECTOR A TIGHTLY KNIT TEAM

- Permits early diagnosis with the help of hospital specialists
- Initiates advanced treatment as soon as possible
- Delivers patients to the most suitable care provider
- Saves time by taking the patient through a pre-determined clinical pathway - Fast tracks for acute cases
- Prepares accident and emergency, and saves time

Prehospital

Ortivus MobiMed provides solutions for the linking of the clinical pathway with the clinical expertise in the hospital. This is an efficient way to give the patient access to the full scope of clinical expertise from the moment they first come in contact with the healthcare service, i.e. when the ambulance team reaches the patient.

Decision making support

Through the use of IT based solutions and wireless communication, patient information and observation data can be continuously transferred from the ambulance to the specialists in the relevant care unit. This provides decision-making support for immediate treatment, earlier diagnosis and the opportunity to prepare the patient for the next care provider.

Early treatment unit decisions

Quick action is often decisive for the acute patient.

The hospital's specialists are in contact with

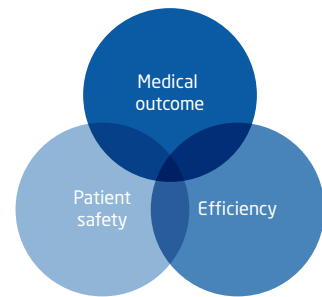
the ambulance, which makes it possible to direct the patient to the correct care unit. Research in Great Britain shows that Accident and Emergency is the correct place for only 50 per cent of patients who arrive there. It is fatiguing for the patient to arrive at Accident and Emergency needlessly and it leads to widespread waste of resources.

The logbook

Ortivus monitoring and automatic documentation of the patient right from the start of the ambulance journey ensures reliable documentation through the clinical pathway. This is an increasingly common requirement from patients as well as national regulators.

In this way Ortivus MobiMed solutions are able to improve medical outcomes, increase patient safety and provide increased efficiency throughout the clinical pathway.

It is becoming more and more common that recommended care measures are strengthened by means of documentation. This is gradually becoming more controlled by laws and regulations.



IMPROVED MEDICAL OUTCOMES

- Securing adherence to guidelines and protocols
- Bringing the hospital resources out to the patient
- Shortening time to correct diagnosis
- Improved integration in the healthcare chain

PATIENT SAFETY

- Improved observance of legal requirements
- Securing adherence to legal requirements
- Accurate documentation following the patient
- Implementing Decision Support/Best Practice/Guidelines
- Access to right clinical knowhow and information in time

INCREASED EFFICIENCY

- Clinical Pathways and Fast Tracks
- Pre-hospital triaging and early decision making
- Patient handled at the right care level

...increases efficiency and improves health care outcomes

North America

Ortivus' activities in North America i.e. the United States and Canada are concentrated to two areas of the market for Emergency Services, the ambulance service, i.e. Emergency Medical Services (EMS) and Police & Fire.

Sales are completely dominated by the ambulance side and products such as Billing, ePCR and CAD/AVL.

Read more at www.ortivusna.com

Increased efficiency requirements, as those seen in Europe, place ever higher demands for collaboration between various ambulance organisations, but also with other "blue light" institutions, such as the police. This, along with requirements for coordination at the federal/regional and national levels, means

that solutions that support reporting and documentation between institutions are having an even greater impact. Ortivus, with over two decades of experience, is well positioned for the future.

Ambulance healthcare is a market characterised by a large number of small ambulance companies in private or public ownership. They are commissioned by hospitals or, more often, insurance companies. Both types of companies often purchase invoicing services. The police and fire services are motivated by the need to reduce costs and are looking for increased efficiency.

Ortivus North America, with its large customer base, experience and range of products and services is well equipped to face 2009. www.ortivusna.com

LETTER TO OBAMA

On January 14, 2009 representatives of the National EMS Management Association in the USA wrote a well-scripted letter to President Barack Obama and the Health Secretary. Some extracts from the letter;



Introducing prehospital diagnosis of life-threatening heart attacks reduces door-to-balloon time for PCI, which results in significant reductions in death and disability



When the government has instructed Community Paramedics to work collaboratively with nurse practitioners, ambulance transports to emergency rooms have decreased by 40%"

Read more at www.ortivus.com under Knowledge Centre

At the hospital

To meet the challenges surrounding cardiologic surveillance, Ortivus has developed a unique system, CoroNet. Working with the users we have combined our own cardiology expertise with leading edge technology to develop a modern and flexible system suited for modern work methods and needs. The system incorporates both bed units and wireless patient units like central monitoring, workstation and telemetry. There is also a special PCI module that supports the operator in PCI treatment.

Heart attacks

CoroNet also incorporates the Ortivus patented method MIDA. This tracks the oxygen deficit, ischemi, which occurs in the heart in connection with myocardial infarction or angina. MIDA is an internationally recognised and scientifically well-documented method that is in currently used in hundreds of hospitals in different countries.

Ergonomic and user friendly products are a must within healthcare. Mistakes or ill-founded decisions can have serious consequences. Coronet takes this into account and has been designed to make the care providers' daily work easier and to support them in making rapid, well-founded decisions, for example in the case of severe chest pain.

Out of bed

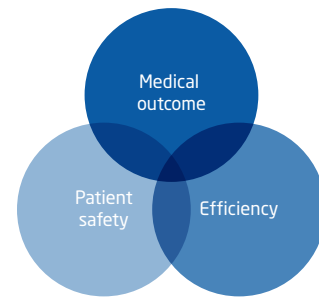
The demand for mobility is constantly increasing. This includes allowing the patient more movement and flexibility and making relevant information better available. CoroNet is a so called telemetric system, where data is regis-

tered and transferred to central monitoring via a wireless measurement device that allows the patient free movement in the ward. The data transfer is of the highest quality, completely without interruption or negative effect on the measurement data. This world-exclusive solution is based on Bluetooth technology developed by Ortivus.

CoroNet even allows the patient to be transferred between wards without breaking the information flow. Coronet can also be integrated into the hospital's other information systems, thus increasing access to the relevant information. CoroNet can also be hooked up with Mobi-Med, thus ensuring an unbroken information chain right from the initial patient contact, such as in the home. Overall, CoroNet contributes to increased patient safety, more efficient use of resources and improved medical outcomes.

Better care with the Heart Journal

In order to support the processes on the cardiology ward, Ortivus works with Excense to create the "Heart Journal" (Hjärtjournalen). It provides operational and production support for the daily work on the ward. The Heart Journal stands as a layer between the hospital's central records system and the user. The Heart Journal helps with adherence to established protocols and guidelines, facilitates an exchange of information between other specialisations, and aids both internal and external reporting to, for example, Riks-HIA (The Register of Information and Knowledge about Swedish Heart Intensive care Admissions). The result is increased patient safety, more efficient use of resources and improved medical outcomes.



IMPROVED MEDICAL OUTCOME

- Full diagnostic quality also in Telemetry mode
- Advanced arrhythmia analysis
- Unlimited storage capabilities for advanced analysis

PATIENT SAFETY

- Based on Bluetooth technology for robust and secure wireless data collection
- Seamless data recording regardless of patients status bedside or telemetry
- Patient localisation in Telemetry mode

INCREASED EFFICIENCY

- Bedside and Telemetry seamlessly combined in one system
- Extreme flexibility
- Adapting treatment to patient, not the other way around

Product portfolio that saves lives

MobiMed

MobiMed is the most complete eHealth solution for prehospital healthcare on the market. MobiMed supports clinical and operational work, connects clinical pathways and contributes to quality assurance process development, operational follow-up and development.

MobiMed joins up prehospital and in-hospital activities and enables organisations to work together as a team.

MobiMed is a powerful platform for the construction of dedicated prehospital clinical pathways e.g. for severe chest pain and strokes.

MobiMed is the best IT for management of the introduction of work practices such as pre-hospital triage, treat & leave and treat & refer.

MobiMed is modular, flexible, scalable, configurable and integrateable.

MobiMed offers benefits to all stakeholders with improved medical outcomes, increased patient safety and efficiency.

MobiMed includes components for:

- Decision support (telemedicine, real time data sharing, checklists, guidelines, "chat" etc.)
- Monitoring of vital signs
- Documentation
- Communication
- Integration with other systems both in vehicle and at system level
- Statistics, Audit & follow-up (Operational and Clinical).

MobiMed as a service

Ortivus also provides MobiMed as a service. This model allows the customer to:

- Avoid infrastructure investment
- Easily expand the number of functions in a given installation
- Ensure high quality of service
- Always have access to the latest versions

Software Assurance

As a complement to the traditional licensed sale, Ortivus provides its customers with Software Assurance. The customer automatically has access to all new versions and functions on a subscription basis. This is an appealing way to upgrade operationally critical solutions, making it an integrated part of the operation. The establishment of a relationship via Software Assurance is a mutual undertaking, built on trust and a common vision of the future.

CoroNet

CoroNet erases the boundary between traditional bedside monitoring and telemetry. A patient can leave the hospital bed and walk around in the ward freely without loss of reliability and quality of monitored data. Its unique Bluetooth® based wireless concept meets the need for greater flexibility in modern cardiac care.

CoroNet also erases the boundaries between different monitoring sessions throughout the clinical pathway. One single database can be kept from the start of monitoring in the ambulance (MobiMed), through initial evaluation on arrival at the hospital, through any possible

PCI procedure, to monitoring on the ward and subsequent rehabilitation.

CoroNet - main benefits

- Specially developed to meet the needs of modern, sophisticated cardiac care
- Flexibility for the patient and the care provider
- No border between bedside monitoring and telemetry
- Unique proprietary telemetry solution; robust and reliable with high performance

The heart journal

The Heart Journal (Hjärtjournalen) in conjunction with Excense is an IT-solution that supports the daily work on the cardiology ward while ensuring quality and adherence to established routines and protocols. It facilitates information exchange between the various departments and disciplines involved in the care process and functions as the cardiology ward production system.

The Heart Journal system provides the cardiology department with:

- Homogeneous patient documentation and simplified reporting system
- Improved compliance with established treatment plans and protocols
- An increased understanding of the treatment applied to a particular individual
- Greatly increased possibility of monitoring and operational development
- Automatic generation of information for the Quality Register (kvalitetsregister)



MobiMed



PRODUCTS

EDS-H

EDS-H is an integrated part of the Heart Journal but is also a stand-alone product. It can be used with a record system to continuously monitor the occurrence of pre-defined combinations of data. When a given condition is observed a message is automatically generated which can be displayed or simply stored for subsequent analysis.

Other products

Emergency Medical Services and Public Safety (Ortivus North America).

Sweet-CAD and AVeL-CAD

Sweet-CAD is a call-taking and dispatching solution. It is a CAD system (Computer Aided Dispatching) specially designed for the demanding requirements of the EMS (Emergency Medical Service) sector. The solution manages both emergencies and planned transport, being optimised to reduce response times. For Public Safety services Ortivus provides an equivalent solution AVeL-CAD adapted to the specific needs of this user group.

Selected features:

- Hot-key functionality; "drag & drop" dispatching, alerts for time critical response etc.
- Map-centric; real time tracking of vehicles, automatic "geo-coding", display of landmarks, resources etc.
- Provides a number of interfaces to other systems

Sweet-AVL and AVeL-Base

Sweet-AVL is an AVL (Automatic Vehicle Location) solution which allows EMS operators to follow their fleet on a digital map using GPS information from the vehicles. AVeL-Base is an equivalent solution for Public Safety.

MobiCAD for EMS och AVeL-MobiCAD

MobiCAD is the mobile equivalent of Sweet-CAD and AVeL-CAD. The application communicates with these systems and is run by a mobile unit in the vehicle. The product offers such functions as:

- text messaging
- real time AVL
- status updating
- interface to GPS equipment

Fusion ePCR

Fusion ePCR is a new software product for the management of documentation needs of the ambulance service. It has above all been designed to be flexible, reliable and user-friendly. It features:

- Touch screen navigation
- Photo and document attachment capability
- Configurable Layout
- Built-in decision support
- Customizable documents
- Encrypted patient database
- Compatibility with Sweet-Billing

Sweet-Billing

The EMS billing software program Sweet-Billing is the industry leader in the United States. It is used by more than 2,600 operators and contains all the functions required for efficient.

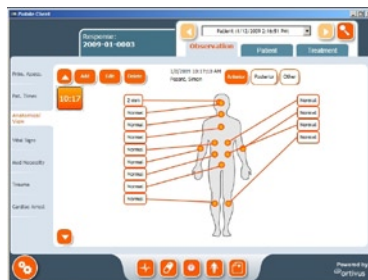
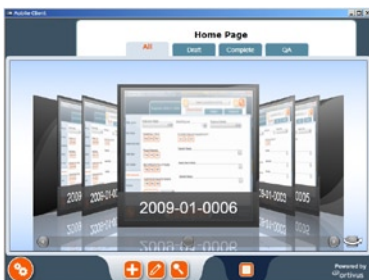
management of invoices to, for example, Medicare and Medicaid.

Sweet-Billing allows for production of electronic or printed invoices. There is also a comprehensive library of reports that can be generated automatically using a built-in "Scheduler". The solution meets the rigorous requirements for integrity surrounding dispatch and patient data.

Sweet-Online Billing service allows for customer access to Sweet-Billing on the Internet .

Read more about MobiMed, CoroNet and our other products on www.ortivus.com

- ➔
- Sweet-Billing
 - Sweet-CAD
 - Sweet-Field Data
 - Sweet-Online Billing
 - AVeL-CAD
 - AVL
 - MobiCAD
 - Excense Heart Record System
 - Excense Decision Support Healthcare



Working with brains and hearts

Ortivus operates in an international healthcare market where medical outcomes, patient safety and cost-effectiveness are fundamental requirements.

For 24 years, Ortivus has combined expert know-how in wireless, IT and medical technology with clinical expertise to build up confidence among a wide circle of international customers.

Our workforce is highly qualified, with strong experience and a customer centred approach.

Ortivus is an international corporation: 64 per cent of the workforce is based in the United States and Canada, 33 per cent in Scandinavia and 3 per cent in other European countries.

40 per cent of the employees are women, 60 per cent are men.

International business requires increasing emphasis on workforce expertise, especially in sales and marketing in different cultures. It is vital for Ortivus to be an attractive employer. Success is reflected in the ability to recruit and retain the personnel needed to realise the goals of the company. Ortivus encourages its workforce to be participative, to take ownership and to seek joint responsibility. Working at Ortivus is about leadership and co-operation.

The day-to-day work at Ortivus is characterised by five key words:

ENCOURAGEMENT Ortivus believes in open, direct, honest communication where everyone encourages everyone else. The individual is highlighted and individual contributions are noticed.

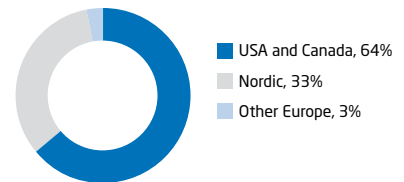
RESPONSIBILITY Each employee takes responsibility for both his/her own work and that of colleagues. If he/she sees possibilities or difficulties then these are communicated.

PARTICIPATION Each employee takes responsibility for both his/her own work and that of colleagues. If he/she sees possibilities or difficulties then these are communicated.

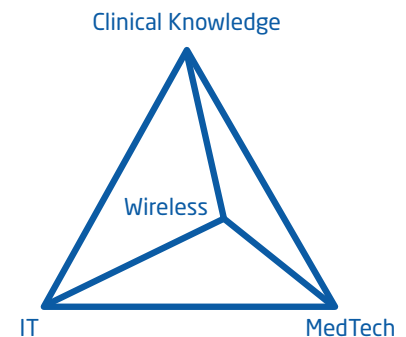
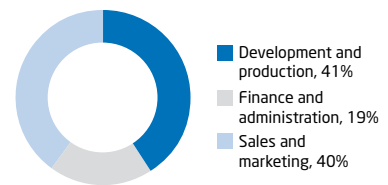
COMMITMENT Cooperation and communication play a decisive role in making the company efficient and successful. Great emphasis is placed on creating team spirit and a culture of "we"..

PROFESSIONALISM The work of Ortivus helps to save lives and to increase quality of life. Taking pride in this creates commitment, and in turn creates a positive workplace.

GEOGRAPHICAL DISTRIBUTION OF STAFF



DISTRIBUTION FUNCTION PER EMPLOYEE



FACTS

Ortivus has a total of approximately 100 employees and the headquarters is located in Stockholm. The company's competence centers is in Sweden and North America. Both sales and product development is located there. A subsidiary with sales and support is located in the United Kingdom. In other key markets in Europe Ortivus is represented by partners.

100

EMPLOYEES IN THE WORLD

Market driven development, better client focus

Work on the structure of the market driven development process is under way. This includes specification of new products in accordance with the internationally accepted RUP (Rational Unified Process) right through from the market analysis phase. Moreover the installation, support and testing functions have been brought together in order to increase client focus and product knowledge within the installation and support functions.

OPEN INTERFACES WITH REGULATORY QUALITY ASSURANCE

There is still a strong focus on improving the integration capabilities of our products as this is one of the main factors in our success. This applies to our products, regulatory considerations and of course the way in which we sell and install our products. We can now offer our customers integration without having to change our basic software.

Our products are always developed in such a way as to conform to medical technology regulations. This is achieved using a risk-based approach, and clear system architecture with standardised interfaces.

STRATEGIES FOR PLATFORMS AND MODULARISATION

The platform initiative is going as planned, bringing more internal efficiency throughout the company and providing customers with a modular product with a secure future. Platforms

mean that synergies in product development and resources can now be exploited between the different Ortivus companies. An example took place in 2008 when staff from Sweden was loaned out to the development centre in Canada, achieving optimum lateral benefit.

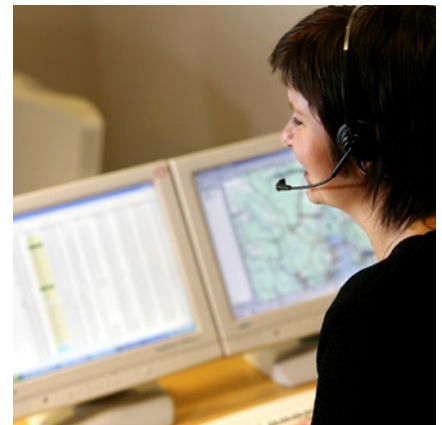
PROJECT MANAGEMENT AND CONTINUITY

Previously initiated improvement work on projects and processes is on-going and will continue to be developed for many years. Further areas of work to give Ortivus the conditions for growth have been identified.

Corner stones in our development strategy:

- Clear, market driven development
- Solutions that provide IT interfaces for customers' existing applications
- Strategy for platforms and modularisation
- Clear project management and continuity

“ There is still a strong focus within Ortivus on improving the integration capabilities of our products, as this is one of the main factors for our success.



10 MIN

In Sweden citizens in urgent need who calls 911 (112) normally receives help from Rescue services and ambulance within 10 minutes.

Source: SKL - Öppna jämförelser 2008.

Internationally recognized quality systems since 1996

Both the clinical and the EPR elements of MobiMed are certified under MDD (Medical Device Directive) IIb and thus already satisfy forthcoming reclassification for documentation and archive systems.

THE EUROPEAN UNION

Ortivus headquarters in Sweden develops and produces medical technology products for heart monitoring and electronic record keeping. The cardiological monitoring products are classified as high risk by the EU medical technology directive, MDD. Ortivus has decided to adopt a complete quality management system certified under ISO 13485:2003 to meet the requirements in Appendix II of the MDD, thereby allowing the products to be marketed. The quality management systems allow Ortivus to be a cutting-edge enterprise and to continually improve our products and processes. In the case of electronic patient records, Ortivus sits on the international technical committees which set the norms in the field.

Ortivus actively monitors forthcoming regulations so as to approach them proactively. Ortivus is currently in a good position to meet future directives and regulations.

NORTH AMERICA

Ortivus has adapted its quality management system to meet the North American directives and legislation CMDCAS (Canada); QSR (USA). The chief focus for the North American companies lies in meeting product requirements and standards, such as NEMSIS.

ENVIRONMENT

Ortivus is environmentally active. The ambition at Ortivus is that as few environmentally harmful materials as possible are used in product manufacture and shipping. Packaging, accessories and future repairs are also reviewed from an environmental perspective.

A product's components must be easily traceable. Ortivus products are assembled from standardised components purchased from sub-contractors. Ortivus has certain proprietary hardware that is manufactured by sub-contractors according to our specifications.

Ortivus does not manufacture any hardware components itself. Environmental considerations are an important criterion in the selection of sub-contractors. Materials, components and production methods are selected by Ortivus in conjunction with the sub-contractor.



Ortivus is environmentally active. The ambition at Ortivus is that as few environmentally harmful materials as possible are used in product manufacture and shipping. Packaging, accessories and future repairs are also reviewed from an environmental perspective.

Corporate Governance

Ortivus AB is a Swedish public limited company, listed on the NASDAQ OMX Stockholm Small cap. Ortivus consists of a European operation with headquarters in Sweden and a subsidiary in England, along with a North American operation and companies in both the USA and Canada. Ortivus is run in accordance with Swedish law and those rules and regulations issued by relevant organisations such as the Swedish Corporate Governance Board (kollegiet för svensk bolagsstyrning), NASDAQ OMX, and the Swedish Securities Council (Aktiemarknadsnämnden).

Since July 1st 2008 Ortivus has been covered by the Swedish Code of Corporate Governance, which it follows. There are some important exceptions laid out in the section below entitled "Deviations from the Swedish Code of Corporate Governance". The Board of Ortivus has adapted the application of the Swedish Code of Corporate Governance to the relatively small size of the company.

This description was compiled in accordance with the Swedish Code of Corporate Governance and does not form part of the official Annual Report.

AGM

The influence of the shareholders over Ortivus is exercised at the AGM which is the company's highest decision-making body.

The 2008 AGM took place on 5th May 2008 at Spårvägshallarna in Stockholm. The date for the AGM was announced in the same way as in previous years, together with the third quarter report. Present at the AGM were: registered shareholders, all board members elected by the meeting, the CEO and the company auditor. In addition to the AGM decision to approve the Company and Group profit and loss statement and balance sheet, the AGM decided that no dividend would be distributed for 2007, voted to discharge the members of the board and the CEO from liability, voted in the board members and auditor, approved remuneration for the board and the auditor, and approved remuneration guidelines for senior decision-makers.

An EGM took place on the company premises on the 27th June 2008, where a warrant scheme for senior executives was approved.

Minutes of the meetings are available on the company homepage.

Election and remuneration of board and auditors

The composition and duties of the Nomination Committee is decided by the AGM and consists primarily of preparing the election of the board and the auditors at the AGM. The Nomination Committee shall also make proposals to the meeting regarding the remuneration of the Board and the auditors.

The Nomination Committee for the 2008 AGM consisted of Sture Hedlund, who was appointed chairman of the Nomination Committee, as well as Akbar Seddigh, Peter Edwall, Caroline af Ugglas, Ragnhild Wiborg, Laurent Leksell and Johan Ågren. At the 2008 AGM, Larry Leksell, Anna Söderblom, Crister Stjernfelt, Peter Edwall and Annemarie Gardshol were elected as new board members. Jon Risfelt was elected as Chairman. All the board members except Peter Edwall and Larry Leksell are independent in relation to the company and its management and major shareholders.

The mandate for the current auditors KPMG with Helene Willberg as chief auditor extends to 2011.

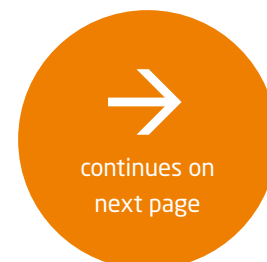
The 2008 AGM decided, in accordance with the proposal of the Nomination Committee, that remuneration for the board should be 1,550,000 SEK of which 750,000 SEK is awarded to the Chairman (400,000 SEK of this amount comprises extra compensation in regard to support in the on-going changes to the company) and 160,000 SEK is awarded to each of the board members elected by the AGM. The

meeting accepted the proposal that the auditors should receive reasonable remuneration based on invoicing for actual time spent on relevant activities.

The Nomination Committee for the 2009 AGM was formed in autumn 2008 according to guidelines laid down by the meeting and will comprise Ragnhild Wiborg, (Concepio) as chairman, Peter Edwall (Ponderus Invest AB and board member), Jan Lundström (Bliwa), Caroline af Ugglas (Skandia Liv) and Jon Risfelt (Chairman of the Board).

The work of the board

The board will manage the affairs of the company in the best interests of the company and the shareholders. In accordance with the Swedish Code of Corporate Governance, the duties of the board shall include the establishment of goals and strategies for the company, the appointment, evaluation and where necessary dismissal of the CEO. They shall also ensure that there are effective systems in place for the monitoring and control of the activities of the company, that adequate controls are in place to ensure that the company abides by the law and by other applicable rules and regulations and that information is transmitted in an open manner and that it is correct, relevant and reliable. The CEO shall participate at every meeting and report on the business situation, the outlook, the financial situation and events of particular importance. Before the end of the year he will present his budget and business plan for the coming year. The CFO also participates at the board meetings and acts as the board's secretary and coordinator. If considered necessary,



other company executives shall report to meetings, so that most or all of the chief decision-makers shall report to the meeting at some point in the year. At least once a year, in camera, the board members elected by the AGM shall evaluate the CEO and the work of the company management, and once every year they shall review the audit with the auditors without the CEO being present.

The guidelines for the work of the board are set out in the Rules of Procedure, which regulates the division of responsibilities between the board, the chairman and the CEO and what matters shall be dealt with by the Ordinary Board Meeting. The rules of procedure for the board are set yearly and adjusted as required. At the inaugural board meeting decisions are made about committee work and rights of signatory. At a board meeting, which shall precede the AGM, the annual audit, proposed distribution of profit, and the time, place and questions for the AGM are decided on. The work practices and routines of the board are discussed at least once a year. When circumstances are deemed necessary, the board shall handle the dismissal and appointment of the CEO and Deputy CEO, decisions on the compensation of the CEO, important decisions regarding organisation and changes to it, acquisition or disposal of companies or the like, loans or guarantees against loans or rents or similar, approval of increased risk levels, for example with fixed price undertakings, possible disputes which carry a danger of negatively affecting the profit or the reputation of the company, large scale investments or of an unusual or non-operating nature, dealings with financial instruments, introduction of options or other incentive schemes, and guidelines for company pay structures. Board members may not deal with matters concerning agreements between a board member and the company, agreements between the company and a third party or a legal entity represented by a board member, if the board member has an interest which might seriously conflict with the interests of the company.

During 2008 there were a number of major actions such as the disposal of the German subsidiary MEDOS, recruitment and appointment of a CEO, implementation of future strategy for the Group, loans/credits both from major shareholders and from the company bank, change of management in subsidiaries and the implementation

of Stock Exchange Rules. This year Ortivus followed a set management plan, which ensured that important matters were dealt with.

In the autumn of 2008 the board conducted an evaluation of its own work followed up by a discussion at a board meeting. During the year the board conducted 18 minuted meetings, including one whole day meeting focussing on the future strategy and business model of the group. With only a few exceptions all the board members attended all the meetings. The board members have also actively supported the management in various matters at the initiative of the board and taken part in visits to customers, and their work can be described as very active with considerable interaction between the board and management on important issues.

Remuneration Committee

The Remuneration Committee is a committee of the board with a primarily advisory role concerning remuneration matters within the company. This year the committee consisted of the Chairman Jon Risfelt and Peter Edwall. The committee conducted 4 minuted meetings in addition to several informal meetings.

The task of the Remuneration Committee, as directed by the board, is to prepare and present to the board questions connected to the principles, forms and conditions regarding remuneration for the CEO, major decision makers and where applicable other people entitled to remuneration from Ortivus.

Important matters dealt with this year were recruitment and conditions of employment for the CEO, the warrant scheme and changes in the leadership of subsidiaries.

The Chairman of the Board

The duties of the Chairman of the Board include ensuring that the work of the board is carried out in conformity with the rules laid down in the Articles of Association, the Companies Act (aktiebolagslagen), and the Rules of Procedure for the Board, organising and leading the work of the board, creating the best possible conditions for that work.

The duties also include ensuring that the board members are summoned to meetings and receive a draft agenda and other materials and on an on-going basis receive the information necessary in order to follow the situation and development of Ortivus. The chairman is

also the spokesperson for Ortivus in ownership questions and is responsible for ensuring that the key information for changes in the strategy or organisation of the company is prepared and produced in an appropriate manner. In addition to these duties the Chairman, in consultation with the Remuneration Committee, approves the appointment, dismissal and remuneration of those senior executives in the company who report directly to the CEO, authorises the CEO's expenses, deals with other "grandfatherly" matters and acts as a sounding board and support for the CEO. After consultation with the CEO, the Chairman sets out suggestions for the agenda for the board meeting, checks that the board's decisions are carried out effectively, ensures that the work of the board is evaluated each year and that the Nominating Committee is informed of the results of the evaluation.

This year the Chairman visited subsidiaries (two visits to Canada, one to the USA, one to England and one to Germany), regularly took part in internal company meetings, reviewed the business situation with the CEO, made several visits to customers, met the main shareholders and regularly met the company auditor for updating and reconciliation.

CEO and deputy CEO

Each year the board lays down instructions for the CEO which make clear questions of responsibility for the on-going management and administration. The CEO shall thereafter follow the guidelines communicated by the Board. The CEO shall work to ensure that the company is run on sound principles, that the finances of the company are carried out in a safe and secure fashion, that the long-term future of the company is safeguarded, that the company has the necessary expertise, and that the company operates in compliance with the law, statutes and regulations stipulated by the authorities and in accordance with the Articles of Association. The CEO shall also see that the company accounts are kept in accordance with the law.

This year Bengt-Arne Sjöqvist was acting CEO until 1st September 2008 when Jan B Andersson was appointed CEO and Bengt-Arne Sjöqvist vice CEO.

Internal controls and risk management

The board is responsible for internal controls under the Companies Act (svenska aktie-



bolagslagen) and the Swedish Code of Corporate Governance (svensk kod för bolagsstyrning) This description is primarily related to internal controls over financial reporting but also touches the more product-based and clinical activities where these are core areas for Ortivus.

Quality management

Each year the board of Ortivus AB sets out rules of procedure for its own activities and instructions for the CEO. Policies for important issues, such as financial, quality and information matters are revised and set out throughout the year as and when needed.

The CEO and Group leadership of Ortivus have full operational responsibility for internal controls. The management has, based on the board's guidelines and laws and regulations governing financial reporting, a set division of roles and responsibilities for those group employees working with financial reporting. The company is divided into units whose respective heads are responsible for ensuring that goals and budgets are met.

Ortivus' policies, guidelines, manuals and other guide documents are available to employees mainly via the company management network. Management is responsible for ensuring that employees throughout the group are aware of current policies and guidelines. Ortivus is a small company and management of these questions is therefore mainly carried out as part of the daily responsibilities of leadership.

Ortivus operations in Europe are focussed on clinical solutions, so quality management with a focus on patient safety is an especially important area. Ortivus quality management system is certified according to ISO 13485:2003 and complies to annex II of MDD (Medical Device Directive). Ortivus products Mobimed and Coronet are CE marked in accordance with MDD (class IIb, directive93/42/EEG). The quality control system is characterised by a process-orientated approach.

Risk assessment

The aim of risk assessment at Ortivus is to ensure the profit development and financial standing of the Group. The board and management are constantly involved in evaluating risks. Given the relatively small size of the company this work is an on-going part of the work of

management and is built in to the structure of board meetings and discussions but every year the board works through important areas of the business such as development plans, quality management systems, major investments, insurance, pensions etc.

Ortivus works closely with its auditors to identify any increased risks in the group accounts at an early stage.

Control activities

Ortivus does not have separate internal control functions. Control activities are delegated by various decision makers as part of their on-going work. The quality management systems undergo regular external checks in accordance with current regulations (ISO and CE marking for European operations).

Information and communication

Information about key management documents such as Group policies, handbooks and guidelines is gathered at the company head quarters and co-ordinated by the CFO. Important guidelines, manuals and the like are constantly updated and communicated to the relevant people. Ortivus continually furnishes the market with information about the financial situation and development of the group via for example quarterly reports, press releases and our website (www.ortivus.com).

The North American subsidiaries follow the Group main policies and principles, adapting them for local employees and customers in the USA and Canada - primarily via www.ortivusna.com

Monitoring

Monitoring takes place continually via management reports to the board. Given the relatively small size of the company, monitoring is primarily carried out as part of the normal on-going management functions.

In view of the size of Ortivus the board can not justify the existence of a separate internal audit function. The internal controls laid out above are considered sufficient for ensuring the quality of financial reporting in Ortivus.

Deviations from the Swedish Code of Corporate Governance

The company adheres to all the major aspects of the Swedish Code of Corporate Governance and in 2008 we have devoted significant amounts of time and energy to developing projects to ensure this adherence. There are some exceptions of which the key ones are:

- 1) In view of the size of the company the board deems it appropriate that no separate audit committee be formed. This year such matters as financial policy, internal controls, and corporate governance have been dealt with at board level.
- 2) The Swedish Code of Corporate Governance stipulates that half yearly and third quarter reports should undergo a general review by the company auditor. This did not take place with the company auditors in 2008 stemming from the argument relating to the relatively small size and the current financial situation.
- 3) The code also stipulates that in companies which do not have a separate internal audit function, the board shall each year assess whether the need for such a function exists. The Ortivus board examined this question and found that given the relatively small size of the company there is no reason to create a separate internal audit function.
- 4) Only a limited number of the board members attended the EGM in the summer of 2008. This was considered to be appropriate given the composition and aim of the meeting. In the normal way the code regarding the participation of board members at the meeting is adhered to.

Stockholm, 8th April, 2009

Ortivus AB (556259-1205)

The Board

This corporate governance report has not been subject to review by the company auditors.

Board and Auditor



LAURENT LEKSELL

Born: 1952. Appointed 2005

Education: B.Sc and Ph.D Economics, Stockholm School of Economics.

Other positions: Board member at Elekta AB (publ), Karobio AB (publ), American Chamber of Commerce and Kungliga Konsthögskolan. Board chairman at Stockholms Stadsmision.

Stockholding (through companies and private): 571,514 series A shares and 171,000 series B shares.

Number of Board meetings 2008: 15

ANNA SÖDERBLOM

Born: 1963. Appointed 2006

Post graduate, Stockholm School of Economics.

Education: Matematician, University of Lund; BA University of Stockholm.

Other positions: : Board member at Bong Ljungdahl AB (publ), Avega AB (publ), Readsoft AB (publ) and IQube AB.

Stockholding: 4,000 series B shares.

Number of Board meetings 2008: 18 Independent in relation to the Company and the main shareholders.

PETER EDWALL

Born: 1955. Appointed 2008

Education: BA, Gothenburg University School of Business, Economics & Law.

Other positions: Board member at Oryx Simulations AB, Satpoint AB, Hälsopoolen and Wallstreet AB.

Stockholding (through companies and private): Principal owner of Ponderus Invest which holds 54,500 series A shares and 2,429,502 series B shares.

Number of Board meetings 2008: 16

ANNEMARIE GARDSHOL

Born: 1967. Appointed 2008

SVP R&D Gambro AB
Education: M.Sc. Engineering, Chalmers University of Technology and Imperial College of Science, London.

Other positions: Board member at Swecare

Stockholding: 0
Number of Board meetings 2008: 11 Independent in relation to the Company and the main shareholders.

CRISTER STJERNFELT

Born: 1943. Appointed 2008

Executive Director Logica
Education: University studies in business and economics.

Other positions: Styrelseledamot i Logica plc

Stockholding: 0
Number of Board meetings 2008: 10 Independent in relation to the Company and the main shareholders.

JON RISFELT

Board chairman

Born: 1961. Appointed 2007

Education: M.Sc. Chemical Engineering, Royal Institute of Technology

Other positions: Board member at TeliaSonera AB (publ), Ångpanneföreningen AB (publ), Bilia AB (publ) and Enea AB (publ).

Stockholding: 10,000 series B shares
Number of Board meetings 2008: 18 Independent in relation to the Company and the main shareholders.

Shareholding above on March 31, 2009.

Auditors

AUDITOR

Helene Willberg

Born: 1967. State authorized auditor, CEO KPMG Auditor for Ortivus since 2004.

DEPUTY AUDITOR

Gabriel Ingemarson

Born: 1973. State authorized auditor, KPMG. Deputy Auditor for Ortivus since 2008.

MANAGEMENT



PER SLETMO

Development and Production director Ortivus AB

Born: 1966

Employed : 2005

Education: Engineering degree, Royal Institute of Technology, Stockholm

Experience: Many years of experience, with an emphasis on medical technology. Previous employers include ABB, Sigma, Siemens-Elcoma, Microsoft and Getinge Maquet Critical Care, where he held leading positions within development, quality, IT and process management.

Stockholding: 2,250 series B.

Subscription option: 75,000

JAN B. ANDERSSON

CEO Ortivus AB

Born: 1952

Employed : 2008

Education: Master of Engineering Physics and Electrical Engineering, University of Linköping, Sweden, 1977.

Experience: More than 20 years of executive experience in the world's leading medical and IT companies with international distribution. Based in the U.S. and Sweden.

Stockholding: 33,000 series B.

Subscription option: 200,000

HÅKAN CRANNING

CFO Ortivus AB

Born: 1967

Employed : 2006

Education: B.Sc. Business and Economics, University of Karlstad.

Experience: Background as an auditor at Deloitte and BDO, experience from many sectors mainly in IT and as Group accounting manager.

Stockholding: 0

Subscription option: 75,000

JOHAN FOLKUNGER

Marketing and Sales director Ortivus AB

Born: 1968

Employed : 2005

Education: B.Sc. Business and Economics, University of Uppsala

Experience: Many years of experience from international sales within telecom and high tech/IT companies. Previous employers include Net Insight and Telia.

Stockholding: 0

Subscription option: 75,000

BENGT-ARNE SJÖQVIST

Executive CEO, Business Development Director, Ortivus AB

Born: 1952

Employed : 1994

Education: Ph.D Medical Technology. Adjunct professor in Care Informatics at Chalmers University of technology.

Experience: More than 30 years' experience of research and development within medical technology and telemedicine. Formerly engaged in innovation and entrepreneurial businesses. Commissioned medical technology and IT for clients including NUTEK, KK-stiftelsen and Vinnova.

Stockholding: 13,586 series B.

Subscription option: 75,000

SHARE AND SHAREHOLDERS

The capital stock of Ortivus was MSEK 103.5 MSEK as per December 31, 2008.

In total there are 20.7 million shares, split into 1,1 million A shares and 19.6 million B shares.

One A share counts as ten votes, and one B share counts as one vote. All shares have the same right to share of the company's assets and profits.

During 2008 a total of 2.0 (7.5) million B shares were traded, a change of -73 percent. On average, 7,896 (32,000) shares were traded per trading day. The share price for the B share decreased by -40 percent (-73). The market capitalization at year-end totaled MSEK 64.8 (107.6) MSEK, a decrease with -40 percent (-73).

DIVIDEND

The Board proposes that no dividend should be paid for the 2008 fiscal year.

OWNERSHIP STRUCTURE

The number of shareholders amounted to 1,914 (1,899). Ortivus 10 largest shareholders representing together of 68.4 (68.3) percent of the capital and 72.8 (72.7) percent of the votes. The number of legal entities that own shares in Ortivus decreased to 199 (211), which together own 81.9 (80.8) percent of the shares and 82.3 (81.5) percent of the votes.

Foreign ownership including foreign managers accounted for 24.4 (18.3) percent of the capital and 36.6 (22.0) percent of the votes. Largest individual shareholder in terms of voting in Ortivus is Bonit Invest SA controlled by Laurent Leksell, which is a board member of the Group's parent company. Other major shareholders are Ponderus Invest controlled by Peter Edwall, member of the company's board and Equity Consepio, Investors Bank and Trust Co., Oppenheimer Lending Account, Banco, Skandia Liv and Bliwa.

The Ortivus share

Listed on the OMX Nordic Exchange

Ticker	ORTI	
Trading lot	500	
Market capitalization	64,805 MSEK	
Dec 31 2008	64,805 MSEK	
	B shares	A shares
Highest price 2008	7.35	15.00
Lowest price 2008	2.70	3.21
At close 2008	3.10	3.65

Capital stock development	Share capital	No of shares
Share capital Dec 31, 1992	15,198,690	1,519,869
New issues 1993	2,500,000	250,000
New issues 1993	11,801,310	1,180,131
New issues 1994	1,500,000	150,000
New issues 1995	15,500,000	1,550,000
New issues 1996	4,650,000	465,000
New issues 1996	4,650,000	465,000
Split 1998 0	0	5,580,000
New issues 2000	9,497,250	1,899,450
New issues 2001	3,364,420	672,884
New issues 2002	365,625	73,125
New issues 2006	34,513,645	6,902,729
Total no of shares	103,540,940	20,708,188

SHARE AND SHAREHOLDERS

ORTIVUS SHAREHOLDERS DECEMBER 31, 2008

Name	A shares	B shares	Votes	Share of votes, %	Share of capital, %
Bonit Invest Sa Barbara Brisé	571,514	150,000	5,865,140	19.1	3.5
Consepio	168,000	2,922,250	4,602,250	15.0	14.9
Ponderus Invest AB	54,500	2,214,380	2,759,380	9.0	11.0
Investors Bank And Trust Co.	114,300	859,965	2,002,965	6.5	4.7
Oppenheimer Lending Account	0	1,917,750	1,917,750	6.3	9.3
Banco Teknik & Innovation	0	1,595,100	1,595,100	5.2	7.7
Livförsäkrings AB Skandia (Publ)	0	1,086,000	1,086,000	3.5	5.2
Bliwa Livförsäkring	0	939,987	939,987	3.1	4.5
Banco Småbolagsfond	0	900,000	900,000	2.9	4.4
Länsförsäkringar Småbolagsfond	0	681,200	681,200	2.2	3.3
Seddigh, Akbar	58,325	0	583,250	1.9	0.3
Sjögren, Bo	43,000	35,100	465,100	1.5	0.4
Hedlund, Sture	45,000	0	450,000	1.5	0.2
Pettersson, Rune	0	425,000	425,000	1.4	2.1
Cbny-Charles Schwab Fbo Customer	0	243,500	243,500	0.8	1.2
Robur Försäkring	999	208,000	217,990	0.7	1.0
Petersson, Lars-Erik	7,250	145,069	217,569	0.7	0.7
Goldman Sachs International Ltd, W8imy	0	177,750	177,750	0.6	0.9
Ståhlberg, Jan	0	150,000	150,000	0.5	0.7
Other	45,567	4,948,682	5,404,352	17.6	24.1
Total	1,108,455	19,599,733	30,684,283	100.0	100.0

By country	No of shareholders	No of A shares	No of B shares	No of shares	Share of capital, %	Share of votes, %	Market capital MSEK
Sweden	1,821	421,053	15,230,019	15,651,072	75.6	63.4	48,750
Great Britain	12	738	2,123,585	2,124,323	10.3	6.9	6,586
USA	15	114,300	1,438,143	1,552,443	7.5	8.4	4,875
Belgium	2	571,514	162,020	733,534	3.5	19.2	2,588
Luxemburg	10	300	258,937	259,237	1.3	0.9	804
Switzerland	13	0	178,345	178,345	0.9	0.6	553
Other	41	550	208,684	209,234	0.9	0.6	649
Total	1,914	1,108,455	19,599,733	20,708,188	100	100	64,805

Directors' report

Ortivus Group 2008

THE BOARD AND CEO OF ORTIVUS AB (PUBL) HEREBY SUBMIT ACCOUNTS FOR THE FISCAL YEAR 2008.

The year in brief

- Net sales amounted to 83.1 (101.9) MSEK
- Operating result excluding one-time write-downs and restructuring costs amounted to -31.3 (-25.6) MSEK, and, adjusted for exchange rate factors in North America to -26.6 (-28.4). The operating result including one time events amounted to -41.9 (-50.7) MSEK
- Cash flow amounted to -11.1 (-32.9) MSEK
- Solidity at year-end amounted to 59 % (64 %)
- Earnings per share for continuing operations amounted to -2.11 (-2.90) SEK
- A first order for MobiMed under commercial conditions in Germany in the fourth quarter and a continued strong development in North American operations
- Change of CEO in Ortivus AB and Ortivus Inc.
- Disposal of Medos AG

Significant events after the balance sheet date

- Renegotiation and extension of syndicated loan.
- Ortivus wins a major order from Västra Götaland Region

INFORMATION ON OPERATIONS

Ortivus provides unique solutions by combining expert know-how of wireless technology, IT and medical technology with clinical expertise. The customer base is primarily in the ambulance healthcare sector and the prehospital clinical pathway. Ortivus' solutions ensure that the patient has immediate access to the right medical treatment and expertise throughout the entire healthcare process. This brings both better medical outcomes and improved efficiency throughout the whole healthcare system. Ortivus is also a major player in the USA in the field of administrative support systems for ambulance healthcare

Ortivus, founded in 1985, is listed on the NASDAQ OMX Stockholm Small Cap index. The headquarters is situated in Danderyd, Sweden. Ortivus has approximately 100 employees in Sweden, USA, Canada and Great Britain. More than 2,600 ambulance companies, 1,000 ambulances and 500 healthcare places in Accident and Emergency hospitals are equipped with Ortivus solutions.

MARKET

Ortivus' customer base is made up mainly of publicly and privately financed ambulance services and hospitals in Europe and North America. Ortivus markets its solutions partly through wholly owned subsidiaries in the USA, Canada, and Great Britain, partly through partners in for example Norway, Italy, Spain and Germany.

Ortivus marketing is divided into three geographic segments: North America, Europe (excluding the Nordic Countries) and The Nordic region and other countries.

THE YEAR 2008

RESULT AND SITUATION

TURNOVER

Group net turnover for the year amounted to 83.1 (101.9) MSEK.

The fall in the Nordic region was mainly due to lower sales in the Swedish market, but also a drop of 3,3 MSEK was due to the closing of the Danish subsidiary. In Europe the drop was attributable to England.

In the USA turnover increased by 7% measured in local currency. For North America as a whole turnover fell by 10% due to a lower turnover in the police/ fire service segments and due to a negative currency effect of 1.5 MSEK.

SEK million Net sales 2009	2008 jan-dec	2007 jan-dec	Change %
North America	56.3	62.9	-10.5
Europe (excluding Nordic countries)	8.2	10.4	-21.2
Nordic countries (& Other countries)	18.6	28.7	-35.2
Total	83.1	101.9	-18.4

GROSS PROFIT, COSTS AND OPERATING PROFIT

Group gross profit for the year amounted to 60.6 (76.1) MSEK. Gross margin was largely unchanged, dropping from 75% to 73%.

Group operating costs for the year amounted to -102.4 (-126.9) MSEK. The reduction in operating costs of over 19% was mainly a result of the comprehensive measures put in place.

	2008	2007
Total operating costs	-102.4	-126.9
Write-down of intangible assets	-9.5	-18.7
Severance payment for CEO in North America	-2.2	-
Restructuring costs for operations in Sweden	-	-1.5
Severance payment for previous CEO in Ortivus AB	1.1	-4.9
<i>Total reservations/write-offs</i>	<i>-10.6</i>	<i>-25.1</i>
Operating costs excluding reservations/write-offs	-91.8	-101.8

The group operating profit for the year amounted to -41.9 (-50.7) MSEK. Depreciation and impairment loss on intangible fixed assets amounted to -17.1 (-30.5) MSEK. Operating profit excluding impairments and restructuring reserves - in the table below - amounted to -31.3

(-25.6) MSEK, and in North America after exchange rate adjustment at -26.6 (-28.4) MSEK. Exchange rate effects in the North American companies amounted to -4.7 (2.8) MSEK.

Operating profit for North America, adjusted for one-time write downs and restructuring reserves was positive, with positive cash flow, but was influenced by the exchange rate movement and a dip in sales in individual segments. In North America the dominant segment, ambulances, continued to develop in a positive way. Investment in the minor segments has been delayed. The development of the new system platform is continuing to create a good foundation for continued sales and marketing of the North American products.

Capitalised expenditure over the year amounted to 8.3 (18.3) MSEK, of which capitalisation of development expenditure for CoroNet and MobiMed amounted to 4.4 (12.5) MSEK.

RESULT, NET FINANCIAL INCOME AND TAX

Profit after tax for the year for the continuing operations (excluding the disposed Medos AG) amounted to -43.7 (-60.1) MSEK equivalent to earnings per share before and after dilution of -2.11 (-2.90) SEK. Current tax is attributable to North America. No deficit deductions were capitalised in the Group or the Company.

One element of our program of measures to focus on core areas was the disposal of the German subsidiary Medos AG, active within x-ray imaging. Result after tax on terminated operations amounted to -25.2 MSEK and was attributable to Medos AG. Of the -25.2 MSEK, -2.2 MSEK comprised impairments posted in the second quarter of 2008. In the third quarter of 2008 a purchase price was settled at 2.2 MEUR and the transaction was ended therewith.

CASH FLOW, INVESTMENTS AND LIQUIDITY

On-going activities gave a cash flow for the year of -11.1 (-32.9) MSEK influenced to the extent of -6.0 (-5.1) MSEK by restructuring costs in Germany. In the USA a reserve for the change of CEO had an effect of 2.2 (-) MSEK.

Investments amounted to -0.4 (-23.0) MSEK consisting of the acquisition of intangible fixed assets -8.2 (-18.3) MSEK, tangible fixed assets -4.5 (-5.3) MSEK, disposal of financial assets 6.3 (0.5) MSEK, and the sale of Medos AG for 6.0 MSEK.

Financing activities gave a cash flow for the year of 8.2 (-8.5) MSEK. In 2008 the company took a loan of 25.0 MSEK from some major shareholders and amortized the loan for -17.3 MSEK. 0.5 MSEK in warrants anticipates payments from leading Ortivus AB decision makers, as described below.

Cash flow for the year was -11.1 (-32.9) MSEK. Group cash at year-end stood at 50.5 (57.2) MSEK. Short-term investments amounted to 1.4 (8.2) MSEK.

Group net financial income amounted to -2.0 (-0.4) MSEK and the Group equity ratio amounted to 0.27x (0.13x).

BALANCE SHEET

Group intellectual property rights at year-end amounted to 74.2 (123.2) MSEK, of which goodwill constituted 50.0 (63.9) MSEK and 24.2 MSEK is comprised of capitalised expenditure for MobiMed and CoroNet.

During the year a major development project in North America which lay outside the core business area of the company was wound up, leading to impairments of 9.5 MSEK. The goodwill post was attributable to North America and has been found to be balance approved.

Current Assets at year-end stood at 85.0 (104.0) MSEK. This change is mostly due to reduction in short-term investments and cash. Own capital amounted to 106.5 (163.0) MSEK at year-end. Group interest bearing liabilities at year-end amounted to 28.8 (21.5) MSEK.

RESEARCH AND DEVELOPMENT

R&D expenditure amounted to 41.6 (51.5) MSEK, of which impairments constituted -9.5 (-18.7) MSEK. R&D expenditure excluding impairments, capitalisation of development expenditure and depreciation on capitalised development expenditure and licenses amounted to -30.4 (-35.7). This reduction took place mostly in the parent company for MobiMed and CoroNet.

MSEK Jan-Dec	North America		Europe excl Nordic		Nordic & Other countries		Eliminations		Group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
External sales	56.3	62.9	8.2	10.4	18.6	28.7	0.0	0.0	83.1	101.9
Internal sales	0.0	0.0	0.0	0.0	5.8	1.1	-5.8	-1.1	0.0	0.0
Net sales	56.3	62.9	8.2	10.4	24.4	29.8	-5.8	-1.1	83.1	101.9
Operating profit/loss	-10.3	10.6	-2.9	0.3	-28.7	-58.3	-0.0	-3.3	-41.9	-50.7
Operating profit/loss excluding reservations/write-offs	1.4	10.6	-2.9	0.3	-29.8	-33.2	-0.0	-3.3	-31.3	-25.6

The table above shows Ortivus net sales and operating profit/loss for continued operations (excl earlier subsidiary Medos) for respective geographical region and the Group as a whole.

CHANGE OF CEO

Jan B Andersson, with experience in both medical technology and IT companies was recruited as the new company CEO. Jan B Andersson comes most recently from TietoEnator where he was head of all health-care operations in Scandinavia. He took over on 11th August 2008.

RISK MANAGEMENT

Risk taking is a natural part of all business. Risks can be divided into operational and financial risks.

Operational risks

Operational risks are owned and managed by an operational unit, for example a subsidiary. This unit is responsible for the risk, and is supervised by internal management and/or the Group management. Some risks, such as for example insurable risks are coordinated centrally. The main risk factors are:

- Capability to appoint and retain highly qualified staff
- Developments in technology and the market

Financial risks

Through its operations the Ortivus Group is exposed to different types of financial risk, for example foreign exchange risks, interest risks, financing risks, liquidity risks and counter party risks. The group has an established financial policy which underpins the financial risk management. The risk is managed by the finance function in the parent company, supervised by the board. A more detailed explanation of the management of these risks can be found in note 24.

The risks and uncertainty factors which have been identified as most likely to affect the turnover, profits and cash flow of Ortivus are primarily:

Exports to prioritised markets

In 2007 the strategy for expansion was changed, moving outside the established markets. The chosen markets are targeted together with partners where they exist, in the other markets partners are being sought. Sale and purchase times are relatively long, difficult to assess and complex, which altogether makes the short and mid term business situation difficult to judge.

The financial crisis and global recession

The crisis on the financial markets and the generally depressed global economic situation can affect both Ortivus and our customers both operationally and financially. The effect on our business operations is judged to so far be limited but in the current situation it is difficult to form an overall picture of the situation.

Apart from the above we do not believe any significant new risks have appeared in the last year.

All statements about the future in this Annual Report are based on the company's best judgements at the time of publication of the Report. Such statements as with all judgements about the future, carry risks and uncertainties, which can mean that the actual results are different.

ENVIRONMENTAL INFORMATION

Ortivus' work for the environment is based on the ambition that the production and shipping of its products should be as environmentally friendly as possible. The work for the environment does not only cover our own activities but environmental considerations are an important criterion, for example, in the choice of our sub-contractors. Our parent company Ortivus AB does not carry out any environmentally damaging activities which would bring permit or notification requirements according to The Environmental Code (miljöbalken). The main operations of the group are based on software development so the environmental ramifications are extremely marginal.

PARENT COMPANY

The parent company's net turnover amounted to 24.4 (26.5) MSEK and the income after financial items was -55.5 (-59.2) MSEK. The sales included 5.8 (1.1) MSEK sales to the Group. Internal purchases within the Group amounted to 0.0 (0.1) MSEK. The company made investments in intangible assets related to capitalised expenditure of 4.4 (12.5) MSEK. Impairments of intangible fixed assets were a burden on profits in the previous year to the amount of -18.7 MSEK. The disposal of Medos AG affected investment operations by 20.6 MSEK. Restructuring reserves, including the return of reserves for severance payment to the previous CEO affected the result by 1.1 (-6.4) MSEK. The average number of employees was 27 (37). On the balance sheet date the company had 28.8 (20.7) MSEK in interest bearing liabilities.

WORKFORCE

The average number of employees in the group fell by 38% to 98 (157). Excluding the disposed subsidiary Medos the workforce fell by 12%.

WARRANTS, BONUS PROGRAMME, OTHER EMPLOYEE AND STAFF OPTIONS

The EGM in Ortivus AB decided on June 27, 2008 to approve the proposal made by the board on June 12 to issue 500,000 warrants and that these be made over to the CEO and other senior decision makers within Ortivus AB on basically the following conditions:

- The life of the warrants is from the July 7, 2008 until the June 30, 2011
- Each warrant gives the entitlement to purchase (1) new B-share in Ortivus AB during the period until the June 1, 2011 until the June 30, 2011 at a subscription price which shall be determined as follows. The subscription price shall be equivalent to 145% (i.e. +45%) of the average volume weighted average listed price for the company shares on the Nasdaq OMX Stockholm taken over each trading day over the period June 23, 2008 - July 4, 2008
- With full subscription and exchange of all 500,000 warrants, share capital in the company will increase by 2,500,000 SEK divided by 500,000 B shares equivalent to a dilution effect of approximately 2.36%
- The value of the warrants on transfer from the subsidiary to the relevant decision makers shall be determined by the market, with the application of accepted valuation models for similar warrants

The decision was voted for unanimously at the EGM. The programme became fully subscribed in July 2008.

The Ortivus board decided on August the 20th, 2008 on a share-price linked bonus scheme for all employees in the parent company who were not covered by the warrant issue as voted in at the EGM on June 27, 2008. The aim with this scheme is to increase focus on shareholder value in the on-going change programme at Ortivus and to create further motivation and commitment among the workforce. The bonus scheme depends on the future development of the worth of the company in

relation to the share price and on the employee remaining with the company. The scheme is to run over three years, divided into two periods; July 1, 2008 - June 30, 2010 and July 1, 2010- June 30, 2011. Provided that the employee is still in his post the bonus will be based on the difference in share price between the start and finish of the two respective periods, multiplied by 10,000. The start price for period 1 stood at 8.85 SEK. The finish price for this period is the average price 5 trading days before the end of the period. The start price for period 2 is the same as the finish price for period 1. The bonus has a ceiling of one year's salary for period 1, and half a year's salary for period 2. No bonus will be paid if the share price drops or remains the same. The scheme does not affect the number of shares in the company. With a final price of 18 SEK for period 1 and 24 SEK for period 2 the price of the scheme to the company at time of publishing amounts to approximately 4.2 MSEK. With a price of 5.50 SEK the theoretical cost of the scheme would be 388 000 SEK.

THE BOARD, MANAGEMENT AND OTHER EXPENDITURE

Ortivus AGM 2008 decided that there should be six board members and then the following people were voted onto the board;

Laurent Leksell and Anna Söderblom were re-elected while Peter Edwall, Annemarie Gardshol and Crister Stjernfel were elected as new members. Jon Risfelt was re-elected and appointed chairman.

The work of the board at Ortivus AB is regulated by the Companies Act (aktiebolagslagen) and Rules of Procedure are laid down by the board, which stipulates that the board shall have at least six meetings per year. In 2008 the board held 18 (15) minuted meetings. The work of the board has followed a well-defined plan for the year in which the board highlighted those matters which they judged to warrant viewing at one or more meetings.

The Nomination Committee was appointed in the autumn of 2008 and Ragnhild Wiborg who also represents one of the major shareholders, Consepio, was appointed as chairman. The following representatives of major shareholders are also on the committee: Peter Edwall (Ponderus Invest), Caroline af Ugglas (Skandia Liv) and Jan Lundström (Bliwa). Jon Risfelt, the chairman of Ortivus is also on the Nomination Committee.

In the event that the ownership of the company takes on a different character, under certain circumstances severance pay may be awarded to the CEO.

In the scenario of a major change to the ownership of Ortivus severance pay can be awarded to the deputy CEO if the change affects his working conditions negatively. See also note 5.

Ortivus' Articles of Association contain no rules regarding the appointment or dismissal of board members, or regarding changes to the Articles of Association.

ORTIVUS SHARES

On December 31st 2008 issued equity and outstanding share capital amounted to 103,540,940 SEK, divided into 1,108,455 class A shares and 19,599,733 class B shares. All issued shares are fully paid up and give the same rights to the company's capital. At the AGM the shareholders have the right to vote according to the number of shares they own or represent. A class A share gives 10 votes and a class B share gives 1 vote. There are no limitations in Swedish legislation or in Ortivus' Articles of Association which would limit the possibility to transfer shares in Ortivus AB. The shareholder meeting of May 2008 gave the board the authority to decide on new emissions of up to 2,200,000 class B shares with subscription via contributions. No such new issue has occurred, see also note 30. There is no other authority for the board to issue or buy back shares. Shareholders representing more than ten per cent of votes are Bonit Invest SA and Consepio.

DISTRIBUTION

The board proposes that no dividend be paid on the fiscal year 2008.

EVENTS AFTER BALANCE SHEET DATE

Renegotiation and extension of the company's syndicated loan of 25.0 MSEK.

The Västra Götaland region has, under the heading "Telemedical equipment for ambulance service" awarded Ortivus a blanket contract to equip the region's Ambulance healthcare service with Ortivus MobiMed. In total there are 110 ambulances in the region. The contract will be for five years' duration with the possibility of an extension, and does not only include delivery of hardware and software for Mobimed, but also defibrillators, installation, training and service contracts. Delivery of the system will begin in 2009.

THE BOARD'S PROPOSALS REGARDING GUIDELINES FOR REMUNERATION FOR EXECUTIVE OFFICERS

The board of Ortivus AB (publ) proposes that the annual shareholders' meeting of May 6 2009 should make a decision on the following guidelines for determining the salary and other types of remuneration for the executive officers of Ortivus, to be valid until the annual general meeting of 2010. The proposal for guidelines is unchanged as compared to guidelines 2008, with the exception of the following paragraph "For the financial year 2009, the board proposes a possibility for the group management of drawing an extra bonus associated with restructuring activities in 2009, the aim being to create a financial balance for the group in 2009. This extraordinary bonus may not exceed an amount that is equal to the performance for the normal variable salary for these individuals in 2009." Such extra bonus is not proposed in this year's guideline regarding remuneration to executive officers.

General issues

Ortivus shall have the requisite remuneration levels and employment terms to recruit, motivate and retain a management group that possesses a good level of competence and the capacity to reach the targets that have been set taking into consideration the particular competence of the executive officer. The market shall therefore provide the overall indicator for salaries and other remuneration for executive officers at Ortivus.

Fixed salary

The starting point for remuneration for executive officers is that it is paid as a fixed salary adjusted to market conditions, which shall be determined on an individual basis with the observance of the particular area of competence of the officer, their experience and annual performance.

Variable compensation

In addition to fixed salaries, variable remuneration can be offered where appropriate. The amount of remuneration shall refer to a clearly established target-related performance which is based on simple and transparent structures. In the situations in which variable remuneration for executive officers is updated, remuneration is determined (a) in accordance with the outcome of specific operational targets and (b) with observance of the personal development of the executive officer

concerned. There shall always be a limit to the maximum amount of remuneration, this shall represent a share of the final annual salary of the actual executive officer. At present the target level for variable remuneration is 10-50% of the fixed salary and shall not exceed 50%. The target levels for variable remuneration shall be reviewed on an annual basis. Given the present-day composition and structure of remuneration for the management group, variable remuneration should cost the company no more than about SEK 2.3 (2.8) million (excluding social costs). The board shall continuously evaluate whether a share-related long-term incentive programme should be proposed at the annual general meeting. All types of incentive programmes can be decided by the board when requested.

Retirement benefits

The executive officers' retirement terms shall be, to the greatest extent possible, defined contribution benefit plans, adjusted to general market conditions for equivalent executive officers and individually-adjusted with respect to the special competence of the officer in question.

Non-pecuniary benefits

The non-pecuniary benefits of executive officers (such as car benefits and health insurance) shall be limited in value to the total amount remunerated and shall be adjusted to market conditions with respect to the equivalent conditions on the markets where the company operates.

Dismissal and severance payment

Dismissal and severance payment for the CEO shall not exceed 24 monthly salaries and for other executive officers the total amount of dismissal and severance payment shall not exceed 12 monthly salaries, with exception for the vice CEO for which according to an older employ condition dismissal and severance pay in total shall not exceed 24 months.

The executive officers concerned

The guidelines concern the CEO and other executive officers that are part of the group management.

Exceptions from the guidelines in cases where there are special motivations

The board has the right to make exceptions from the guidelines if there are special motivations for this in particular cases. See also note 5.

OUTLOOK FOR THE GROUP 2009

In 2009 work to ensure long term profitability, including an overview of the structure of the group, will continue. Developments in the market in 2009 are difficult to predict, but the company's strategic plan remains firmly in place. It aims for long term stable profitability and a positive cash flow for the later parts of 2009. Operations in North America are predicted to continue generating good profitability. Investments in volume expansion outside the Nordic region based on Mobimed and Coronet continues to be a focus and is crucial to the company's financial results. Several major business opportunities are being developed, but when and how these can generate actual business is hard to predict in current market conditions. Nevertheless, the company has a positive view of the long term profit potential, investments will therefore constitute continued negative cash flow for the parent company in 2009. Overall the group result will be negative in 2009.

Group Income Statement

January 1 - December 31

Figures in KSEK	Not	2008	2007
Net sales	2, 3	83,113	101,937
Cost of goods sold		-22,541	-25,819
Gross profit		60,572	76,118
Other operating revenues	4	5,919	6,473
Selling expenses		-28,741	-44,658
Administrative expenses		-29,742	-34,511
Research and development costs		-41,574	-51,533
Other operating expenses	4	-8,290	-2,636
Operating profit/loss	3, 5, 6, 7, 25	-41,856	-50,747
Financial income		536	2,058
Financial expenses		-2,513	-2,449
Net financial items	8	-1,977	-391
Pre-tax profit/loss		-43,833	-51,138
Tax	9	94	-9,004
PROFIT/LOSS FOR THE YEAR CONTINUED OPERATIONS		-43,739	-60,142
Profit/loss discontinued operations	29	-25,207	-1,147
PROFIT/LOSS AFTER TAX		-68,946	-61,289
Attributable to:			
Equity holders of the Parent Company		-68,946	-61,289
Loss per share	19		
before dilution (SEK)		-3.33	-2.96
after dilution (SEK)		-2.11	-2.90

COMMENT TO THE INCOME STATEMENT

Write-downs and structural reserves

MSEK Jan-Dec	North America		Europe excl. Nordic		Nordic & Other countries		Eliminations		Group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Operating Expenses Total									-102.4	-126.9
Write-downs intangible assets	-9.5	-	-	-	-	-18.7	-	-	-9.5	-18.7
Severance pay to CEO in North America	-2.2	-	-	-	-	-	-	-	-2.2	-
Restructuring costs for the Swedish company	-	-	-	-	-	-1.5	-	-	-	-1.5
Severance pay to former CEO	-	-	-	-	1.1	-4.9	-	-	1.1	-4.9
Total write-downs and reservations	-11.7	-	-	-	1.1	-25.1	-	-	-10.6	-25.1
Operating expenses excl write-downs and structural reserves									-91.8	-101.8

Footnote: Operating costs for 2008 include a reversal of provision for severance pay for the former CEO of MSEK 1.1, which was paid in full as per agreement. Operating costs for the previous year 2007 for remaining operations include reservation of MSEK -1.5 for restructuring the Swedish operation and MSEK -4.9 relating to severance pay to the former CEO. In addition, exchange rate effects reduce the North American company's operating profit by MSEK -4.7 (2.8).

Group Balance Sheet

Figures in KSEK	Note	2008-12-31	2007-12-31
ASSETS			
Intangible fixed assets	10	74,223	123,215
Tangible fixed assets	11	9,515	13,049
Deferred tax assets	9	12,495	13,191
Total non-current assets		96,233	149,455
Inventories	14	11,921	12,697
Tax receivable	9	5,222	2,216
Accounts receivable	15	11,694	15,390
Prepayments and accrued income	16	3,869	7,073
Other receivables	13	473	1,251
Short-term investments	12, 24	1,355	8,188
Liquid assets	17	50,510	57,177
Total current assets		85,044	103,992
TOTAL ASSETS		181,277	253,447
EQUITY			
	18		
Capital stock		103,541	103,541
Other endowment capital		209,505	209,005
Reserves		-1,129	-13,069
Retained earnings		-205,401	-136,455
Equity attributable to parent company stockholders		106,515	163,022
TOTAL EQUITY		106,515	163,022
LIABILITIES			
Long-term interest-bearing liabilities	20, 24	28,805	12,877
Other provisions	21	567	3,327
Deferred tax	9	-	6,094
Total long-term liabilities		29,372	22,298
Short-term interest-bearing liabilities	20, 24	-	8,644
Customer advance payments		359	4,221
Accounts payable		3,610	5,830
Tax payable	9	-	477
Other liabilities		1,141	2,916
Accrued expenses and prepaid income	22	40,280	46,039
Total short-term liabilities		45,390	68,127
TOTAL LIABILITIES		74,762	90,425
TOTAL EQUITY AND LIABILITIES		181,277	253,447

For information about securities pledged by the Group and any obligations, see note 26.

Summary of changes in Group Equity

Figures in KSEK	Note	Equity attributable to parent company shareholders				Total equity
		Capital Stock	Other endowment capital	Reserves	Retained earnings including profit/loss for the year	
Opening equity 2007-01-01		103,541	209,005	-11,351	-75,166	226,029
Change for the year in conversion reserve				-1,718		-1,718
Total wealth change accounted directly against equity, excluding transactions with the company's owners		0	0	-1,718	0	-1,718
Profit/loss for the year					-61,289	-61,289
Total wealth change, excluding transactions with the company's owners		0	0	-1,718	-61,289	-63,007
Closing equity 2007-12-31	18	103,541	209,005	-13,069	-136,455	163,022
Opening equity 2008-01-01		103,541	209,005	-13,069	-136,455	163,022
Change for the year in conversion reserve				11,940		11,940
Total wealth change accounted directly against equity, excluding transactions with the company's owners		0	0	11,940	0	11,940
Profit/loss for the year					-68,946	-68,946
Total wealth change, excluding transactions with the company's owners		0	0	11,940	-68,946	-57,007
Subscription options			500			500
Closing equity 2008-12-31	18	103,541	209,505	-1,129	-205,401	106,515

Group Cash Flow Statement

Figures in KSEK	2008	2007
Operating activities		
Profit/loss after financial items	-70,838	-53,112
Adjustment for items not included in the cash flow	60,080	34,983
Income tax paid	-3,009	-5,356
Cash flow from operating activities before change in operating capital	-13,767	-23,485
Cash flow from change in operating capital		
Increase (-)/Decrease (+) in inventory	-1,670	-4,189
Increase (-)/Decrease (+) in operating receivables	-2,557	36,181
Increase (+)/Decrease (-) in operating liabilities	-982	-9,903
Cash flow from operating activities	-18,976	-1,396
Investment activities		
Divestiture of subsidiary	6,015	-
Acquisition of tangible fixed assets	-4,522	-5,350
Acquisition of intangible fixed assets	-8,165	-18,330
Divestiture of tangible assets	-	209
Acquisition/Divestiture of financial assets	6,302	472
Cash flow from investment activities	-370	-22,999
Financing activities		
Payment subscription options	500	-
Loans	25,000	-
Amortization of liabilities	-17,278	-8,547
Cash flow from financing activities	8,222	-8,547
CASH FLOW FOR THE YEAR	-11,124	-32,942
Liquid assets at beginning of year	57,177	90,778
Exchange rate differences in liquid assets	4,457	-659
Liquid assets at year-end	50,510	57,177
SUPPLEMENTARY INFORMATION TO THE CASH FLOW ANALYSIS		
Interest		
Interest received	890	2,235
Interest paid	-2,437	-1,436
Adjustment for items not included in the cash flow		
Depreciation and write-downs	52,181	42,033
Exchange rate differences	7,524	-5,597
Capital gain/loss from sale of fixed assets	194	232
Capital gain/loss from sale of subsidiary	684	-
Other provisions	-2,703	-4,945
Reserve for severance payments	2,200	3,260
	60,080	34,983

More information about the sold subsidiary Medos AG, see note 29.

Parent Company Income Statement

January 1 - December 31

Figures in KSEK	Note	2008	2007
Net sales	2	24,414	26,450
Cost of goods sold		-11,870	-12,231
Gross profit		12,544	14,219
Selling expenses		-8,046	-19,454
Administrative expenses		-14,095	-21,545
Research and development costs		-19,561	-39,795
Other operating revenue		4,091	10,220
Other operating expenses		-3,146	-1,604
Operating profit/loss	4, 5, 6, 25	-28,213	-57,959
Profit/loss from financial items			
Profit/loss from shares in Group companies		-25,619	0
Other interest income and similar P/L items		514	1,159
Interest costs and similar P/L items		-2,164	-2,391
Profit/loss after financial items and before tax	8	-55,482	-59,191
Tax	9	-	-
PROFIT/LOSS FOR THE YEAR		-55,482	-59,191

Parent Company Balance Sheet

Figures in KSEK	Note	2008-12-31	2007-12-31
ASSETS			
Fixed assets			
Intangible fixed assets	10	24,268	25,112
Tangible fixed assets	11	3,940	5,107
Financial fixed assets			
Shares in Group companies	28	96,637	132,442
Total financial fixed assets		96,637	132,442
Total fixed assets		124,845	162,661
Current assets			
Inventories	14	11,353	7,630
Short-term receivables			
Accounts receivable	15	7,539	7,940
Intercompany receivables		7,094	23,366
Other receivables	13	29	515
Prepayments and accrued income	16	2,424	5,326
Total short-term receivables		17,086	37,147
Cash and bank deposits	17	20,733	22,177
Total current assets		49,173	66,954
TOTAL ASSETS		174,018	229,615
EQUITY			
	18		
Restricted equity			
Capital stock		103,541	103,541
Statutory reserve		106,689	106,689
Unrestricted equity			
Share premium reserve		126,605	126,105
Retained earnings		-148,162	-88,971
Profit/loss for the year		-55,482	-59,191
TOTAL EQUITY		133,192	188,173
Provisions			
Other provisions	21	567	3,270
Long-term liabilities			
Liabilities to credit institutions	20	28,750	12,397
Short-term liabilities			
Liabilities to credit institutions	20	-	8,265
Accounts payable		3,031	3,383
Liabilities to Group companies		752	1,236
Tax liabilities		-	356
Other liabilities		758	714
Upplupna kostnader och förutbetalda intäkter	22	6,967	11,821
Total short-term liabilities		11,509	25,775
TOTAL EQUITY AND LIABILITIES		174,018	229,615
Security pledged	26	15,000	15,000
Any commitments	26	6,646	7,626

Summary of changes in Parent Company Equity

Figures in KSEK	Note	Capital stock	Statutory reserve fund	Share premium reserve	Retained earnings\	Profit/loss for the year	Total equity
Opening equity 2007-01-01		103,541	106,689	126,105	18,754	-107,725	247,364
Allocation of profit/loss for previous year					-107,725	107,725	
Profit/loss for the year						-59,191	-59,191
Total wealth change accounted directly against equity excluding transactions with the company's owners		0	0	0	0	-59,191	-59,191
Closing equity 2007-12-31	18	103,541	106,689	126,105	-88,971	-59,191	188,173
Opening equity 2008-01-01		103,541	106,689	126,105	-88,971	-59,191	188,173
Allocation of profit/loss for previous year					-59,191	59,191	
Profit/loss for the year						-55,482	-55,482
Total wealth change, excluding transactions with the company's owners		0	0	0	0	-55,482	-55,482
Subscription options				500			500
Closing equity 2008-12-31	18	103,541	106,689	126,605	-148,162	-55,482	133,192

Parent Company Cash Flow Statement

Figures in KSEK	2008	2007
Operating activities		
Profit/loss after financial items	-55,482	-59,191
Adjustment for items not included in the cash flow	43,139	36,121
Income tax paid	-356	356
Cash flow from operating activities before change in operating capital	-12,699	-22,714
Cash flow from change in operating capital		
Increase (-)/Decrease (+) in inventory	-3,723	-1,732
Increase (-)/Decrease (+) in operating receivables	-1,113	6,669
Increase (+)/Decrease (-) in operating liabilities	-5,677	-7,714
Cash flow from operating activities	-23,212	-25,491
Investment activities		
Divestiture of subsidiary	17,939	-
Acquisition of tangible fixed assets	-424	-1,344
Divestiture of tangible fixed assets	-	52
Acquisition of intangible fixed assets	-4,526	-12,542
Cash flow from investment activities	12,989	-13,834
Financing activities		
Payment subscription options	500	-
Loans	25,000	-
Amortization of liabilities	-16,912	-8,397
Cash flow from financing activities	8,588	-8,397
CASH FLOW FOR THE YEAR	-1,635	-47,722
Liquid assets at beginning of year	22,177	69,937
Exchange rate differences in liquid assets	191	-38
Liquid assets at year-end	20,733	22,177
SUPPLEMENTARY INFORMATION TO THE CASH FLOW ANALYSIS		
Interest		
Interest received	514	845
Interest paid	2,164	2,384
Adjustment for items not included in the cash flow		
Depreciation and write-downs	46,460	30,281
Exchange rate differences	-421	1,578
Capital gain/loss from sale of fixed assets	-	-9
Capital gain/loss from sale of subsidiary	-197	-
Other provisions	-2,703	1,011
Reserve for severance payments	-	3,260
	43,139	36,121

Notes

Note 1 Accounting principles

Compliance with standards and legislation

The Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as approved by the EU Commission for adaptation to EU conditions. In addition, we have applied the recommendations of the Swedish Financial Accounting Standards Board in RFR 1.1 "Complementary accounting rules for Groups."

The parent company applies the same accounting principles as the Group, except in the situations indicated below in the section "Parent company accounting principles." Differences between the parent company and the Group's principles are caused by the limitation in the opportunities to adapt IFRS to ARL and in certain tax matters. For the parent company, RFR 2.1 "Reporting for legal entities" has been applied.

Conditions when preparing the parent company and Group's financial reports

The functional currency of the parent company is the Swedish krona (SEK), and this is the reporting currency for the parent company and the Group. For this reason the financial reports are presented in SEK. All figures are rounded to the nearest thousand SEK unless otherwise stated.

Creating financial reports in accordance with IFRS requires the company management to make assessments and estimates, as well as make assumptions that affect the application of the accounting principles and the reported figures for assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and a number of other factors that appear to be reasonable under the current conditions. The result of these estimates and assumptions are later used to assess the carrying value of assets and liabilities that are not otherwise clearly shown from other sources. The actual result may deviate from these estimates and assessments.

The estimates and assumptions are reviewed regularly. Changes to the estimates are posted in the period that the change is made if the change only affects that period, or in the period the change is made and future periods if the change affects both the relevant period and future periods.

The assessments made by company management on application of IFRS which have a significant influence on the financial reports and estimates which could result in significant adjustments in following years' financial reports are described in more detail in note 31.

The accounting principles for the Group shown below have been applied consistently in all of the periods presented in the Group's financial reports, unless otherwise indicated below. The Group's accounting principles have been applied consistently to reporting and consolidation for the parent and subsidiary companies and associated companies.

The Group and parent company's Income Statement and Balance Sheet were approved for issue by the Board on April 8, 2009. The Group and parent company's Income Statement and Balance Sheet will be put forward for approval by the Annual General Meeting on May 6, 2009.

Changed accounting principles

No new and amended IFRS and interpretations have been applied when preparing the 2008 financial reports.

New or revised IFRS which will be applied during coming periods

A number of new IFRS and changes and interpretations will come into effect first in fiscal year 2009 or later and have not been considered when preparing the 2008 financial reports.

The new standard IFRS 8 Operating segments defines an operating segment and what information regarding these that should be disclosed in the financial reports. The IFRS shall be applied for the fiscal year starting January 1 2009 or later.

Changes in IAS 1

Presentation of financial statements means that the presentation of the financial statements are changing in some respects, and that new, non-mandatory, names of the reports are suggested. The change does not affect the determination of the amounts reported. The revised IAS 1 will apply to the financial year starting January 1, 2009 or later.

Segment reporting

A segment is an identifiable part of the Group for accounting purposes that either supplies products or services (operating activities) or products or services within a specific financial area (geographic area) which is exposed to risk and opportunities that distinguish themselves from other segments. Information about segments is left, according to IAS 14, only to the Group. In order to reflect the business structure that was introduced in 2005, the geographical areas North America, Europe excluding the Nordic region, and the Nordic region & Other countries are used for accounting purposes.

The Ortivus Group has only one operating segment, thus a secondary segment is not relevant.

Classification

Fixed assets and long-term liabilities and provisions in the parent company and Group consist mainly of amounts that are expected to be regained or paid longer than 12 months, calculated from the Balance Sheet date.

Current assets and short-term liabilities and provisions in the parent company and Group consist mainly of amounts that are expected to be regained or paid within 12 months, calculated from the Balance Sheet date.

Any deviation from these principles in questions of payment or receipt will be shown in each case in the note belonging to the relevant Balance Sheet item.

Consolidation principles

Subsidiaries

Subsidiaries are companies that are under the overall control of Ortivus AB. Overall control involves the direct or indirect right to draw up a company's financial and operating strategy with the aim of receiving financial advantage.

Subsidiaries are reported according to the acquisition method. The method means that acquisition of a subsidiary is regarded as a transaction through which the Group indirectly acquires the assets of a company and assumes its liabilities and any obligations.

The acquisition value for the Group is fixed by an acquisition analysis in connection with the acquisition of the operation. The analysis partly fixes the acquisition value for the units or operations as well as the actual value on the day of acquisition of identifiable acquired assets and liabilities and any obligations assumed.

The acquisition value of the subsidiary company's shares and operations is made up of the actual value on acquisition day for assets, liabilities (assumed or arising) and issued equity instruments that are given as payment in exchange for the acquired net assets, as well as transaction costs that are directly related to the acquisition. In the case of acquisition of operations where the acquisition cost exceeds the net value of the acquired assets and liabilities, as well as any commitments, the difference is reported as goodwill. When the difference is negative, it is entered directly in the Income Statement. Subsidiary companies' financial reports are entered in the consolidated accounts from the time of acquisition to the date that the controlling influence ceases.

Associated companies

Associated companies are those companies in which the Group has a significant, but not controlling, interest over the operational and financial management, usually through stock holdings giving between 20 and 50 of voting rights. From the time that significant influence is received, stock in the associated company is entered into the accounts according to the equity method in the consolidated accounts. The equity method means that the value of the stock in the associated company in the consolidated accounts is equivalent to the Group's share in the associated company's equity, as well as consolidated goodwill and any other residual surplus or negative value upon consolidation. The Group's share in the associated company's net profit or loss after tax, adjusted for any depreciation or write-downs, or dissolution of acquired over or undervalue, is reported in the Group's Income Statement. The item is titled "shares in profit/loss from associated companies." Dividends received from associated companies reduce the carrying value of the investment.

Transactions to be eliminated on consolidation

Intercompany receivables and liabilities, income and expenses and unrealized gains or losses that arise from intercompany transactions between the Group companies are eliminated totally in the preparation of the consolidated accounts.

Foreign currency

Transactions in foreign currency are converted to the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are converted to the functional currency at the exchange rate on the Balance Sheet date. Exchange rate differences that occur on conversion are normally entered in the Income Statement.

The functional currency is the currency in the primary financial communities where the Group companies carry out their commercial activities. The Group companies are the parent company, subsidiaries and associated companies.

Foreign companies' financial reports

Assets and liabilities in foreign companies, including goodwill and other Group negative and surplus values, are converted to SEK at the exchange rate applicable on the Balance Sheet date. Income and expenses in foreign companies are converted to SEK at an average exchange rate that is an approximation of the rates at the respective transaction times. The conversion differences that occur in conversion calculation for foreign companies are entered directly against equity as a conversion reserve.

Net investment in foreign companies

Conversion differences that occur in connection with conversion of a foreign net investment and extensive effects of security for net investments are entered directly in the conversion reserve in equity. When foreign companies are divested, they are entered at the relevant conversion differences after deductions for any currency hedging in the Group's Income Statement.

Income**Sale of products and provision of services**

Income from sale of products is entered in the Income Statement when significant risks and benefits that are associated with the products' ownership are transferred to the purchaser. This type of profit or loss calculation is applied to Ortivus AB and its subsidiary Ortivus Inc. USA, as well as MEDOS AG. The subsidiary Ortivus Inc., Canada enters income from provision of services in the Income Statement, based on the degree of completion at the Balance Sheet date. The degree of completion is set based on the time spent in relation to the calculated total number of hours.

Public funding

Public funding is entered in the Income Statement when there is reasonable certainty that the conditions that are associated with the funding have been met, and the funding will therefore be received. Public funding related to assets is accounted for in the Balance Sheet as a reduction of the assets' carrying value.

Operating expenses, financial income and costs**Leasing**

Costs regarding operating leasing agreements are entered in the Income Statement according to the straight line method during the leasing period. Benefits received in connection with contract signing are entered as part of total leasing costs in the Income Statement. Variable fees are costed as they arise.

Financial income and expenses

Financial income and expenses consist of interest income on bank deposits and receivables and interest-bearing bonds, interest expense on liabilities, dividend income, exchange rate differences, unrealized and realized gains on financial placements, as well as derivative instruments that are used in financial activities.

Issue costs and similar direct transaction costs in acquiring liabilities are accrued over the lifetime of the loan. Interest income and costs on financial instruments are recorded according to the effective interest method. Dividend income is entered when the right to receive payment is regarded as being certain. The Group and parent company do not capitalize interest in the acquisition value of assets.

Financial instruments

Financial instrument are valued and entered in the Group in accordance with the regulations in IAS 39.

Financial instruments that are entered on the Balance Sheet include, on the asset side, liquid assets, accounts receivable, stocks and other equity instruments, loan receivables and derivatives. Among liabilities and equity remain accounts payable, issued liabilities and equity instruments, loan liabilities and derivatives.

Financial instruments are initially entered at acquisition value equivalent to the instrument's actual value with the addition of the transaction costs for all financial instruments, apart from those that belong to the financial asset category, which are entered at actual value in the Income Statement. They are then entered into the accounts depending on how they are classified according to the list below.

A financial asset or financial liability is recorded on the Balance Sheet when the company becomes a party to the instrument's contractual conditions. Accounts receivable are recorded on the Balance Sheet when the invoice is sent. Liabilities are assumed when the other party performs and there is a contractual obligation to pay, even if the invoice has not yet been received. Accounts payable are entered when the invoice is received.

A financial asset is removed from the Balance Sheet when the rights in the agreement are realized, fall due, or the company loses control of them. The same applies for part of a financial asset. A financial liability is removed from the Balance Sheet when the obligation in the contract is completed, or in any other way is expunged. The same applies for part of a financial liability.

Acquisition and divestment of financial assets are entered on the day of business, which is the day that the company undertakes to acquire or divest itself of the asset.

IAS 39 classifies financial instruments in categories. The classification depends on the intention of the acquisition of the financial instrument. Company management determines the classification at the original acquisition time.

The categories are as follows:

- Financial assets valued at actual value through the Income Statement
- Loans receivable and accounts receivable
- Investment held until maturity
- Financial assets held for sale
- Liquid assets
- Financial liabilities valued at actual value through the Income Statement
- Other financial liabilities
- Derivatives that are used as securities.

Liquid assets

Liquid assets consist of cash holdings and immediately accessible credit at banks and equivalent institutions, as well as short-term liquid placements with a lifespan from the time of acquisition that is less than three months, which are exposed to insignificant risk of value fluctuations.

Financial placements

Financial placements are either made up of financial fixed assets or short-term placements, depending on the intention of the holding. If the lifespan or the expected possession time is longer than one year, they are financial fixed assets, if they are shorter than one year, they are short-term placements.

Interest-bearing bonds that are acquired with the intention of being held until maturity are valued at accrued acquisition value. Interest-bearing bonds, for which the intention is not to hold them until maturity, are classified as financial assets valued at actual value in the Income Statement or financial assets held for sale. When valuing at actual value in the Income Statement, the change in value is entered in the net financial value.

Long-term receivables and other receivables

Long-term receivables and other short-term receivables are receivables that arise when the company receives money without the intention of carrying out trade with the receivable. If the expected holding time is longer than one year, they are regarded as long-term receivables, if shorter, they are other receivables. These categories belong to the categories liabilities and accounts receivable, which initially and currently are recorded at accrued acquisition value.

Accounts receivable

Accounts receivable are classified in the category liabilities and accounts receivable.

Accounts receivable are entered at the value that is expected to be realized after deduction for unsecured receivables which are assessed individually. The expected lifespan of the accounts receivable is short, which is why the value is entered at the nominal amount without discounting. Write-downs of accounts receivable are entered in operating costs.

Liabilities

Liabilities are classified as other financial liabilities, which means that they are initially entered at the received amount following deductions for transaction costs. After the time of acquisition, the loan is valued at the accrued acquisition value according to the effective interest method.

Long-term liabilities have an expected lifespan longer than one year, while short term liabilities have a lifespan shorter than one year.

Accounts payable

Accounts payable are classified in the category other financial liabilities. Accounts payable have a short expected lifespan and are valued without discounting at nominal values.

Derivatives and securities accounting

In order to meet the requirement of securities accounting according to IAS 39, there must be an unambiguous link to the secured item. In addition, the security must efficiently protect the secured item, security documentation must be created and efficiency must be measured. Gains and losses on securities are entered in the Income Statement at the same time that the gains and losses are entered for the items that are secured. When entering securities, the inefficient part is entered in the same way as the changes in value in the derivative which are not used for security accounting.

Net investment

Investment in foreign subsidiaries (net assets including goodwill) has, to a certain extent, been secured through currency loans. At closing of the accounts, these are entered at the exchange rate on the Balance Sheet date. For the parent company, the exchange rate differences entered in the Income Statement are eliminated in the consolidated accounts against conversion of net assets in the subsidiary that are entered against equity. When the security is not efficient, the inefficient part is entered in the Income Statement.

Tangible fixed assets**Assets owned**

Tangible fixed assets are entered as assets on the Balance Sheet if it is probable that the future financial advantages will benefit the company and the acquisition value of the asset can be reasonably calculated.

Tangible fixed assets are entered in the consolidated accounts at acquisition value following deductions for accumulated depreciation and any write-downs. The acquisition value includes the acquisition price and costs that are directly related to the asset in order to place it in service and, according to good practice, to be used in accordance with the purpose of the acquisition.

Liability costs are not included in the acquisition value of the fixed assets.

The carrying value of a tangible fixed asset is removed from the Balance Sheet when it is past its useful lifetime or is divested, or when no further financial benefits are expected from its use or retirement/disposal of the asset. Gains or losses that arise on disposal or retirement of an asset are made up of the difference between the sales price and the asset's carrying value with deduction of direct sales costs. Gains or losses are entered as operating income/losses.

Leased assets

IAS 17 is applied for entering leased assets. Leasing is classified either as operating or capital leasing. Capital leasing is present when the financial risks and benefits associated with ownership are transferred to the lessee to a significant degree. If this is not the case it is an operating lease. In operating leasing, the leasing price is entered against costs over the lifespan of the leasing contract, based on benefit, which may differ from what is in fact paid as leasing charges during the year.

Depreciation principles

Depreciation is according to the straight-line method over the calculated useful lifetime. Calculated useful lifetime: Inventories 3-5 years. Assessment of assets' residual value and useful lifetime is made annually.

Intangible assets**Goodwill**

Goodwill represents the difference between the acquisition value of a business and the actual value of acquired assets, assumed liabilities and any obligations.

Regarding goodwill in acquisitions that took place before January 1, 2004, the Group has not applied IFRS retroactively upon the change to IFRS, but the carrying value on that day continues to be the Group's acquisition value.

Goodwill is valued at acquisition value less any accumulated amortization. Goodwill is distributed amount cash-generating units and is not amortized without being tested annually for need to write-down. Goodwill that has arisen on acquisition of associated companies is included in the carrying value for shares in associated companies.

Research & Development

Costs of research that aim at gaining new scientific or technical knowledge are entered against expenses as they are incurred.

Development charges where the research result or other knowledge is applied to produce new or improved products or processes is entered as an asset on the Balance Sheet if the product or process is technical and commercially viable and sufficient resources are available to complete development and then use and sell the intangible fixed asset. The carrying value includes costs of materials, direct wage costs and indirect costs that may be related to the asset in a reasonable and consistent way. Other development costs are entered in the Income Statement as expensed as they are incurred. Development costs entered on the Balance Sheet are recorded at their acquisition value less accumulated amortization and write-downs.

Other intangible fixed assets

Other intangible fixed assets acquired by the Group are entered at acquisition value less accumulated amortization and write-downs.

Amortization

Amortization entered in the Income Statement is straight line over the calculated useful lifetime of the intangible fixed asset. Goodwill and intangible fixed assets with an undefined useful lifetime are tested for impairment annually, or as soon as signs are present that indicate that the asset in question has reduced in value. Intangible fixed assets that can be amortized are amortized from the date that they available for commercial use. The calculated useful lifetimes are:

License fees	8 years
Standard system platforms	10 years

Inventories

Inventories are valued at lower of cost or market (net sales price). Net sales value is the estimated sales price in the operation following deduction of the estimated completion costs and to accomplish sale. The cost is calculated through application of the first in - first out principle (FIFO).

Depreciation

The carrying value of the Group's assets is tested on every Balance Sheet date to assess whether there are indications of the need to write them down. If such indications are found, the asset's recovery value is calculated. For assets other than financial assets being tested under IAS 39, inventories are being tested with IAS 2, and deferred tax assets being tested under IAS 12, IAS 36 relating to accounting for impairment losses is applied.

For goodwill and other intangible fixed assets with an indefinite useful lifetime and intangible fixed assets that are not yet ready for use, the recovery value is calculated annually and as soon as indications arise which suggest that the asset in question has declined in value.

If it is not possible to assign a significantly independent cash flow to a single asset, the assets must be grouped at the lowest level where it is possible to identify significantly independent cash flows when testing the need for write-down. A writedown is entered when an asset or revenue-generating unit's carrying value exceeds its recovery value. Write-downs are entered on the Income Statement.

Write-downs of assets of a revenue-generating unit are primarily distributed among goodwill, after which a proportional write-down of other assets included in the unit is carried out.

Calculation of recovery value

The recovery value of assets belonging to the category of investments held until maturity, liability receivables and accounts receivable that are entered at accrued acquisition value are calculated at the current value of future cash flows, discounted by the effective interest that applied when the asset was entered for the first time. Assets with a short lifespan are not discounted.

The recovery value of other assets is the higher of the actual value less sales costs and benefit value. When calculating the benefit value, future cash flow is discounted by a discount factor that takes into account risk-free interest and the risk that is associated with the specific asset. In the case of an asset that does not generate cash flows that is significantly independent of other assets, the recovery value for the revenue-generating unit that the asset belongs to is calculated.

Reversing depreciation and amortization

Amortization of investments held until maturity or liability receivables and accounts receivable that are entered at accrued acquisition value are reversed if a later increase in the recovery value can objectively be related to an event that occurs after the amortization has taken place.

Amortization of goodwill is not reversed. Amortization/depreciation of other assets is reversed if a change has occurred in the assumptions that the calculation of the recovery value is based on.

An entry is reversed only to the extent that the assets carrying value following reversal does not exceed the carrying value that the asset should have had if depreciation/amortization had not taken place, taking into account the entries that should have been carried out.

Earnings per share

The calculation of earnings per share is based on profit/loss for the year in the group attributable to the parent company's shareholders and the weighted average number of shares outstanding during the year.

Remuneration to employees**Fixed-charge plans**

Obligations relating to charges for fixed-charge plans are entered as expenses in the Income Statement as they occur.

Severance packages

A cost for compensation in connection with termination of personnel is only recorded if the company is obligated without realistic possibility to withdrawal of a formal detailed plan to end an employment before the normal time. When compensation is offered to encourage voluntary retirement a cost is recorded if it's probable that the offer will be accepted and the number of employees that will accept reliably can be estimated.

Share-based payments

Ortivirus share price related bonus schemes are reported in accordance with the principles of cash-regulated options. It gives rise to a commitment to the employees which are measured at fair value and recognized as an expense with a corresponding increase in liabilities. Fair value is calculated initially at the grant date and thereafter at each balance sheet date. The cost spread over the vesting period. The fair value of the cash-regulated options is calculated using the Black & Scholes model and take into account the assigned instruments terms and conditions. All changes in fair value affects the value of the balance of the liability and the staff cost recognized in the income statement.

Social security contributions attributable to that bonus schemes are reported under the same principles described in the preceding paragraph regarding cash regulated options.

Provisions

A provision is entered on the Balance Sheet when the Group has an existing legal or informal obligation as a result of an event that has occurred, and it is probable that an outflow of financial resources will be required to manage the obligation and a reasonable estimate of the cost can be made. When the effect of payment timing is significant, the provision is calculated by discounting the expected future cash flows at an interest rate before tax that reflects the actual market assessment of the fund's extrinsic value and whether it is appropriate given the risks associated with the debt.

Guarantees

An allocation for a guarantee is entered when the underlying products or services are sold. The provision is based on historical data about guarantees and a weighting of potential results in relation to the probabilities that the result is associated with.

Restructuring

A provision for restructuring is entered when the Group has fixed a comprehensive and formal restructuring plan and the restructuring has either begun or been made public. No provisions are made for future operating costs.

Loss contracts

A provision that is made for loss contracts is entered when the benefits that the Group is expected to receive from a contract are lower than the unavoidable costs of fulfilling the obligations of the contract.

Taxes

Income tax is made up of current tax and deferred tax. Income tax is entered in the Income Statement unless the underlying transaction is entered directly against equity, in which case the associated tax effect is entered separately.

Current tax is tax that must be paid or received in the current year, with application of the tax rates that have been decided, or in practice decided, on the Balance Sheet date. Adjustment of current tax in previous periods must be entered against current tax.

Deferred tax is calculated according to the Balance Sheet method, based on temporary differences between carrying and tax values of assets and liabilities.

The following temporary differences are not taken into account:

- Temporary differences that arose when goodwill was first entered
- Temporary differences that arose on the first entry of assets and liabilities that are not operating acquisitions and at the time of the transaction do not affect the carrying or tax result.
- Temporary differences that are related to shares in subsidiaries or associated companies that are not expected to be reversed in the foreseeable future.

Valuation of deferred tax is based on how the carrying value of assets or liabilities is expected to be realized or regulated. Deferred tax is calculated on application of the tax rates and rules that have been decided, or in practice decided, on the Balance Sheet date.

Deferred tax assets regarding allowable temporary differences and loss relief are entered only to the extent that it is probable that these will be used. The value of deferred tax assets is reduced when it is no longer considered probable that they can be used.

Potential obligations

A potential obligation is entered when there is a potential commitment that arises from events that take place, whose existence is confirmed by one or more uncertain future events, or when there is a commitment that is not entered as a liability or provision because it is not probable that a resource outflow will occur.

ACCOUNTING PRINCIPLES FOR THE PARENT COMPANY

The parent company has prepared its annual report according to the Annual Accounts Act (1995:1554) and recommendation RFR 2.1 "Annual accounts for legal entities" from the Swedish Financial Accounting Standards Board. Also of the Swedish Financial Accounting Standards Council's Emerging Issues Task Force issued statements concerning listed companies is applied. RFR 2.1 states that the parent company in its annual accounts for legal entities must apply all EU-approved IFRS regulations and statements as far as possible within the framework of the Annual Accounts Act, and taking into account the link between the accounts and taxation. The recommendation states which exceptions from, and supplements to, IFRS can be made. The differences between the Group and parent company's accounting principles are indicated below. The accounting principles for the parent company indicated below have been applied consistently through all periods that are presented in the parent company's financial reports.

Differences between the group and parent company's accounting policies

The accounting principles described below for the parent company have been applied consistently to all periods presented in the parent company financial statements.

Classification and presentation

The disposition of the Parent company's income statement and balance sheet are in accordance with the Annual Accounts Act. Discrepancies compared to IAS 1 Presentation of financial statements are mainly accounting of financial income and expenses, and the occurrence of provisions as a separate heading in the balance sheet.

Subsidiaries

Shares in subsidiaries are accounted for according to the acquisition value method. Dividends are recorded as income only if the dividend is related to post acquisition earnings. Dividends exceeding such earnings are considered as a reimbursement of the investment and reduce the recorded value of the share.

For the parent company, regulated provisions are entered including accrued tax liability. In contrast, regulated provisions are split into accrued tax liability and equity in the consolidated accounts.

Group contributions and stockholder contributions for legal entities

Ortivus enters group contributions and stockholder contributions in accordance with the statement from the Financial Accounting Standards Board's Acute group. Stockholder contributions are entered directly against equity at the recipient and are capitalized at the donor to the extent that depreciation is not carried out. Group contributions are entered according to financial effect. This means that group contributions that are made with the intention of minimizing the Group's total tax are entered directly against retained earnings following deductions for their actual tax impact.

Group contributions that are on the same footing as dividends are entered as dividends. This means that group contributions received and their actual tax impact are entered in the Income Statement. Group contributions and their actual tax impact are entered directly against retained earnings.

Group contributions that are on the same footing as stockholder contributions are entered, taking into account the actual tax impact, directly at the recipient against retained earnings. The donor enters the group contribution and its actual tax impact as investment in shares in the group companies to the extent depreciation of the share is not required.

Financial guarantees

Ortivus AB has elected not to apply the IAS 30 directives regarding financial guarantee agreements for the benefit of subsidiaries in accordance with RFR 2.1.

Anticipated dividends

Anticipated dividends from subsidiaries are recorded in those cases where the parent company has the sole decision right regarding dividend size and the parent company has made a decision regarding the dividend size before the publication of its financial reports.

Leased assets

In the parent company all leasing agreements are accounted for according to the rules for operating leases.

Note 2 Revenue Split

Income per significant type of income

	Group		Parent Company	
	2008	2007	2008	2007
Product sales	40,221	55,988	23,783	25,917
Provision of services	42,892	45,959	631	533
	83,113	101,937	24,414	26,450

Product sales' is regarded as a sale of hardware, software, including installation of systems and hardware to a customer.

Provision of services is regarded as income from service and support, including after-market sales.

Note 3 Segment reporting

Primary segment

Segment reporting is created per Group geographical area. The Group's internal reporting system is built up around follow-up of the return from the Group's activities in various countries and geographical areas, where the geographic area is the primary split criteria. The internal price between the various segments of the Group has been set, based on the "arm's length" principle, i.e., between parties that are independent of each other, well-informed and with interest in the transaction being carried out. The information that is presented concerning the segment revenues reflects the geographic areas where the customers are located.

Figures in MSEK	North America		Europe excl the Nordic region		The Nordic region and other countries		Internal elimination		Total	
	jan-dec 2008	jan-dec 2007	jan-dec 2008	jan-dec 2007	jan-dec 2008	jan-dec 2007	jan-dec 2008	jan-dec 2007	jan-dec 2008	jan-dec 2007
External net revenues	56,308	62,878	8,240	10,359	18,566	28,700	-	-	83,113	101,937
Internal net revenues	-	-	-	-	5,848	1,060	-5,848	-1,060	0	0
Net revenues	56,308	62,878	8,240	10,359	24,414	29,760	-5,848	-1,060	83,113	101,937
Operating profit/loss	-10,332	10,588	-2,928	291	-28,650	-58,277	53	-3,349	-41,856	-50,747
Financial items, net									-1,977	-391
Pre tax profit/loss									-43,833	-51,138
Current tax									585	-4,589
Deferred tax									-491	-4,415
Profit/loss for the year continued operations									-43,739	-60,142
Profit/loss for the year discontinued operations									-25,207	-1,147
Profit/loss for the year									-68,946	-61,289
Assets	59,637	62,803	2,826	45,014	49,559	53,080			112,022	160,897
Unallocated assets									69,255	92,550
Total Assets									181,277	253,447
Liabilities	33,854	25,952	739	16,738	11,365	19,649			45,958	62,339
Unallocated liabilities and equity									135,319	191,108
Total liabilities and equity									181,277	253,447
Intangible and tangible fixed assets										
Investments	5,017	3,618	2,720	6,160	4,950	13,902			12,687	23,680
Depreciation	-1,912	-2,149	-4,021	-6,110	-6,968	-10,918			-12,901	-19,177
Write downs	-9,256	-1,608	-30,024	-	-	-18,735			-39,280	-20,343

Assets and liabilities in the segment's results have included directly relatable items, as well as items that can be distributed in the segment in a reasonable and credible way. Non-distributed items consist of financial items and tax costs. Assets and liabilities that are not distributed per segment are certain deferred tax benefits and tax liabilities, financial placements or financial liabilities and equity. The segment's investment in tangible and intangible fixed assets includes all investment apart from investment in short-term inventories and low-value inventories.

Profit after tax from discontinued operations in 2008 and 2007 relates to this year divested subsidiary Medos AG.

Regarding impairment and structural reserves, broken down by each segment, see table at the bottom of page 28.

Secondary segment

Emergency & Patient Management make up the Group's secondary segment. This segment coincide with the consolidated accounts.

NOTES

Note 4 Other operating income/ Other operating costs

	<i>Group</i>		<i>Parent Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Other operating income				
Local contributions	1,799	1,262	302	-
Exchange rate gains on receivables/liabilities from operations	4,116	5,211	2,561	1,616
Management fee	-	-	1,227	8,596
Other	4	-	1	8
Total	5,919	6,473	4,091	10,220
Other operating costs				
Exchange rate losses on receivables/liabilities from operations	-8,266	-2,275	-2,404	-1,544
Invoiced intercompany services	-	-	-718	-
Other	-24	-361	-24	-60
Total	-8,290	-2,636	-3,146	-1,604

The subsidiary Ortivus Inc, in Canada receive according to local rules from the province of Quebec, contribution to cover part of the costs of its R & D activities. For 2008, this contribution amounted to KSEK 1,497 (1,262)

Not 5 Employees, staff cost and remunerations to corporate officers

	<i>Of which men</i>		<i>%</i>	<i>Of which men</i>		<i>%</i>
	<i>2008</i>	<i>2007</i>		<i>2008</i>	<i>2007</i>	
Average no of employees						
Parent Company						
Sweden						
Danderyd	27	21	78	36	28	78
Gothenburg	0	0	-	1	1	100
	27	21	78	37	29	78
Subsidiaries						
England	4	3	75	4	3	75
Denmark	0	0	-	2	2	100
USA	38	13	34	39	13	33
Canada	29	22	76	29	22	76
Germany	0	0	-	46	31	67
Total Group	98	59	60	157	100	64

Share of female and male Group senior executives

	<i>2008</i>		<i>2007</i>	
	<i>Women (%)</i>	<i>Women (%)</i>	<i>Women (%)</i>	<i>Women (%)</i>
Parent company				
Board of Directors		33		14
Other senior executives		0		0
Group total				
Boards of Directors		30		22
Other senior executives		17		9

Salaries, other remuneration and social costs

<i>Group</i>	<i>2008</i>	<i>2007</i>
Salaries and other remuneration	31,760	55,337
Pension expenses	2,324	2,349
Social security expenses	6,639	19,460
Total	40,723	77,146

Severance payments for the Group are included in salaries MSEK 2.2 (4.0) and pension MSEK 0.0 (0.9).

NOTES

Salaries and other remuneration split per country and between senior executives and other employees, and social security expenses for the parent company

Parent Company	2008 Senior executives (10 persons)	Other employees	Total	2007 Senior executives (11 persons)	Other employees	Total
Sweden						
Salaries and other remuneration (of which profit sharing)	6,341 (721)	9,767	16,108	10,481 (218)	11,463	21,944
Social security expenses (of which pension expenses)			8,236 (2,197)			13,223 (4,290)
Parent company total			24,344			35,167

Severance payments for the parent company are included in salaries MSEK 0.0 (4.0) and pension MSEK 0.0 (0.9).

Salaries and other remuneration split between senior executives and other employees and pension costs and obligations for senior executives for the group

Group	2008 Senior executives (15 persons)	Other employees	Total	2007 Senior executives (16 persons)	Other employees	Total
Salaries and other remuneration (of which profit sharing)	14,277 (1,226)	17,483	31,760	18,899 (1,199)	36,438	55,337
Pension expenses	966			2,515		
Pension obligations	-			-		

Group senior executives comprises management for the parent company and the subsidiaries including the board in Ortivus AB.

Allowances and other benefits to the board and senior executives during the year

2008	Basic salary/ board remuneration	Variable remuneration	Other benefits	Pension cost	Other remuneration	Total	Pension obligation
Chairman of the board Jon Risfelt	500	-	-	-	-	500	-
Board member Jon Risfelt fee Jan-May 2008 1)	36	-	-	-	-	36	-
Board member Lennart Ribohn, resigned 2008	36	-	-	-	-	36	-
Board member Pontus Lesse, resigned 2008	36	-	-	-	-	36	-
Board member Jan Würtz, resigned 2008	36	-	-	-	-	36	-
Board member Crister Stjernfelt, elected 2008	92	-	-	-	-	92	-
Board member Peter Edwall, elected 2008	92	-	-	-	-	92	-
Board member Annemarie Gardshol, elected 2008	92	-	-	-	-	92	-
Board member Laurent Leksell	150	-	-	-	-	150	-
Board member Anna Söderblom	150	-	-	-	-	150	-
Acting CEO in Ortivus AB, Bengt-Arne Sjöqvist, 1/1 2008 - 11/8-2008	829	-	-	132	-	961	-
CEO Ortivus AB, Jan B Andersson (August 11, 2008)	447	37	1	80	-	565	-
Other senior executives (5 persons)	3,124	684	195	546	-	4,549	-
Total	5,620	721	196	758	-	7,295	-

1) In addition, Jon Risfelt during the time before he became Chairman of the Board was engaged as a consultant for Ortivus and during the period January-May 2008 invoiced 465 KSEK company for services rendered.

2007	Basic salary/ board remuneration	Variable remuneration	Other benefits	Pension cost	Other remuneration	Total	Pension obligation
Chairman of the board Akbar Seddigh	549	-	-	386	-	935	-
Board member Laurent Leksell	173	-	-	-	-	173	-
Board member Lennart Ribohn	173	-	-	-	-	173	-
Board member Jan Würtz	173	-	-	-	-	173	-
Board member Anna Söderblom	173	-	-	-	-	173	-
Board member Pontus Lesse, elected 2007	115	-	-	-	-	115	-
Board member Jon Risfelt, elected 2007	115	-	-	-	-	115	-
Ex board member Jack Forsgren, fee for jan-maj 2007	58	-	-	-	-	58	-
Acting CEO Bengt Arne Sjöqvist	66	-	-	15	-	81	-
Previous CEO Walt K Young (Aug 20 - Dec 4 2007)	601	-	-	-	-	601	-
Previous CEO Mikael Strindlund (Jan 1 - Aug 20 2007) ²⁾	4,456	-	80	1,053	-	5,589	-
Other senior executives (6 persons)	6,277	335	470	839	-	7,921	-
Total	12,929	335	550	2,293	-	16,107	-

2) Includes severance pay salary KSEK 3,060 and pension KSEK 714.

Board chairman and other board members have during 2008 and 2007 only received remuneration from the parent company. Acting CEO Bengt Arne Sjöqvist and CEO Jan B Andersson have received remuneration only from the parent company.

NOTES

Board of Directors

Board remuneration, as set at the 2008 General Meeting amounted to KSEK 800 (960), and to Chairman of the Board amounted to SEK 750 (900), of which 400 KSEK were extra compensation for assistance in the ongoing change process. Apart from the remuneration, payment for Board meetings has been made for travel costs in connection with the meeting.

The Chairman of the Board has been paid a salary of a total of KSEK 500 (549). Previous year it was paid on the former Chairman's behalf total pension premiums amounting to KSEK 386. No such compensation was paid in 2008. In addition to salary Jon Risfelt was engaged as a consultant for Ortivus before he was elected to Chairman of the Board and has during the period January to May 2008 invoiced the company KSEK 465 for services rendered.

CEO

As of December 4, 2007 Bengt Arne Sjöström was appointed as acting CEO until a new CEO would be recruited. Jan B Andersson, which has been active in the company since August 11, 2008, was paid a basic salary of KSEK 447 (1,396). In addition to fixed salary, a variable component of up to 50 percent of fixed salary is paid attributable to the degree of effectiveness of the Board's established budget. In 2008, the bonus paid amounts to KSEK 37 (-). Pension for Jan B Andersson has been paid during the year in the amount of KSEK 80 (339). For the CEO premiums for pensions and health insurance amounts to 30% of the salary.

Between the company and Jan B Andersson there is a mutual notice period of 9 months. Jan B Andersson is also entitled to 9 months' severance pay which is offset against salary from other employment.

Other senior executives

Group management includes CEO, Business Development Director, Marketing and sales director, R&D director, CFO.

Group management members can be seen on page 19. To the group management, excluding the CEO there was wages paid of the total amount KSEK 3,124 (6,277). Variable bonus was paid to other senior executives with KSEK 684 (335), with stay-on bonus 2008 (contracted before the 2008 guidelines were adopted) has been paid to certain other senior executives with KSEK 459. For other persons of the group management there are varying periods of 6-12 months notice from the employee, except for the Vice President's notice that under an earlier contract of employment (agreed before the 2008 guidelines were adopted) includes severance pay of not more than 18 months, in some special cases 24 months.

Pensions, health insurance

For employees of the parent company, a premium of 5 percent of salary is paid to a maximum of 7.5 times the base rate, 25 percent in the range 7.5 to 20 times the base rate, and 15 percent of salary in the range 20 to 30 times the base rate. All employees in Sweden over the age of 28 are covered by the pension terms. The pension age for all employees is 65 years. The company has also subscribed to health insurance which includes compensation from the National Insurance Scheme, which provides employees with continued salary after 90 days illness, equivalent to the rules in the ITP (industrial service pension) system. The Group has only contributory pension schemes. In the foreign subsidiaries, there are contributory pension schemes that are partly paid by the subsidiary and partly by contributions from the employee. Payment to these pension schemes takes place continually, in accordance with the terms of the respective schemes.

Severance payment

During the year, provisions for severance payments including social costs has been made with MSEK 2,2 for previous CEO in Ortivus Inc.

Incentive program

The following incentive programs are found in the Group. Sales personnel receive commissions based on sales, as well as profit compared against budget. Senior executives participate in incentive schemes based on targets such as profits compared against budget. These incentive programs are reviewed annually and approved by the CEO of the Parent Company.

For group management there is a separate incentive program established by the Board and in accordance with the meeting of the guidelines.

Warrant program senior executives Ortivus AB - At the Extraordinary General Meeting June 27, 2008, it was decided to approve the boards' proposal from June 12, 2008 to issue 500,000 warrants and that these were sold on market conditions to the company's CEO and other senior executives within Ortivus AB. For details on conditions see page 25 under heading Warrants.

Stock related remuneration

On August the 20 th 2008, Ortivus board decided on a share-price linked bonus scheme for all employees in the parent company who were not covered by the warrant issue as voted in at the EGM on June 27, 2008. The aim with this scheme is to increase focus on shareholder value in the on-going change programme at Ortivus and to create further motivation and commitment among the workforce. The bonus scheme depends on the future development of the worth of the company in relation to the share price and on the employee remaining with the company. The scheme is to run over three years, divided into two periods; July 1, 2008 - June 30, 2010 and July 1, 2010 - June 30, 2011. Provided that the employee is still in his post the bonus will be based on the difference in share price between the start and finish of the two respective periods, multiplied by 10,000. The start price for period 1 stood at 8.85 SEK. The finish price for this period is the average price 5 trading days before the end of the period. The start price for period 2 is the same as the finish price for period 1. The bonus has a ceiling of one year's salary for period 1, and half a year's salary for period 2. No bonus will be paid if the share price drops or remains the same. The scheme does not affect the number of shares in the company. With a final price of 18 SEK for period 1 and 24 SEK for period 2 the price of the scheme to the company at time of publishing amounts to approximately 4.2 MSEK. With a price of 5.50 SEK the theoretical cost of the scheme would be 388,000 SEK. In the valuation of the annual accounts 2008 for period 1 and 2 a standard deviation of 40% and risk-free interest of 1.34% was used, the total allowance for the stock related remuneration program, including social security contributions amounted to SEK 21.

	2008 Total illness absence/ordinary working hours %	2007 Total illness absence/ordinary working hours %	2008 Longterm absence/total illness absence %	2007 Longterm absence/total illness absence %
Absence due to illness, Parent Company				
Age group 29 or younger	2.00	*	*	*
Age group 30 to 49 years	0.96	1.58	*	*
Age group 50 or older	*	*	*	*
Women	1.08	*	*	*
Men	0.87	0.71	*	0
Total employees	4.91	1.38	0	44.00

The illness statistics only apply to Ortivus AB in Sweden.

* Not reported because of the exception in the legislation which states that information shall not be provided if there are less than ten employees in the group, or if the information relates to one specific individual.

Note 6 Remuneration and cost compensation to the auditors

	Group		Parent Company	
	2008	2007	2008	2007
KPMG				
Audit	493	974	493	715
Other projects	67	213	67	200
	560	1,187	560	915
Other auditors				
Audit	897	527	15	-
Other projects	449	536	-	-
Total	1,906	2,250	575	915

By audits we mean review of the annual report and accounts, as well as the Board and CEO's reports. In addition, the audit is considered to include other work as it is given to the company's auditors to perform, as well as advice or other assistance that results from such review or the performance of other projects. Projects apart from these tasks are reported under other projects. Other projects relate primarily to tax advise.

Note 7 Operating costs split over cost type

	Group	
	2008	2007
Staff costs	-53,770	-67,322
Depreciation	-9,179	-17,274
Write downs	-9,256	-20,343
Other	-36,142	-28,399
	-108,347	-133,338

Note 8 Financial net / P/L from financial items

	<i>Group</i>	
	2008	2007
Net financial items		
Interest income	1,228	2,557
Exchange rate differences, financial assets	-754	-516
Other	63	17
Financial income	536	2,058
Interest costs	-2,336	-1,282
Exchange rate differences, financial liabilities	112	-1,167
Other	-289	-
Financial costs	-2,513	-2,449
Net financial items	-1,977	-391

Profit/loss from financial items

	<i>Parent Company</i>	
	2008	2007
Profit/loss from shares in Group companies		
Dividend received	13,683	200
Write down of shares in subsidiaries	-39,499	-200
Profit/loss sale of subsidiary	197	-
	-25,619	0

Other interest income and similar P/L items

	2008	2007
Interest income	681	1,366
Interest income from Group companies	587	314
Exchange rate differences, financial assets	-754	-521
	514	1,159

Other interest cost and similar P/L items

	2008	2007
Interest costs	-2,226	-1,217
Interest costs from Group companies	-50	-6
Exchange rate differences, financial liabilities	112	-1,168
	-2,164	-2,391

Note 9 Taxes

	<i>Group</i>		<i>Parent Company</i>	
	2008	2007	2008	2007
Accounted for in the Income Statement				
Actual tax cost (-)/ tax income (+)				
Tax cost/income for the period	585	-4,655	-	-
Adjustment of tax relating to previous years	-	66	-	-
	585	-4,589	-	-
Deferred tax cost (-)/ tax income (+)				
Deferred tax regarding temporary differences	487	3,205	-	-
Deferred tax cost resulting from exploiting previously capitalized tax value of loss relief	-	-7,619	-	-
Other	-978	-1	-	-
	-491	-4,415	-	-
Total reported tax cost	94	-9,004	-	-

Reconciliation of effective tax

	2008	2007	2008	2007
<i>Pre-tax profit/loss</i>	-43,833	-51,138	-55,482	-59,191
Tax in accordance with applicable tax rate (28 % for Parent co).	12,273	14,319	15,535	16,573
Effect of other tax rates for foreign subsidiaries	-522	147	-	-
Write-downs of shares in subsidiaries	-	-	-11,005	-56
Non-deductible costs	-101	-39	-28	-37
Non tax-liable income	1	0	1	0
Tax effect of non tax-liable stock dividends	-	-	3,831	56
Increase in loss relief without equivalent capitalization of deferred tax	-12,146	-18,012	-8,334	-16,536
Exploitation of previously non capitalized loss relief	-	1,799	-	-
Effect of changed tax rates	-	-104	-	-
Reversals of previously capitalized loss relief	-	-7,619	-	-
Other	589	505	-	-
Reported effective tax	94	-9,004	0	0

Current tax for the year of MSEK 585 (-4,589) mainly relates to the American subsidiary Ortivus Inc USA.

The tax rates in the countries where the Group is active during the fiscal year were 28 percent in Sweden, 25 percent in Denmark, 19 percent in the UK, 39 percent in the US and 32 percent in Canada.

	<i>Group</i>		<i>Parent Company</i>	
	2008	2007	2008	2007
Specification of deferred tax receivables and liabilities				
Temporary differences in intangible fixed assets	3,785	3,715	-	-
Loss relief	-	2,285	-	-
Other	8,710	7,191	-	-
Deferred tax asset	12,495	13,191	-	-
Temporary differences in intangible fixed assets	-	6,094	-	-
Deferred tax liability	-	6,094	-	-

The change between the periods has been recorded as deferred tax income/cost except for exchange rate differences recorded against equity.

The Group's capitalized tax loss relief in 2007 was attributable to the in 2008 divested subsidiary Medos AG.

Other include deferred tax asset related to deferred income for service support agreements in North America of MSEK 8.1 (6.8).

The Group's total loss relief amounts to MSEK 265.2 (223.0), of which for the parent company MSEK 215.7 (185.9). No time limits exist in the use of the Group's tax loss carry-forwards.

Note 10 Intangible fixed assets

	Group					Parent Company		
	Acquired	Internally developed	Acquired			Internally developed	Acquired	
	Goodwill	Capitalized development costs	Licenses	Other	Total	Capitalized development costs	Licenses	Total
Accumulated acquisition value								
Opening balance 2007-01-01	112,801	126,524	37,383	16,561	293,269	96,375	27,584	123,959
Operating acquisitions	-	-	77	-	77	-	-	-
Internally developed assets	-	18,253	-	-	18,253	12,542	-	12,542
Divestments and disposals	-	-3,467	-	-	-3,467	-1,362	-	-1,362
Exchange rate differences for the year	2,049	925	461	775	4,210	-	-	-
Closing balance 2007-12-31	114,850	142,235	37,921	17,336	312,342	107,555	27,584	135,139
Opening balance 2008-01-01	114,850	142,235	37,921	17,336	312,342	107,555	27,584	135,139
Other acquisitions	-	-	464	-	464	-	129	129
Internally developed assets	-	7,701	-	-	7,701	4,397	-	4,397
Divestments and disposals	-70,921	-15,666	-10,582	-17,185	-114,354	-	-	-
Exchange rate differences for the year	6,026	830	-90	-151	6,615	-	-	-
Closing balance 2008-12-31	49,955	135,100	27,713	0	212,768	111,952	27,713	139,665
Accumulated depreciation and write-downs								
Opening balance 2007-01-01	-48,884	-71,708	-33,696	-4,590	-158,878	-55,931	-27,584	-83,515
Divestments and disposals	-	3,467	-	-	3,467	1,362	-	1,362
Write-downs for the year	-	-18,735	-	-	-18,735	-18,735	-	-18,735
Depreciation for the year	-	-9,977	-592	-2,015	-12,584	-9,139	-	-9,139
Exchange rate differences for the year	-2,107	274	-300	-264	-2,397	-	-	-
Closing balance 2007-12-31	-50,991	-96,679	-34,588	-6,869	-189,127	-82,443	-27,584	-110,027
Opening balance 2008-01-01	-50,991	-96,679	-34,588	-6,869	-189,127	-82,443	-27,584	-110,027
Divestments and disposals	70,921	8,726	7,275	12,165	99,087	-	-	-
Write-downs for the year	-19,930	-15,063	-	-4,287	-39,280	-	-	-
Depreciation for the year	-	-6,346	-461	-1,068	-7,875	-5,241	-129	-5,370
Exchange rate differences for the year	-	-1,470	61	59	-1,350	-	-	-
Closing balance 2008-12-31	0	-110,832	-27,713	0	-138,545	-87,684	-27,713	-115,397
Carrying value								
As of 2007-01-01	63,917	54,816	3,687	11,971	134,391	40,444	0	40,444
As of 2007-12-31	63,859	45,556	3,333	10,467	123,215	25,112	0	25,112
As of 2008-01-01	63,859	45,556	3,333	10,467	123,215	25,112	0	25,112
As of 2008-12-31	49,955	24,268	0	0	74,223	24,268	0	24,268
Write-downs and depreciation are included in following rows in the Income Statement 2007								
Sales costs	-	-	-	-2,015	-2,015	-	-	-
Research and development costs	-	-28,712	-592	-	-29,304	-27,874	-	-27,874
Total	-	-28,712	-592	-2,015	-31,319	-27,874	-	-27,874
Of which write downs in 2007								
Research and development costs	-	-18,735	-	-	-18,735	-18,735	-	-18,735
Write-downs and depreciation are included in following rows in the Income Statement 2008								
Sales costs	-19,930	-	-	-5,355	-25,285	-	-	-
Research and development costs	-	-21,408	-461	-	-21,869	-5,241	-129	-5,370
Total	-19,930	-21,408	-461	-5,355	-47,155	-5,241	-129	-5,370
Of which write downs in 2008								
Sales costs	-19,930	-	-	-4,287	-24,217	-	-	-
Research and development costs	-	-15,063	-	-	-15,063	-	-	-
Total	-19,930	-15,063	-	-4,287	-39,280	-	-	-

Annual testing of goodwill

Goodwill in the Ortivus Group amounted to MSEK 50.2 (63.9) and is distributed among revenue-generating units in the following markets:

	2008-12-31	2007-12-31
North America	50.0	43.9
Germany	-	20.0
Total	50.0	63.9

At the annual testing of goodwill value, the recovery value of the respective unit that the goodwill is allocated to is calculated. As recovery value we use the useful value calculated by discounting future estimated cash flows related to the respective unit. The estimated cash flow is primarily based on estimated sales and margins for the respective markets. Assessment of the sales has been carried out by internal analyses of the available market and the assessed market.

The Group's budget for 2009 and business plan 2009-2011 is used as basis for the estimated cash flow. The consideration contains a prudent extrapolation for 2012-2013. 2013 has been used as the terminal value, with 3 percent yearly growth.

The North American companies act as one revenue-generating unit, and have therefore been tested as one unit. A discount factor of 8.2 (8.9) percent has been used. The test shows that the return value exceeds the useful value by a healthy margin, why there is no need for write-down.

Company management considers that no reasonable changes in the forecast for the major assumptions would alter the above assessments.

Write-downs of development costs and licenses

During the year, a major development project in North America outside the company's core areas has been closed, resulting in an impairment of capitalized project development costs in total amount of MSEK 9.5. At the end of the project there are no expected future cash flows and both use value and fair value less costs equal to zero.

As part of Ortivus action program, focusing on the core areas the German subsidiary Medos AG was sold during the year. In connection with this transaction, it was clear that Medos was unable to generate values corresponding to its reported values. See also note 29.

Note 11 Tangible fixed assets

	<i>Group Equipment</i>	<i>Parent company Equipment</i>
Acquisition value		
Opening balance 2007-01-01	41,551	14,418
Other acquisitions	5,350	1,344
Divestments and disposals	-3,703	-47
Exchange rate differences for the year	522	-
Closing balance 2007-12-31	43,720	15,715
Opening balance 2008-01-01	43,720	15,715
Other acquisitions	4,522	424
Divestments and disposals	-16,045	-
Exchange rate differences for the year	994	-
Closing balance 2008-12-31	33,191	16,139
Depreciation and write-downs		
Opening balance 2007-01-01	-24,787	-8,808
Write down for the year	-1,608	-
Depreciation for the year	-6,592	-1,804
Divestments and disposals	2,590	4
Exchange rate differences for the year	-274	-
Closing balance 2007-12-31	-30,671	-10,608
Opening balance 2008-01-01	-30,671	-10,608
Depreciation for the year	-5,026	-1,591
Divestments and disposals	12,735	-
Exchange rate differences for the year	-714	-
Closing balance 2008-12-31	-23,676	-12,199
Carrying value		
As of 2007-01-01	16,764	5,610
As of 2007-12-31	13,049	5,107
As of 2008-01-01	13,049	5,107
As of 2008-12-31	9,515	3,940

Depreciation is contained in the following rows in the Income Statement 2007

Cost of goods sold	-1,512	-212
Sales costs	-2,148	-727
Administration costs	-1,508	-472
Research and development costs	-3,032	-393
Total	-8,200	-1,804

Of which write downs 2007

Research and development costs	-1,608	-
--------------------------------	--------	---

Depreciation is contained in the following rows in the Income Statement 2008

Cost of goods sold	-1,101	-215
Sales costs	-1,441	-558
Administration costs	-1,010	-377
Research and development costs	-1,474	-441
Total	-5,026	-1,591

Note 12 Short term placements

	<i>Group</i>	
	<i>08-12-31</i>	<i>07-12-31</i>
Short term placements	1,355	8,188
	1,355	8,188

Ortivus' short-term placements are normally interest-bearing bonds, with an average term of 12 months.

Note 13 Other receivables

	<i>Group</i>		<i>Parent Company</i>	
	<i>08-12-31</i>	<i>07-12-31</i>	<i>08-12-31</i>	<i>07-12-31</i>
VAT refunds	245	240	20	134
Funds in tax account	5	388	5	380
Other short term non-interest bearing receivables	223	623	4	1
	473	1 251	29	515

Note 14 Inventories

	<i>Group</i>		<i>Parent Company</i>	
	<i>08-12-31</i>	<i>07-12-31</i>	<i>08-12-31</i>	<i>07-12-31</i>
Components	6,216	8,124	6,216	6,729
Work in progress	5,149	4,143	5,137	-
Manufactured goods	556	430	-	901
	11,921	12,697	11,353	7,630

In inventory for the group 2007 is included write-downs of 2 513 TSEK whereof 2 110 TSEK is related to a work in progress in Canada.

Note 15 Accounts receivable

	<i>Group</i>		<i>Parent Company</i>	
	<i>08-12-31</i>	<i>07-12-31</i>	<i>08-12-31</i>	<i>07-12-31</i>
Accounts receivable	11,976	16,694	7,539	8,016
Reserve for uncertain receivables	-282	-1,304	-	-76
	11,694	15,390	7,539	7,940

Note 16 Prepayments and accrued income

	<i>Group</i>		<i>Parent Company</i>	
	<i>08-12-31</i>	<i>07-12-31</i>	<i>08-12-31</i>	<i>07-12-31</i>
Accrued income	1,418	4,711	1,366	4,667
Prepaid IT costs	302	216	-	-
Prepaid rent	776	818	655	511
Insurances	389	86	260	20
Other	984	1,242	143	128
	3,869	7,073	2,424	5,326

Note 17 Liquid assets/Cash and cash equivalents

	<i>Group</i>		<i>Parent Company</i>	
	<i>08-12-31</i>	<i>07-12-31</i>	<i>08-12-31</i>	<i>07-12-31</i>
Cash and bank deposits	50,510	57,177	20,733	22,177
Total on Balance Sheet	50,510	57,177	20,733	22,177
Total on Cash Flow Statement	50,510	57,177	20,733	22,177

Note 18 Equity

Group

Capital stock

As of December 31, 2008, the registered capital stock amounted to 20,708,188 basic stock units (nominal value SEK 5) divided into 1,108,455 series A stock units and 19,599,733 series B stock units. Holders of basic stocks are entitled to dividends that are set subsequently, and holders of series A stock are entitled 10 votes per stock unit, while holders of series B stock are entitled to 1 vote per stock unit. All of the stock has the same entitlement to the company's net assets and profit.

Other endowment capital

Regarding equity that is endowed by the owners, including the share premium reserve, which was transferred to the statutory reserve as of December 31, 2005. Allocations to the share premium reserve from January 1, 2006 and later are also entered as endowment capital.

Reserves

The conversion reserve consists of all exchange rate differences that occur when converting financial reports from foreign companies that have prepared financial reports in a currency other than the reporting currency of the Group's financial reports. The parent company and the Group present their reports in SEK. The conversion reserve also consists of exchange rate differences that occur when valuing liabilities that are incurred as hedging instruments for net investment in foreign companies.

Retained earnings incl. profit/loss for the year

Retained earnings including the profit/loss for the year includes earnings of the parent company and its subsidiaries and associated companies. Previous allocations to the statutory reserve, excluding transferred share premiums, are included in this separate equity item.

Capital management

The main source of Group financing should be equity, since the main assets of the Group are intangible. The Finance policy allows for long term loan financing to a smaller extent, and in situations with liquidity need, for further short term loan financing. No minimum or maximum solidity level has been defined.

Future adjustments of equity size are dependant upon the short term profit development, which is difficult to assess given the current phase of the company. Short and mid term profits shall be invested in operations, which limits dividend ability.

Capital is defined as total equity.

The Board has proposed to the 2009 Annual General Meeting that a dividend should not be paid. No dividend has been paid during the last five years.

No changes of the Group's capital management has been made during 2008.

PARENT COMPANY

Restricted equity may not be reduced by payment of dividends.

Statutory reserve fund

The purpose of the statutory reserve is to save parts of net profit that are not used to cover retained losses. Share premium funds that were in place on December 31, 2005 are included in this item.

Unrestricted equity

Share premium reserve

When stocks are issued at a premium, i.e., the stocks are sold at more than the stock's nominal value, an amount equivalent to that received above the nominal value of the shares is transferred to the share premium reserve. For issues later than January 1, 2006, the premium reserve becomes part of unrestricted equity.

Retained earnings

With the profit or loss for the year, it comprises the total of unrestricted equity, i.e., the amount available for distribution to stockholders.

Note 19 Earnings per share

Earnings per share

Calculation of the earnings per share for 2008 is based on the earnings for the year related to the parent company's stockholders of KSEK -68,946 (-61,289) and on a weighted number of outstanding stocks for 2008, to a maximum of 20,708,188 (20,708,188).

Earnings per share before and after dilution amounted to SEK -3.33 (-2.96).

Calculation of the earnings per share for continued operations 2008 is based on the earnings for the year related to the parent company's stockholders of KSEK -43,739 (-60,142) and on a weighted number of outstanding stocks for 2008, to a maximum of 20,708,188 (20,708,188). Earnings per share before and after dilution for continued operations amounted to SEK -2.11 (-2.90).

Note 20 Interest bearing liabilities

The note contains information about the company's contractual terms concerning interest-bearing liabilities. For more information about the company's exposure to interest risk and the risk of exchange rate fluctuations, we refer to note 24.

	Group		Parent Company	
	08-12-31	07-12-31	08-12-31	07-12-31
Long-term liabilities				
Bank loans	3,805	12,877	3,750	12,397
Debts to other related parties	25,000	-	25,000	-
	28,805	12,877	28,750	12,397
Short-term liabilities				
Short-term part of bank loans	-	8,644	-	8,265
Bank overdraft facilities	-	-	-	-
	-	8,644	-	8,265

No part of the long-term interest bearing liabilities are due later than five years after the balance sheet date. At year end, the Group and the parent company disposed of a bank overdraft facility of MSEK 5.0 (last year no facility).

The parent company has a bank loan with a term of five years, and quarterly amortizations. During the latter part of 2008 the loan has after agreement with the Bank remained without amortization until further notice.

The interest is variable and payable quarterly. During 2008 the interest amounted to 6.0% (5.2%).

A floating charge of MSEK 15 has been provided as security for the Parent company's bank facilities. Further, there are certain conditions for the cash available to be sustained in order for the loan not to be revoked.

These conditions were met on the balance sheet date. The Company has per April 15, 2008 raised a syndicated loan of MSEK 25.0 from some major shareholders to market conditions, see also Note 27 Related parties.

Note 21 Provisions

	<i>Group</i>		<i>Parent Company</i>	
	<i>08-12-31</i>	<i>07-12-31</i>	<i>08-12-31</i>	<i>07-12-31</i>
Guarantee undertakings	567	1,680	567	1,623
Other	-	1,647	-	1,647
	567	3,327	567	3,270

	<i>Group</i>			<i>Parent Company</i>		
	<i>Guarantee undertakings</i>	<i>Other</i>	<i>Group Total</i>	<i>Guarantee undertakings</i>	<i>Other</i>	<i>Total</i>
Carrying value 2007-01-01	2,314	0	2,314	2,259	-	2,259
Allocations made during the period	480	1,647	2,127	424	1,647	2,071
Amounts claimed during the period	-930	-	-930	-930	-	-930
Unused funds reversed during the period	-186	-	-186	-130	-	-130
Exchange rate differences for the year	2	-	2	-	-	-
Carrying value 2007-12-31	1,680	1,647	3,327	1,623	1,647	3,270

	<i>Group</i>			<i>Parent Company</i>		
	<i>Guarantee undertakings</i>	<i>Other</i>	<i>Group Total</i>	<i>Guarantee undertakings</i>	<i>Other</i>	<i>Total</i>
Carrying value 2008-01-01	1,680	1,647	3,327	1,623	1,647	3,270
Allocations made during the period	126	-	126	126	-	126
Amounts claimed during the period	-466	-547	-1,013	-466	-547	-1,013
Unused funds reversed during the period	-716	-1,100	-1,816	-716	-1,100	-1,816
Discontinued operations	-57	-	-57	-	-	-
Carrying value 2008-12-31	567	0	567	567	0	567

Provisions for guarantee undertakings are primarily attributable to Ortivus AB project sales, normally with a 12-24 months warranty. Other provisions are related to severance payment for the previous CEO.

Note 22 Accrued expenses and prepaid income

	<i>Group</i>		<i>Parent Company</i>	
	<i>08-12-31</i>	<i>07-12-31</i>	<i>08-12-31</i>	<i>07-12-31</i>
Vacation pay liability	2,430	3,275	1,520	1,678
Payroll	3,420	990	-	-
Social security costs	1,187	1,214	1,091	1,126
Prepaid income	23,641	20,483	-	-
Accrued interest costs	39	121	39	121
Severance payments	2,613	8,557	-	3,244
Other accrued expenses	6,950	11,399	4,317	5,652
	40,280	46,039	6,967	11,821

Note 23 Valuation of financial assets and liabilities to real value

Real value

Real value and recorded value has been assessed for all financial assets and liabilities. Recorded value is equivalent to real value, which is shown below. The Group's financial instruments are held for trade purposes, loan receivables, accounts receivable and other short term financial liabilities, which are valued to accrued acquisition value.

Real value and recorded value are recorded in the balance sheet according to the below:

Group 2008

	<i>Held for trade purposes</i>			<i>Total recorded value</i>	<i>Real value</i>
	<i>Financial assets valued at real value via income statement</i>	<i>Loans and accounts receivables</i>	<i>Other debt</i>		
Accounts receivable	-	11,694	-	11,694	11,694
Accrued revenue	-	1,418	-	1,418	1,418
Short term placements	1,355	-	-	1,355	1,355
	1,355	13,112		14,467	14,467
Long-term interest bearing liabilities	-	-	28,805	28,805	28,805
Accounts payable	-	-	3,610	3,610	3,610
Accrued expenses	-	-	6,938	6,938	6,938
			39,353	39,353	39,353

Group 2007

	<i>Held for trade purposes</i>			<i>Total recorded value</i>	<i>Real value</i>
	<i>Financial assets valued at real value via income statement</i>	<i>Loans and accounts receivables</i>	<i>Other debt</i>		
Accounts receivable	-	15,390	-	15,390	15,390
Accrued revenue	-	4,711	-	4,711	4,711
Short term placements	8,188	-	-	8,188	8,188
	8,188	20,101		28,289	28,289
Long-term interest bearing liabilities	-	-	12,877	12,877	12,877
Short-term interest bearing liabilities	-	-	8,644	8,644	8,644
Accounts payable	-	-	5,830	5,830	5,830
Accrued expenses	-	-	10,339	10,339	10,339
			37,690	37,690	37,690

Parent Company 2008

	<i>Held for trade purposes</i>			<i>Total recorded value</i>	<i>Real value</i>
	<i>Financial assets valued at real value via income statement</i>	<i>Loans and accounts receivables</i>	<i>Other debt</i>		
Accounts receivable	-	7,539	-	7,539	7,539
Accounts receivable from Group companies	-	7,094	-	7,094	7,094
Accrued revenue	-	1,366	-	1,366	1,366
		16,051		16,051	16,051
Long-term debt to credit institutions	-	-	28,750	28,750	28,750
Accounts payable	-	-	3,031	3,031	3,031
Short-term debt to group companies	-	-	752	752	752
Accrued expenses	-	-	4,356	4,356	4,356
			36,889	36,889	36,889

Parent company 2007

	<i>Held for trade purposes</i>			<i>Total recorded value</i>	<i>Real value</i>
	<i>Financial assets valued at real value via income statement</i>	<i>Loans and accounts receivables</i>	<i>Other debt</i>		
Accounts receivable	-	7,940	-	7,940	7,940
Accounts receivable from Group companies	-	23,366	-	23,366	23,366
Accrued revenue	-	4,667	-	4,667	4,667
		35,973		35,973	35,973
Long-term debt to credit institutions	-	-	12,397	12,397	12,397
Short-term debt to credit institutions	-	-	8,265	8,265	8,265
Accounts payable	-	-	3,383	3,383	3,383
Short-term debt to group companies	-	-	1,236	1,236	1,236
Accrued expenses	-	-	5,773	5,773	5,773
			31,054	31,054	31,054

Securities

For listed securities, the real value is determined based on the assets listed purchase rate at the balance sheet day, excluding transaction costs at the time of acquisitions. Potential transaction cost at the disposal of assets are not considered.

Interest bearing liabilities

The real value for financial assets that are not derivatives is based on future cash flow from capital amount and interest, discounted at the actual market rate at the balance sheet date.

Accounts receivable and payables

For accounts receivable and payable due within six months, the recorded value is assumed to reflect the real value. Receivables and payables with a due time over six months are discounted at the time of determining the real value.

Note 24 Financial risks and financial policies

The Ortivus Group is exposed to various forms of financial risks through its operations. We regard financial risk as being undesirable changes in the company's Income Statement and Balance Sheet as a result of fluctuations in the financial markets. The Group's Financial policy for handling financial risks forms a framework of guidelines and rules in the form of risk mandates and limits to financial activities concerning the following risks.

- Liquidity risks
- Currency risks
- Interest risks
- Financing risks
- Other party risks

Liquidity risks

Liquidity risk is defined as risk of the Group's not having access to liquid assets to be able to punctually pay expected and unexpected undertakings, or that financing can only be received at a considerable cost.

The Group's cash flow has been negative for the last few years, mainly due to the export efforts for the parent company's products, and the development of the German subsidiary. The Group cash flow is estimated to be negative also for 2009. Even in 2009 the group's cash flow is assessed to be negative, however, is the estimated cash flow expected to be reversed from negative to positive latest by the fourth quarter of 2009. This means that the Group for full year 2009 has sufficient liquid assets and short-term placements, which can be released at short notice for the company's operations in the present state.

	Recorded value	
	08-12-31	07-12-31
Aging analysis, accounts payable due, not impaired and not due		
Accounts payable not due	3,368	5,080
Accounts payable overdue > 30-60 days	25	26
Accounts payable overdue > 60-90 days	92	328
Accounts payable overdue > 90-180 days	0	179
Accounts payable overdue > 180 days	125	217
Total	3,610	5,830

See also note 20, interest-bearing liabilities.

Currency risks

The Group is exposed to various types of currency risks. The primary exposure regards purchasing and selling in foreign currency where the risk can partly consist of fluctuations in the currency or the financial instrument, customer or supplier invoice, and partly the currency risk in the expected or contracted payment flow, called transaction exposure. Currency fluctuations are also found in the conversion of the foreign subsidiaries' assets and liabilities to the parent company's functional currency, so-called conversion exposure. Another area that is exposed to currency risk is the payment flow in loans and placements in foreign currency (financial exposure).

Very probable forecast flows are safeguarded forward in time if the net exposure for a certain month is calculated to exceed SEK 2 million. According to the policy, standardized currency forwards and swaps, as well as currency options, are used.

In the accounts, hedging accounts are applied when the need exists. The Group's Income Statement for 2008 includes net financed exchange rate differences of SEK -642 (-517). In order to reduce the risks in connection with business in foreign currency, forward rates should be used according to the guidelines stated below. All forwards must be commercially motivated, i.e., there must be an underlying sale or purchase of goods or services that motivates the hedging. No hedging must take place for speculative purposes. Forward currency must be based on estimated in and outflows per currency, i.e., expected inflow must be matched with expected outflow in the same currency. It is the net need between the in and outflow that must be forwarded.

Transaction exposure

The Group transaction exposure expressed in MSEK is allocated over the following currencies:

	2008	2007
Currency		
EUR	2	0.2
GBP	-	-
USD	0.0	-0.5
CAD	-	-
Total	2.0	-0.3

Transaction exposure in the Group is limited and unsecured on the Balance Sheet date.

Conversion exposure

Foreign net assets in the Group, expressed in the MSEK equivalent, are allocated over the following currencies:

	2008	2007
Currency		
EUR	-	37.2
GBP	6.6	2.0
DKR	0.4	1.6
USD	59.6	51.7
CAD	20.9	32.2
Total	87.5	124.7

The Group's financial policy indicates as a rule not to protect against conversion exposure in foreign currencies. The policy does, however, permit deviation from this main rule.

Interest risk

Interest risk is the risk that the value of a financial instrument varies because of changes in the market interest rates. Interest rate risk can partly consist of changes in actual value, price risk, partly changes in cash flow, cash flow risk.

As the Ortivus Group is mainly self-financed interest risk is marginal. Placements are found in some interest-bearing financial instruments, but these are held until maturity and are limited in extent. The Group also has limited variable interest external bank financing. Handling of the Group's interest exposure is centralized, which means that the finance function in the parent company is responsible for identifying and handling this exposure.

The finance policy has not fixed any average interest fixing time targets for the Group's liability portfolio. Derivative instruments and interest swap contracts can be used to handle the interest risk. In the accounts, the hedge accounts are applied when an effective connection is found between secured loans and interest swaps. As of December 31, 2008 the company has no interest swaps.

Other party risks

The main part of the other party risk in the Ortivus Group takes the form of credit risk in accounts receivable.

Credit risks in accounts receivable

The risk of the Group companies' customers not fulfilling their obligations, i.e., that payment is not received for accounts receivable, makes up the customer credit risk.

Credit checks from various credit information agencies are performed on the Group's customers, for information about the customers' financial positions. The Group has created a credit policy to govern how customer credit should be handled.

In the case of large customer receivables the risk of bad debts is limited by ownership rights conditions. Bank guarantees or other securities are required for customers with low credit ratings or insufficient credit history. Ortivus AB has a customer base mainly consisting of regional authorities or their equivalent, primarily in Europe. When there is insufficient history, and the customer is not a publicly-owned organization, the equipment is sold with ownership conditions, advance payment or bank guarantees.

The subsidiary Ortivus Inc. in the USA has a customer base consisting mainly of privately owned ambulance organizations. Most of the income comes from prepaid charges for service agreements. Each agreement is limited in extent and the age structure of the company's receivables is followed up carefully. At Ortivus Inc., the USA's invoicing and other systems are critical for the business of the ambulance organizations, their bad debts are insignificant. Prepayment, bank guarantees or other securities are required for customers with low credit ratings or insufficient credit history. The subsidiary Ortivus Inc. in Canada has a customer base that mainly consists of publicly-owned bodies such as the police, local authorities or states in the USA and Canada. Installation of the company's systems takes place successively for advance payment, which in principle covers the costs of labour and materials.

	Recorded value	
	08-12-31	07-12-31
Aging analysis, accounts receivable due, not impaired and not due		
Accounts receivable not due	9,050	10,035
Accounts receivable overdue > 30-60 days	1,912	3,217
Accounts receivable overdue > 60-90 days	41	514
Accounts receivable overdue > 90-180 days	448	662
Accounts receivable overdue > 180 days	243	962
Total	11,694	15,390

Capital placements

The company attempts to achieve good interest rates on surplus liquidity. The surplus liquidity is placed on the basis of quarterly audited liquidity forecasts. The company policy is to only permit placement of the company's liquid assets in a way that the risk of loss of value in these assets is minimized.

Placement may, therefore, only take place in predetermined capital placement instruments unless otherwise agreed by the company's Board or CEO. Examples of approved capital placement instruments include: Government bonds or other secure interest-bearing scrips with a rating according to Moody's Aaa up to A3 or Standard & Poor AAA to the lowest AA-. As of the Balance Sheet date there were no significant concentrations for credit exposure. The maximum exposure for credit risk can be shown in the recorded value on the Balance Sheet for the respective financial assets.

Sensitivity analysis

The purpose of the handling of interest and currency risks is to minimize short term earnings fluctuations. Sustainable changes in interest and exchange rates will however long term affect the consolidated result.

As of December 31 2008, a general interest increase of 1 percent would decrease the 2008 Group pre tax profit with approximately KSEK -161 (215).

A general increase of the SEK exchange rate against other currencies with 1 percent would decrease the 2008 Group pre tax profit with approximately KSEK -38 (-49).

NOTES

Note 25 Operating leasing

Leasing contracts in which the company is lessor

	Group		Parent Company	
	08-12-31	07-12-31	08-12-31	07-12-31
Leasing costs (minimi lease fees) paid during the year amount to:	7,544	8,486	2,143	2,693
Non-revocable future leasing payments amount to:				
Within one year	6,059	5,821	2,869	2,474
From one to five years	16,553	20,861	8,017	7,866
Longer than five years	6,653	8,366	-	-
Total	29,265	35,048	10,886	10,340

The Group rents its office premises under an operating rental contract. The lifespan of these contracts is between 2 and 9 years.

Note 26 Securities pledged and potential obligations

	Group		Parent Company	
	08-12-31	07-12-31	08-12-31	07-12-31
Security pledged				
In the form of securities pledged for own liabilities and allocations	16,355	23,188	15,000	15,000
	16,355	23,188	15,000	15,000
Potential obligations				
Guarantee rented premises	6,646	7,626	6,646	7,626
	6,646	7,626	6,646	7,626

Pledged securities regard a performance bond, as well as a floating charge of MSEK 15 (15), see also note 20. Potential obligations regard a lease contract guarantee for the UK subsidiary. The parent company has contingent liabilities related to the short term operations of the German and the UK subsidiary. External debt for these subsidiaries amounted to MSEK 0.7 (17.5) on the closing day. On the closing day there was no indication of potential default related to these contingent liabilities.

Note 27 Related parties

Transactions with related parties are priced at market rates.

In order to enhance liquidity the company April 15, 2008 agreed on a syndicated loan of MSEK 25.0 with Ponderus Invest (Peter Edwall), Bonit Invest AB (Laurent Leksell), the fund Concepio (Ragnhild Wiborg) and AB Nizina secured by assets in the Company. The loan carries interest corresponding to STIBOR 180D + 5% and in 2008 the interest amounted to KSEK 1,715.

Of the parent company's other operating revenue, KSEK 1,227 (8,596) relates to consultancy services provided to Group companies.

Consultancy services from Group companies are included in the parent company's other operating expenses with KSEK 718 (0).

Transactions with key personnel in senior positions.

The company's Board members and their family members control 28.4 (29.8) percent of the votes in the company. Loans or other securities have not been provided to the Chairman of the Board, CEO or equivalent executives in the parent company or subsidiaries.

In addition to salary Jon Risfelt was engaged as a consultant for Ortivus before he was elected to Chairman of the Board and has during the period January to May 2008 invoiced the company KSEK 465 for services rendered. The total remuneration is included in staff costs, see note 5.

Note 28 Group companies

Holding in subsidiaries	Subsidiary headquarter/country	Share held %	
		2008	2007
Ortivus UK Ltd	Southampton, Storbritannien	100	100
Ortivus Inc USA	Decorah, Iowa, USA	100	100
Ortivus Inc Kanada	Montreal, Kanada	100	100
Medos AG	Langenselbold, Tyskland	-	100
Ortivus A/S	Horsens, Danmark	100	100
Elementanalys Analytica AB	Danderyd, Sverige	100	100
Biohome AB	Danderyd, Sverige	100	100
Cardiological Decision Support AB	Danderyd, Sverige	100	100

Parent Company

	08-12-31	07-12-31
Accumulated acquisition value		
At start of year	317,159	317,159
Purchases	-103,760	-
Share holder contributions	8,600	-
Closing balance December 31	221,999	317,159
Accumulated write-downs		
At start of year	-184,717	-184,517
Disposals	98,854	-
Write down Medos AG	-38,682	-
Other write downs	-817	-200
Closing balance December 31	-125,362	-184,717
Carrying value	96,637	132,442

Specification of parent company and Group's participations in Group companies

Subsidiary/ Enterprise reg no.	No of shares	Share %	Carrying value	
			08-12-31	07-12-31
Ortivus UK Ltd/3558696	50,000	100	9,258	658
Ortivus Inc USA/42-1514770	10,160	100	73,339	73,339
Ortivus Inc Kanada/2757923	3,714,522	100	13,272	13,272
Medos AG/HRB 7039	100,000	0	0	43,588
Elementanalys Analytica AB/ 556265-4771	5,100	100	255	255
Biohome AB/556364-0464	100,000	100	100	100
Cardiological Decision Support Uppsala AB/556593-0707	1,000	100	100	100
Ortivus A/S 21 24 42 79	1,000	100	313	1,130
			96,637	132,442

Earlier fully owned subsidiary Medos AG was sold during 2008.

Note 29 Discontinued operations

In order to focus the Group's activities in core areas and to ensure a structure for long-term profitability Ortivus agreed per July 31, 2008 on a contract with Nexus AG, a German publicly listed Healthcare IT companies, on the sale of Ortivus subsidiary Medos AG. During the third quarter of 2008 the purchase price of 2.2 MEUR (20.8 MSEK) was finally settled in cash and the transaction was completed. Direct selling expenses amounted to 2.9 MSEK.

	2008	2007
Cash flow from operating activities	-5,315	17,034
Cash flow from investment activities	-2,721	-6,075
Cash flow from financing activities	-222	-6,075
Divested cash	-11,924	-
Total cash flow	-20,182	4,884

Analysis of results from discontinued operations

	2008	2007
Net sales	36,177	60,472
Expenses	-63,182	-62,446
Result from discontinued operations before tax	-27,005	-1,974
Tax	1,798	827
Result from discontinued operations after tax	-25,207	-1,147

Based on the July contract price (fair value less sales costs) the value of the German cash-generating unit, which consisted of Medos and belong to the primary segment Europe, was written down MSEK 30.0 before tax in the second quarter. The impairment amount is included in income from discontinued operations and goodwill was charged with MSEK 19.3, capitalized development costs by MSEK 5.8 before tax and other intangible assets of MSEK 4.3 before tax.

Note 30 Events after Balance Sheet date

The financial reports were approved for issue by the parent company's Board on April 8, 2009.

Renegotiation and extension of the company's syndicated loan of 25.0 MSEK.

The Västra Götaland region has, under the heading "Telemedical equipment for ambulance service" awarded Ortivus a blanket contract to equip the region's Ambulance healthcare service with Ortivus MobiMed. In total there are 110 ambulances in the region. The contract will be for five years' duration with the possibility of an extension, and does not only include delivery of hardware and software for Mobimed, but also defibrillators, installation, training and service contracts. Delivery of the system will begin in 2009.

The Board intends to propose to the General Meeting that the Board be given the authority to decide a new issue of stock through the issue of a maximum 2,200,000 B stock units, which could increase capital stock by a maximum of SEK 11,000,000.

The shares will only be able to be subscribed to through provision of a non-cash consideration. The authority must only apply until the next General Meeting.

Note 31 Critical estimates and assessments

Apart from assessments as per below, Company management estimates that no judgments related to application of accounting principles has had any substantial impact on recorded values. Listed below is information related to important assumptions with a substantial risk for significant impact on recorded values for assets and liabilities during the forthcoming fiscal year. See also note 14, inventory.

Write-down tests of goodwill

When calculating revenue-generating units' recovery value for assessing the potential need for write-down of goodwill, several assumptions of future conditions and parameter estimates have been carried out.

An explanation of these is found in note 10. The possibility that changes in these assumptions and estimates during 2008 could impact the value of goodwill cannot be eliminated. The goodwill risk is not significant, and thus not of the character referred to in IAS 1.116.

Exposure to foreign currency

Changes in foreign currency may have an impact on the Group in general. Note 24 provide an analysis of the exposure to foreign currencies, as well as the risks that are associated with changes in exchange rates.

Recovery of the value of development costs

On the Balance Sheet date, the Group carried capitalized development costs of a total of MSEK 24.3 (45.2) for the following development projects within Group companies.

- CoroNet
- Mobimed

The risk of development costs not being recovered depends on future sales opportunities for the developed products on the market, and the prices and manufacturing costs that form the basis of the estimates and calculations that are carried out when our development projects are initiated. If these conditions are not mainly met, it may have a significant impact on the carrying value of the projects that are capitalized on the Group's Balance Sheet.

Note 32 Information about the parent company

Ortivus AB (publ) is a corporation registered in Sweden with enterprise number 556259-1205 and with registered offices in Danderyd. The stock of the parent company is listed on the Stockholm Stock Exchange. The address of the head office is Karlsrovagen 2 D, SE-182 17 Danderyd. Consolidated accounts 2008 includes the parent company and its subsidiaries, collectively referred to as the Group.

Proposal for allocation of profit

Parent company

At the disposal of the General meeting is:

Share premium reserve	126,605,559
Retained earnings	-148,161,778
Loss for the year	-55,481,662
Total	-77,037,881

The Board proposes that the accumulated deficit SEK -203,643,440 is brought forward in a new account and that the Share premium reserve SEK 126,605,559 is balanced in a new account. The Group and parent company's Income Statement and Balance Sheet are put forward for adoption at the General Meeting on May 6, 2009.

Board affirmation

The financial statement have been prepared in accordance with Swedish GAAP and consolidated accounts have been prepared in accordance with the international set of accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19 2002 on the application of international accounting standards and give a true and fair view of the position and the result of the Group and the Parent company. The Directors report gives a fair view of the business performance, position and profit/loss for the Group and for the Parent company, and describes the principal risks and uncertainties that the Parent company and the companies in the Group face.

The annual report and the consolidated accounts have, as been shown above, been approved by the Board and CEO on April 8 2009.

The income statements and balance sheets of the Group and the Parent company will be subject for approval by the Annual General Meeting on May 6, 2009.

Danderyd April 8, 2009

Jon Risfelt
Chairman of the board

Peter Edwall
Board member

Laurent Leksell
Board member

Annemarie Gardshol
Board member

Anna Söderblom
Board member

Crister Stjernfelt
Board member

Jan B Andersson
CEO

My audit report was submitted on April 17, 2009

Helene Willberg
Authorized public accountant

The information in this report is such which Ortivus is required to disclose under the Securities Markets Act. It was released for publication at 16.00 on April 21, 2009.

Audit report

To the Annual General Meeting of Ortivus AB (publ)**Reg no 556259-1205**

I have reviewed the annual accounts, the consolidated accounts and accounting, as well as the Directors and CEO's reports for Ortivus AB (publ.) for 2008. The company's annual accounts are part of the printed version of this document on pages 22-53. The Board and CEO are responsible for handling the accounts and administration, and for applying the provisions of the Annual Accounts Act to the preparation of the annual accounts, as well as the provisions of the international accounting standard IFRS as they have been adopted by the EU, and that the Annual Accounts Act be applied in the preparation of the consolidated accounts. My responsibility is to express an opinion on the annual accounts, the consolidated accounts and administration on the basis of my audit. The audit has been carried out in accordance with Swedish GAAP.

This means that I have planned and carried out my audit in order to obtain reasonable assurance, but not absolute certainty, that the annual accounts and consolidated accounts do not contain significant errors. An audit involves examining a selection of the underlying documents for the amounts and other information in the accounts. An audit also involves testing the accounting principles and the Board and CEO's application of them, as well as assessing the significant estimates made by the Board and the CEO in their preparation of the annual accounts and consolidated accounts, as well as evaluating the total information in the annual accounts and consolidated accounts. Underlying documentation for my statement on indemnity, I have examined significant decisions, actions and conditions in the company in order to be able to assess whether any Board member or the CEO could demand compensation from the company. I have also examined whether any Board member or the CEO has in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the company articles. I consider that my audit provides reasonable grounds for my statements below. The annual accounts have been prepared in accordance with the Annual Accounts Act and provide a fair representation of the company's result and position in accordance with Swedish GAAP. The consolidated accounts have been prepared in accordance with the international accounting standard IFRS, as they have been adopted by EU and the Annual Accounts Act, and provide a fair representation of the results and position of the Group. The Directors' Report is in accordance with the annual accounts and the consolidated accounts' other sections.

I recommend that the Annual General Meeting adopt the Income Statement and Balance Sheet for the parent company and the Group, allocate the profits of the parent company according to the proposal in the Directors' Report and grant the Members of the Board and the CEO indemnity for the financial year.

Stockholm April 17, 2009

Helene Willberg
Authorized public accountant

Five-year plan

Amounts in KSEK	2008	2007	2006	2005	2004
INCOME STATEMENT					
Net sales	83,113	101,937	199,776	173,550	140,808
Cost of goods sold	-22,541	-25,819	-78,024	-57,953	-18,032
Gross profit/loss	60,572	76,118	121,752	115,597	122,776
Operating cost	-102,428	-126,865	-249,806	-139,352	-102,147
Shares in profit/loss from associated companies	0	0	-333	1,920	0
Operating profit/loss	-41,856	-50,747	-128,387	-21,835	20,629
Net financial items	-1,977	-391	603	3,657	3,503
Pre-tax profit/loss	-43,833	-51,138	-127,784	-18,178	24,132
Tax	94	-9,004	-21,402	465	-5,560
Profit/loss for the year continued operations	-43,739	-60,142	-149,186	-17,713	-18,572
Profit/loss for the year discontinued operations	-25,207	-1,147	-	-	-
Profit/loss for the year	-68,946	-61,289	-149,186	-17,713	18,572
BALANCE SHEET					
Fixed assets	96,233	149,455	166,828	250,202	110,385
Current assets	85,044	103,992	167,069	106,064	154,063
Total assets	181,277	253,447	333,897	356,266	264,448
Equity	106,515	163,022	226,029	229,717	230,052
Long term liabilities	29,372	22,298	28,180	40,644	552
Short term liabilities	45,390	68,127	79,688	85,905	33,844
Total equity and liabilities	181,277	253,447	333,897	356,266	264,448
KEY FIGURES					
Profit margin %	-53	-50	-64	-10	17
Operating margin %	-50	-50	-64	-13	15
Equity	106,515	163,022	226,029	229,717	230,052
Return on equity %	neg	neg	neg	neg	8
Return on capital employed %	neg	neg	neg	neg	10
Equity/assets ratio %	59	64	68	64	87
Debt/equity ratio %	0.27	0.13	0.16	0.17	-
Interest coverage ratio	-16	-20	-201	-9	62
Equity per share, SEK	5.14	7.87	10.92	16.64	16.66
Average number of employees	98	111	172	144	115
Investments, equipment	4,522	5,350	6,995	9,323	4,124
Investments, capitalized development costs and licenses	8,165	18,330	33,279	23,416	30,151
Investments, goodwill	-	-	3,865	64,907	-
Profit/loss per share, SEK 1) ¹⁾	-3.33	-2.96	-8.51	-1.22	1.28
Profit/loss per share, SEK continued operations	-2.11	-2.90	-	-	-

¹⁾ Re-calculated for the fund issue effect on new issue 2006 and earlier.

Information above regarding comparison year 2004 has been re-calculated according to IFRS. Previous periods have not been re-calculated.

Glossary and definitions

GLOSSARY

AMI-DSS: Acute Myocardial Infarction-Decision Support System

Method for diagnosing cardiac disease using biomarkers

CAD

Computer Aided Dispatch

FDA

Food and Drug Administration. Regulatory authority in the United States

Ischemi

Lack of oxygen in the cardiac muscle

MDD

The EU's medical device directive

MIDA

Myocardial Ischemia Dynamic Analysis, Registered trademark of Ortivus AB

MIS

Medical Information System for integration of information from various sources

Angiografi

Contrast enhanced imaging of arteries

OEM

Original Equipment Manufacturing: means that an enterprise buys a product from a manufacturer and sells it under its own name

DEFINITIONS

Profit margin

Profit/loss before tax as percentage of net sales.

Operating margin

Operating profit/loss as percentage of net sales.

Return on equity

Net profit/loss divided by average equity (over 12 month period).

Return on capital employed

Profit/loss before tax plus financial expenses, divided by average capital employed (over 12 month period).

Equity ratio

Equity as percentage of balance sheet total.

Debt/equity ratio

Interest-bearing liabilities, divided by equity.

Interest coverage ratio

Pre-tax profit/loss, plus financial expenses, divided by financial expenses.

Shareholders equity per share

Equity at the end of the period, divided by the number of shares issued at end of period.

Annual General Meeting

ORTIVUS AB (PUBL)
NOTICE OF ANNUAL GENERAL
MEETING OF SHAREHOLDERS

The Annual General Meeting of shareholders will be held at 3 pm on Wednesday May 6, 2009, at Konferens Spårvagnshallarna, Birger Jarlsgatan 57 A, Stockholm.

Shareholders who wish to attend the Annual General Meeting must be entered in the register of shareholders maintained by Euroclear Sweden AB by Wednesday, April 29, 2009, and notify their intention to attend the meeting to Ortivus AB, P.O. Box 713, SE-182 17 Danderyd, Sweden, telephone +46-8-446 45 00, telefax +46-8-446 45 09, e-mail info@ortivus.com, no later than 4 pm on Thursday, April 30, 2009.

Notification should include the shareholder's name, personal identification or company registration number, shareholding, address, and telephone number.

Shareholders represented by proxy must submit their proxy together with the notice of participation. Those who represent a legal entity must present a copy of the relevant certificate of registration or equivalent authorization documents showing qualified signatories.

CONTACT

ORTIVUS AB

Box 713
SE-182 17 Danderyd, Sweden
Tel: +46 8 446 4500

www.ortivus.se

