
Communiqué from the Annual General Meeting of Morphic Technologies AB (publ)

At the AGM of Morphic Technologies AB (publ), held on Friday 19 October 2007, a report was presented covering the company's business during the past year.

The meeting approved the income statement and the balance sheet for the parent company and the Group, and decided on the distribution of profits in accordance with the proposals tabled by the Board and the management. A decision was also made on discharging the board members and chief executive officer from liability in accordance with the auditor's recommendation.

The meeting resolved that the board should comprise eight board members without deputies. Fees of SEK 200,000 shall be payable to each of the board members who are not employed within the company. The auditor's fee will be payable in accordance with the adopted accounts. A decision was taken on the re-election of board members Jan Alvé, Kurt Dahlberg, Peter Enå, Eva-Lotta Kraft, Anette Myrheim, Lars Olof Nilsson, Börje Vernet and Kjell Östergren. Peter Enå was re-elected Chairman of the Board.

It was resolved to introduce an advance notification procedure into the company's articles of association regarding participation at general meetings of the company.

The meeting authorized the board to resolve, on one or more occasions during the period up to the next annual meeting, to issue a maximum of 13,600,000 new shares against cash payment or set-off or otherwise with conditions, and thereby to be able to deviate from the shareholders' preferential rights. In the case of new share issues against cash payment without preferential rights, the issue price shall be on market terms. The purpose of this authorization, and the reason it is possible to deviate from the shareholders' preferential rights, is to enable the company to acquire working capital and capital to pledge as collateral in conjunction with supply contracts. If the authorization is utilized in full, the increase in the share capital is equivalent to a dilution effect of around 10 %.

The meeting also authorized the board to resolve, on one or more occasions during the period up to the next annual meeting, to issue a maximum of 13,600,000 new shares against cash payment, payment in kind or by set-off or otherwise with conditions, and thereby to be able to deviate from the shareholders' preferential rights. In the case of new share issues against cash payment without preferential rights, the issue price shall be on market terms. The purpose of this authorization and the reason for it being possible to deviate from the shareholders' preferential rights is to enable the company to implement company acquisitions against cash payment or by payment in the form of newly issued shares or a combination of these. If the authorization is utilized in full, the increase in the share capital is equivalent to a dilution effect of around 10 %.

Decisions were taken in accordance with the board's proposals on principles of remuneration and other terms and conditions of appointment for the company management. In the main, the principles involve the company endeavoring to offer its senior executive officers remuneration that is in line with market conditions. The remuneration shall be based on the significance of the duties, requirements for

Press Release

Morphic Technologies AB (publ)
Karlskoga, 19 Oct, 2007



qualifications, experience and performance, and will comprise fixed basic salary, bonus, pension benefits and other benefits, and terms and conditions of termination. The company management comprises the Group CEO and the departmental managers within Morphic's management team and leading decision-makers in subsidiary companies. The period of notice is a maximum of 6 months, and maximum severance pay can correspond, as a maximum, to salary benefits for 12 months. Otherwise, the company management shall enjoy customary non-pecuniary benefits.

The meeting resolved that the nomination process ahead of the 2008 AGM should be carried out in accordance with the board's proposals. A nomination committee shall be appointed with representatives from the four strongest shareholders in the company, in terms of their number of voting shares, and the chairman of the board. The committee shall draw up proposals for electing a chairman for the general meeting, electing members of the board and the chairman of the board, board fees, remuneration for the auditor, and proposals for the nomination process ahead of the 2009 AGM.

For further information, please contact:

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Morphic Technologies is a Swedish industrial group that specializes in energy systems for renewable electricity production as well as resource-light production techniques for efficient component manufacture. The operations are located in Karlskoga, Kristinehamn, Filipstad, and Gothenburg, Sweden. The Company's class B shares are listed on the Stockholm Stock Exchange's trading site, First North, with Remium Securities as Certified Advisor. For more information, see: www.morphic.se