Press release

Morphic Technologies AB (publ)

Karlskoga, 1.7.2008



Dynamis AB acquires automation company EIA AB

The Morphic Technologies AB subsidiary, Dynamis AB, is executing a minor complementary acquisition of the Swedish automation company Euro Industrial Automation AB. This acquisition will broaden Dynamis' range within materials handling.

Dynamis AB is today acquiring all shares in Euro Industrial Automation AB (EIA AB), a company that specializes in materials handling systems for components for the engineering industry, primarily the vehicle industry.

EIA's products encompass everything from individual products (including conveyor belt solutions) to complete systems for materials conveying. The company, which has about 10 employees, also possesses many years of experience in complex specialist solutions for component conveyance.

The purchase price is MSEK 3. The vendor is EIA's founder and MD, Leif Johansson. Payment will be made in cash. EIA reported a positive trading result before depreciation and financial items in 2007 and is estimated only to have a marginal impact on Morphic Group turnover and profits for the current year. An acquisition analysis will be presented in the financial statement.

"With EIA's products and solutions, we are broadening the range we offer to the market and we are looking forward to working with Leif Johansson. The acquisition is fully in line with our strategy of establishing ourselves as a complete materials handling company", says Anders Reyier, MD of Dynamis AB.

Dynamis develops, markets and sells systems for materials handling and automation. The range on offer covers customized solutions as well as standard products and concepts. The customers comprise primarily subcontractors to the vehicle industry. The acquisition will broaden Dynamis' range to cover the entire chain: from handling materials packaging and component handling to machine feeding, examination and final inspection.

"Our many years of experience in component handling, together with Dynamis' completely unique system for component localization and control, allows us to offer complete, customized solutions. The SensActive™ technology is the only one of its kind in the world and will be setting new standards within the engineering industry for materials handling/processing, and it is going to be exciting to be able to continue our development within Dynamis", says Leif Johansson, MD of EIA AB.

Market in strong growth phase

In 2005, around 130,000 robot systems were installed throughout the world. Around half of these comprised systems for materials handling. Annual global investment in robotized materials handling systems is estimated to be around SEK 100 billion. On the Swedish market, investment is estimated as being approximately MSEK 750 per year. In 2005, around 1,000 robot installations were carried out in Sweden. Half of these were materials handling systems. Of these, around 25% could have used Dynamis products.

Press release

Morphic Technologies AB (publ)

Karlskoga, 1.7.2008



"Operationally, the goal is to establish Dynamis on the market and to identify potential collaborative partners. The initial focus is on the Swedish market, but SensActive™ is now also being launched on selected European markets", says Jonas Eklind, President of Morphic Technologies in a statement.

Facts about SensActive™

The unique thing about the SensActive™ system is the opportunity it provides to identify component shapes. It is currently used in several of Dynamis' products, for purposes such as allowing robots to pick unsorted goods direct from the pallet (a process known as bin-picking), something that has not previously been possible. Other products include quality inspection of components and pattern layout of processed components. SensActive™ completely eliminates any need for manual handling, thus creating a process that is considerably more efficient, more rapid and more cost-effective.

The system is available in two forms, either fully customized on the basis of specific customer requirements or as a more standardized concept consisting of a number of products. In addition to the bin-picking unit itself, a complete cell normally comprises one inspection unit for measuring tolerances and exceptions, conveyor systems, systems for pattern layout, robots, safety railings and grab devices.

There has been a high level of interest in SensActive™ since its launch in late fall 2006. In 2007, for example, several orders for complete cells were received from Haldex Brake Products AB. The systems are going to be used there in complete materials handling systems, fully integrated into the Haldex production process, and constitute an important reference plant for continued expansion.

A complete system installation costs around MSEK 1.5-2, of which 50% are component costs (including robots), with installation and preparation costs making up the remainder.

Dynamis AB operates out of Karlskoga and has around 13 employees. The business has been granted certification in compliance with ISO 9001:2000 and ISO 14001:2004.

For further information, please contact:

Johannes Falk, Director of Investor Relations, Morphic Technologies AB tel: +46 70 676 7393, e-mail: johannes.falk@morphic.se

Morphic Technologies is a Swedish industrial company, offering energy systems based on renewable electricity production and resource-efficient technology for producing components in large production series. The business is run in Sweden (Karlskoga, Filipstad, Kristinehamn and Gothenburg), and also in Greece, Italy and Switzerland. The company's B-shares are associated with the Stockholm Stock Exchange's First North trading market, with Remium Securities as Certified Advisor. More information on the company is available at www.morphic.se.