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

At the Annual General Meeting of Morphic Technologies AB (publ) on Monday October 20, 2008 the shareholders adopted the following resolutions.

Annual Report

The meeting approved the parent company and consolidated income statements and balance sheets and the appropriation of retained earnings proposed by the Board of Directors. In accordance with the auditor's recommendation, the Directors and Chief Executive Officer were released from liability.

Morphic's President and CEO, Jonas Eklind, gave a presentation on the financial year 2007/08 and developments in the first quarter of the year.

Election of Directors and Auditor

The shareholders voted to re-elect the Directors Kurt Dahlberg, Peter Enå, Anette Myrheim, Kjell Östergren to the Board and to elect Peter Ekenger as a new Director. Peter Enå was re-elected Chairman of the Board. Fees of SEK 200,000 will be payable to each of the non-executive Directors.

PricewaterhouseCoopers AB was appointed as the company's auditors for a mandate period of four years, with the authorized public accountant Michael Bengtsson as chief auditor. Auditing fees will be paid on the basis of approved invoices.

Other Decisions

The meeting approved the Board's proposal on principles for compensation and other terms of employment for management. Under the proposal, which is presented in the annual report, the company will seek to offer its senior executives a market-based remuneration package based on the importance of the tasks involved and on skills, experience and performance requirements. The remuneration will consist of a fixed basic salary, bonus and pension benefits, plus other benefits and termination conditions.

The AGM adopted the amendments to the articles of association proposed by the Board, including changing the company's financial year to the calendar year. The current financial year will therefore be shortened to comprise the period May 1 – December 31, 2008. Other amendments include raising the limits for the company's share capital and allowing general meetings to be held in Karlskoga and Stockholm.

The AGM authorized the Board to decide, on one or more occasions before the next AGM, to issue new shares for a cash or non-cash consideration or by offset or subject to other terms and conditions, and thereby to derogate from existing shareholders' pre-emption rights. If new shares are issued for cash without pre-emption rights, the issue price must be set at market rates. The purpose of the authorization is to enable acquisitions in the company's core business areas for a cash or non-cash consideration or by payment in the form of new shares or a combination of these, and to provide

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funding and customary collateral under delivery agreements. The number of shares issued under the authorization may not exceed 10 percent of the company's share capital after the recently concluded rights issue. If new shares are issued under the authorization with pre-emption rights for existing shareholders, holders of series A shares will have the right to subscribe for A shares and holders of series B shares will have the right to subscribe for B shares in proportion to their existing shareholding. If new shares are issued in derogation of existing shareholders' pre-emption rights, only shares of series B may be issued.

The Board withdrew its proposal authorizing the Board to decide on the issue of new shares to be used in lieu of cash payment of underwriting fees. The reason is that none of the underwriters chose this alternative.

The AGM resolved that the nomination process prior to the 2009 AGM should be carried out in accordance with the Nominating Committee's proposals. A Nominating Committee will be appointed consisting of representatives of the four shareholders holding the largest number of votes in the company and the Chairman of the Board. The committee will draw up proposals for the election of a chairman for the AGM, Directors and Board Chairman as well as proposals for Directors' fees, auditor's fees, and the nomination process prior to the 2010 AGM.

Erik Nerpin, an attorney, was elected to chair the meeting.

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This is Morphic

Morphic is a Swedish engineering group operating in the areas of fuels cells, wind power, fuel cell energy systems and engineering technology. The Group has about 230 employees and conducts operations in six countries – Sweden, Norway, Japan, Greece, Italy and Switzerland. The Group is currently building up sales organizations in China and the United States. Morphic Technologies' B shares have been listed on the OMX

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Nordic Exchange since March 4, 2008, and the number of shareholders is about 25,400.