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Annual General Meeting of Morphic Technologies AB (publ)

Shareholders of Morphic Technologies AB (publ) (the “Company”) are hereby invited to attend the Annual General Meeting (AGM) on May 27, 2009, at 10:30 a.m., Folkets hus, Kungsvägen 34, 691 31 Karlskoga, Sweden.

Enrolment

To be entitled to participate in the meeting, shareholders must be registered in the transcript of the register of shareholders issued by Euroclear Sweden AB (formerly VPC AB) on Wednesday May 20, 2009 and notify the Company of their intention to attend by mail to Morphic Technologies AB, “Årsstämman”, Box 7842, 103 98 Stockholm, Sweden, by telephone on +46 (0)8-402 90 74 or via the Company’s website, www.morphic.com. Such notification must state the shareholder’s name, personal/Social Security/organization number and telephone number as well as the name(s) of any assistants and must be received by the Company no later than 1 p.m. on May 20, 2009.

Shareholders whose shares are registered in the name of a nominee must temporarily have their shares re-registered in their own name. Such registration of voting rights must be completed by May 20, 2009. To ensure that this deadline is met, shareholders are advised to contact their nominees in good time to request registration of voting rights.

Shareholders wishing to be represented by a proxy are required to issue a written, signed and dated power of attorney. If the power of attorney is issued by a legal entity a certified copy of a valid certificate of registration for the legal entity (or an equivalent document for a foreign legal entity) must be enclosed. The documents may not be more than one year old. Power of attorney forms are available at the Company’s website, www.morphic.se, and are sent free of charge to shareholders requesting this at the above address.

Proposed agenda

1. Open the meeting
2. Elect a chairman for the meeting
3. Draw up and approve the electoral register
4. Approve the agenda
5. Elect one or more persons to check the minutes of the meeting
6. Determine whether the meeting has been duly convened
7. Listen to a presentation by the Chief Executive Officer
8. Listen to a presentation of the annual report and audit report and the consolidated financial statements and consolidated audit report
9. Decide whether to approve the income statement and balance sheet, and the consolidated income statement and consolidated balance sheet

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10. Decide on the appropriation of retained earnings, in accordance with the approved balance sheet
11. Decide on freedom from liability for the Directors and Chief Executive Officer
12. Listen to a presentation of the proposals of the Nominating Committee
13. Decide on the number of Directors
14. Decide on Directors' fees
15. Elect the Chairman of the Board of Directors and other Directors
16. Decide on auditors' fees
17. Decide on principles of remuneration for group management
18. Decide on amendments to the Articles of Association
19. Decide on authorization for the issue of new shares
20. Decide on guidelines for the appointment of the Nominating Committee
21. Transact other business
22. Conclude the meeting

Proposed resolutions

Appropriation of retained earnings (item 10)

The Board of Directors and Chief Executive Officer propose that the loss for the year be carried forward.

Elect a chairman for the AGM, Directors and decide on Directors' and auditors' fees (items 2 and 12-16)

Morphic Technologies AB's Nominating Committee, consisting of Thomas Ehlin (appointed by Nordea Fonder), Kåre Gilstring (appointed by Mariégården Investment AB), Kurt Dahlberg (for own account), and Peter Enå (for own account), together represented about 31 percent of the votes for all shares in the Company and Peter Ekenger (in his capacity as Chairman of the Company) intends to present a proposal for election of Directors, the Chairman of the Board and fees no later than two weeks before the AGM.

Decide on principles of remuneration and other employment terms for senior management (item 17)

The rationale behind the Board's proposal for principles of remuneration and other employment terms for management is that the Company should seek to offer its senior executives a market-based compensation package. Compensation should be based on the importance of the tasks involved, and on the skills, experience and performance requirements of each role. It should consist of the following components: a fixed basic salary, bonus, pension benefits and other benefits and terms and conditions of termination. Bonuses are limited to 60 percent of the fixed basic salary. Pension payments are made in accordance with the adopted pension plan. Under the pension plan, the pension benefit corresponds to the ITP occupational pension plan for salaries of up to 7.5 income base amounts while salaries exceeding 7.5 income base amounts entitle the beneficiary to a defined contribution pension of 30 percent of his or her fixed basic salary, which is secured through an insurance policy. The Company applies a retirement age of 65 for senior management.

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Decide on amendments to the Articles of Association (item 18)

The Board proposes, in response to expected new legislation on the procedure for notice of general meetings, that Article 8 of the Articles of Association be amended to read:

“Notice of a general meeting shall be made by advertisement in Post- och Inrikes Tidningar and on the Company’s website. At the time of issuing the notice information that notice has been made shall be advertised in Dagens Nyheter.

Notice of the Annual General Meeting and a notice of an extraordinary general meeting at which questions relating to an amendment of the Articles of Association will be discussed shall be issued no earlier than six weeks and no later than four weeks before the meeting. Notice of another extraordinary general meeting shall be issued no earlier than six weeks and no later than three weeks before the meeting.”

The Board proposes that the AGM’s resolution on amendments to the Articles of Association be contingent on the entry into force of the proposed amendments to the Swedish Companies Act (SFS 2005:551), which means that the amendments of the Articles of Association proposed above are consistent with the Companies Act.

Decide on authorization for the issue of new shares (item 19)

The Board of Directors proposes that the AGM authorize the Board to resolve, on one or more occasions during the period up to the next AGM, to issue new shares for a cash or non-cash consideration or by set-off 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 this authorization and the reason for derogating from existing shareholders’ pre-emption rights is to enable business acquisitions for a cash or non-cash consideration or by payment in the form of new shares or a combination of these, to enable an increase in the number of owners to include one or more additional significant owners for the Company, and to enable the Company to strengthen its financial position if required. The number of shares issued under the authorization may represent an increase in the share capital of no more than 10 percent. 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 shareholdings. If new shares are issued in derogation of existing shareholders’ pre-emption rights, only shares of series B may be issued.

A valid resolution requires that the AGM be attended by shareholders representing at least two thirds of the votes cast and the number of shares represented at the AGM.

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Decide on guidelines for the appointment of the Nominating Committee (item 20)

The Nominating Committee of Morphic Technologies AB proposes that the AGM pass a resolution stipulating that the nomination process for the 2010 AGM be conducted in the following manner. A Nominating Committee shall be appointed, consisting of representatives of the four shareholders holding the largest number of votes in the Company as well as the Chairman of the Board, who shall act as convener. The names of the members of the Nominating Committee shall be announced no later than six months before the 2009 AGM. In case of a material change in ownership before the Nominating Committee has completed its task, the composition of the Nominating Committee can be changed. The Nominating Committee shall prepare proposals for the following resolutions at the 2010 AGM: (i) a proposal for election of a chairman for the meeting, (ii) a proposal for election of Directors, (iii) a proposal for election of the Chairman of the Board of Directors, (iv) a proposal for Directors' fees, (v) a proposal for remuneration of the Company's auditors, and (vi) a proposal for how to conduct the nomination process for the 2010 AGM.

Other

A complete version of the Board of Directors' proposed resolutions under items 17-19 and the Nominating Committee's proposed resolutions under items 2, 13-16 and 20, including a reasoned opinion on the proposal for election of the Board of Directors will be made available at Morphic Technologies AB's office (Gammelbackavägen 6, 691 51 Karlskoga) and at the Company's website, www.morphic.se, from May 13, 2009. The Company's annual report, audit report and the auditors' statement on the application of the principles of remuneration will be made available at the Company's office, and on the website no later than April 30, 2009. The documents will be sent free of charge to shareholders requesting this.

The Company's registered share capital is SEK 13,109,761.76, represented by 327,744,044 shares, of which 11,968,000 are of series A (one vote per share) and 315,776,044 are of series B (one tenth of a vote per share). The total number of votes is 43,545,604.4.

Karlskoga, April 2009

Morphic Technologies AB (publ)
The Board of Directors