

Press release
May 11, 2009
Page 1 (1)

Private Placement Raises SEK 32.7m

Morphic has completed a private placement raising about SEK 32.7m before issue costs.

“Our work on concentrating the business on our core operations while focusing on improving profitability and cutting the cost base is going to plan. The global financial crisis is still affecting us, primarily because it has cut off access to loan financing and because it is causing delays in our ongoing transactions. The share offering secures our liquidity, and gives us flexibility and room for maneuver in our ongoing discussions with new and old business partners,” Johannes Falk, Director Investor Relations at Morphic, says in a comment.

The share offering, in the form of a private placement, was decided on by the Board based on an authorization from the AGM. 32.7m B shares will be issued at a price of SEK 1 per share, raising SEK 32.7m before issue costs, which are expected to be limited to administrative outlays. The placement was aimed at a selected group of investors, including the Foundation for Baltic and East European Studies (Östersjöstiftelsen). The reason for derogating from existing shareholders’ pre-emption rights is that the company’s Board of Directors believes the company needs to strengthen its liquidity in an environment where loan finance is unobtainable at terms that would be acceptable for the company. The Board has also taken the view that time and costs involved in completing a rights issue justify derogating from shareholders’ pre-emption rights.

The subscription price was fixed after negotiations with the investors and is deemed to be in line with market conditions in view of the volume of issuance, the current market climate and the time factor. This is confirmed by an independent Fairness Opinion submitted to Morphic’s Board in connection with the share offering, which states that the subscription price is reasonable and has been set at a level that is good both for the company and for existing shareholders.

The private placement will increase the number of shares in the company to 360,514,044, of which 11,968,000 are of series A and 348,546,044 are of series B, resulting in a dilution of the share capital of about ten percent.

For further information, please contact:

Johannes Falk, Director Investor Relations,
Phone: +46 706 76 7393

This is Morphic

Morphic is a Swedish engineering group operating in the areas of fuels cells and wind power. The Group has about 200 employees and conducts operations in six countries – Sweden, Norway, Japan, Greece, Italy and Switzerland. Morphic Technologies’ B shares have been listed on the OMX Nordic Exchange since March 4, 2008, and the number of shareholders is about 30,500.