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Strategic Review for Morphic Fuel Cells

As part of its ongoing efforts to focus its on core operations, the Board of Directors and group management of Morphic Technologies are reviewing the strategy for Morphic Fuel Cells. This work will lead to a number of changes. Greater emphasis will be placed on market-driven product planning, and the subsidiaries will be given clearer responsibilities. To further strengthen Morphic's expertise in the area, a Scientific and Industrial Advisory Council has also been established. In addition to the CEO, the Council will consist of the following individuals: Professor Lars Sjunneson, E.ON, Professor Peter Lindblad, Uppsala University, Professor Bengt-Erik Melander, Chalmers, Professor Martin Rudberg, Linköping University and Director Birger Flygare.

The biggest change compared with today concerns the Group's work on products and technology platforms. The revised strategy stresses the importance of ensuring that there is a clear thread running from market needs through product planning and product development to industrialization and delivery. All product development will be based on clear goals formulated in a technical roadmap and result in products that meet identified market needs.

In concrete terms, this will require a series of changes in the Group's approach to product development. To improve efficiency, the activities of Helbio (which operates in fuel conversion) will be focused on its core business, and the company will become the Group's technology center for catalytic converter and reformer technology. Helbio's core expertise is also applicable to AccaGen's products (electrolyzers). The affiliated company Exergy will take over responsibility for the industrialization and manufacture of Helbio's products.

Exergy Fuel Cells' operations will be focused on the manufacture of complete fuel cell stacks and integration of fuel converters.

The activities of the subsidiary company AccaGen will be reviewed. The company will become a technology center and production of electrolyzers and other components for energy storage may be subject for outsourcing.

To cut down the time to market, a common sales organization has been created that will market all Morphic Fuel Cells products. The organization will serve as the point of contact with customers in all segments.

"The new structure clarifies the various roles in the Group while placing a stronger emphasis on marketing and sales. We will remain at the forefront in the development of new products, but we will do so in a more efficient way. Establishing a clearer division between our development and sales activities will enable us to generate stronger earnings," Martin Valfridsson, CEO of Morphic Technologies AB, says.

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Scientific and Industrial Council

To further strengthen Morphic's expertise in the area, a Scientific and Industrial Advisory Council has been established. The council's tasks will be to provide advice in connection with product development in the Group and to present proposals for guidelines governing the Group's long-term activities going forward. In addition to the CEO, the Council will consist of the following individuals:

- **Professor Lars Sjunnesson, E.ON**

Lars Sjunnesson is Head of Research and Development at the energy company E.ON, Visiting Professor of Energy Sciences at the Faculty of Engineering at Lund University since 1997 and an Honorary Doctor at the Budapest University of Technology and Economics since 2009. He is also Chairman of Hydrogen Sweden, the European Hydrogen Association and the Executive Committee of IEA Advanced Fuel Cells. On top of this, he is a member of the boards of Elforsk, Svenskt Gastekniskt Center, PATH (Partnership for Advancing the Transition to Hydrogen) and WEC Studies Committee, IEA Expert Group on Science for Energy, European Commission Joint Undertaking FCH Scientific Committee.

- **Professor Peter Lindblad, Uppsala University**

Peter Lindblad is Professor of Photochemistry and Molecular Science at Uppsala University. Since the 1990s his research has focused on the production of hydrogen from cyanobacteria, or blue-green algae. He is Assistant Coordinator for Solar H₂, the biggest project in this field of research worldwide, and combines his research with assignments for the Swedish Energy Authority and the International Energy Agency (IEA), always with a focus on hydrogen.

- **Professor Bengt-Erik Melander, Chalmers**

Bengt-Erik Melander is Assistant Professor of Engineering Physics at Chalmers University of Technology, where his research focuses on fuel cells. He has taken a particular interest in research into ion transport and diffusion in condensed materials. The research covers a large variety of electrical and thermal characterization methods, primarily for electrolytes in solid and liquid form, as well as also insulator materials. Ion transport is a highly complex process that plays an important role in many natural and biological processes, and that can also be exploited in wide variety of applications: fuel cells, rechargeable batteries, gas sensors, supercapacitors, etc.

- **Professor Martin Rudberg, Linköping University**

Martin Rudberg is a professor at Linköping University and Associate Professor of Production Economics. His primary research focus is on production strategy and production planning, and he is currently leading a project focusing on how advanced planning systems (APS) can be employed to improve the efficiency of supply chain management. He is Head of Research at the Center for Process Manufacturing and Acting Director of the Center for Production Strategy, and runs his own consulting firm focusing on training and business development in production logistics.

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- **Director Birger Flygare**

Birger Flygare has worked in the automotive, aerospace/defense, IT and telecom industries for over 45 years and on five continents. Over the last 35 years he has held senior positions at Saab-Scania, Allied Chemical, General Electric, English General Electric/Marconi, FFV Aerotech, Ericsson and Telia, and has also served as advisor for product and venture capital firms in Sweden, Europe and the United States. In recent years he has also devoted a lot of time to energy issues, giving many presentations at international symposia.

The Scientific and Industrial Council will evaluate the technical roadmap and product planning based on expected market needs and profitability potential.

Developing the Organization

To improve flexibility, speed up decision-making and streamline the process for achieving the Group's operational targets, senior management will be reduced to comprise only three functions: the CEO, CFO and Corporate Strategy / IR. Other senior executives will form part of the management team for the parent company, and all members of management will meet for strategy meetings four times a year. In the intervening periods the Director of Market Development and Chief Operating Officer will report to senior management on regular basis.

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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.