

EUROPEAN ENERGY VENTURE FAIR 2006



Hexaformer



Magnus Palmstierna, CEO

Mattias Klintemar, CFO

Hexaformer's offering...

More
effective
transformers

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- ❑ Lower energy losses than conventional E-type transformers
 - Typically 10% more efficient
- ❑ Low inrush current at start-up
- ❑ Up to 30% lower volume means easier handling
- ❑ Quiet, robust and reduced magnetic fields

...with
significantly
lower
manufac-
turing
costs...

- ❑ 30% less usage of raw material (i.e. electric steel and copper)
 - Typically 2/3 of user price is raw material for transformers
- ❑ Competitive prices even if manufacturing is done manually
- ❑ Giant output potential when automated machinery in place
 - Capex for machinery expected to be around 20% of conventional machinery cost (with same output)
 - Commencement of automated manufacturing expected during H1 2007

Hexaformer's offering (cont.)...

...protected
by global
patent...

- ❑ Patent is all about the cage cores
 - *Electric steel rings of equal bandwidth*
- ❑ Perceived to be very hard to by-pass

...and
excellent
track
record...

- ❑ Over 650 transformers sold to highly demanding customers
 - Has successfully been tested for over 6 years
 - Key customers include Eon, Vattenfall and Fortum

...imply an
attractive
investment
opportunity

- ❑ Demand much higher than current supply
 - No need for building the market
 - Customers not tied-up to giants, e.g. ABB, Siemens
 - Price, performance and delivery capacity all that matters
- ❑ In general, strong underlying market growth with limited cyclical dependency
- ❑ Several exit opportunities for a financial investor

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...and our challenges

Ramp up of
production is
the key for
success...

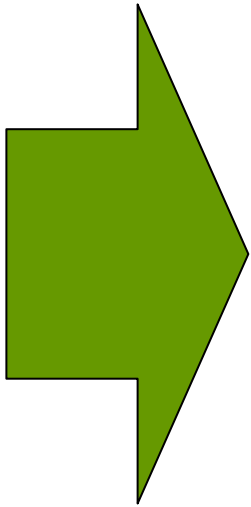
- ❑ All that we produce is sold
- ❑ Limited production currently taken place from a small plant, in Nyland, in the Northern part of Sweden
- ❑ Long gone negotiations to commence large scale production in Serbia
 - Intention to be up running in Serbia in near future
 - Negotiations also with manufacturers in India and China

...and
shortage of
capital has
been the
bottleneck

- ❑ A solid management team now in place
- ❑ In the past, the company too far away from a commercial break-through, now we believe that we shall be cash flow neutral 2006 and report cash flow growth and good profit levels already 2007

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What is the uniqueness with our technology?



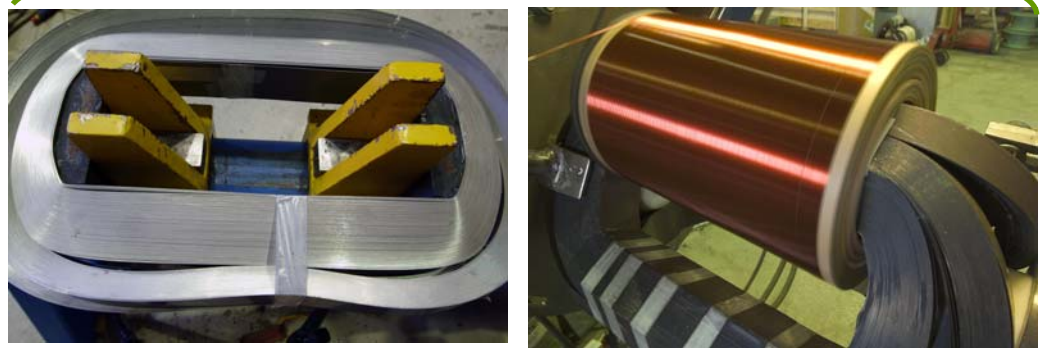
We wind the electric steel of *equal bandwidth in rings* forming a *delta shaped* (“triangular formed”) cage core. Patent protection for all sorts of cross section forms (e.g. HEXA, OCTA, DECCA, HEXA-DECCA etc)

Conventional transformers are manufactured through *time consuming cutting and stacking* of electrical steel into an E-shaped form. This also has the disadvantage of larger waste and therefore *need for more raw material*

E-core Technology



HEXA Technology



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How do we intend to sell?

❑ Northern Europe

- Through local distributors by the usage of own sale force
- Wholesaler network already signed up (Hagemeyer, Sonepar)

❑ India, China and Russia

- Through joint ventures with leading local manufacturers
- Long gone discussion with an Indian manufacturer and large interest from several Chinese manufactures

❑ Rest of world

- Licensing the technology
- MSECC LLC already signed up in the US – non exclusive

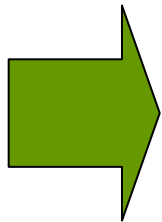
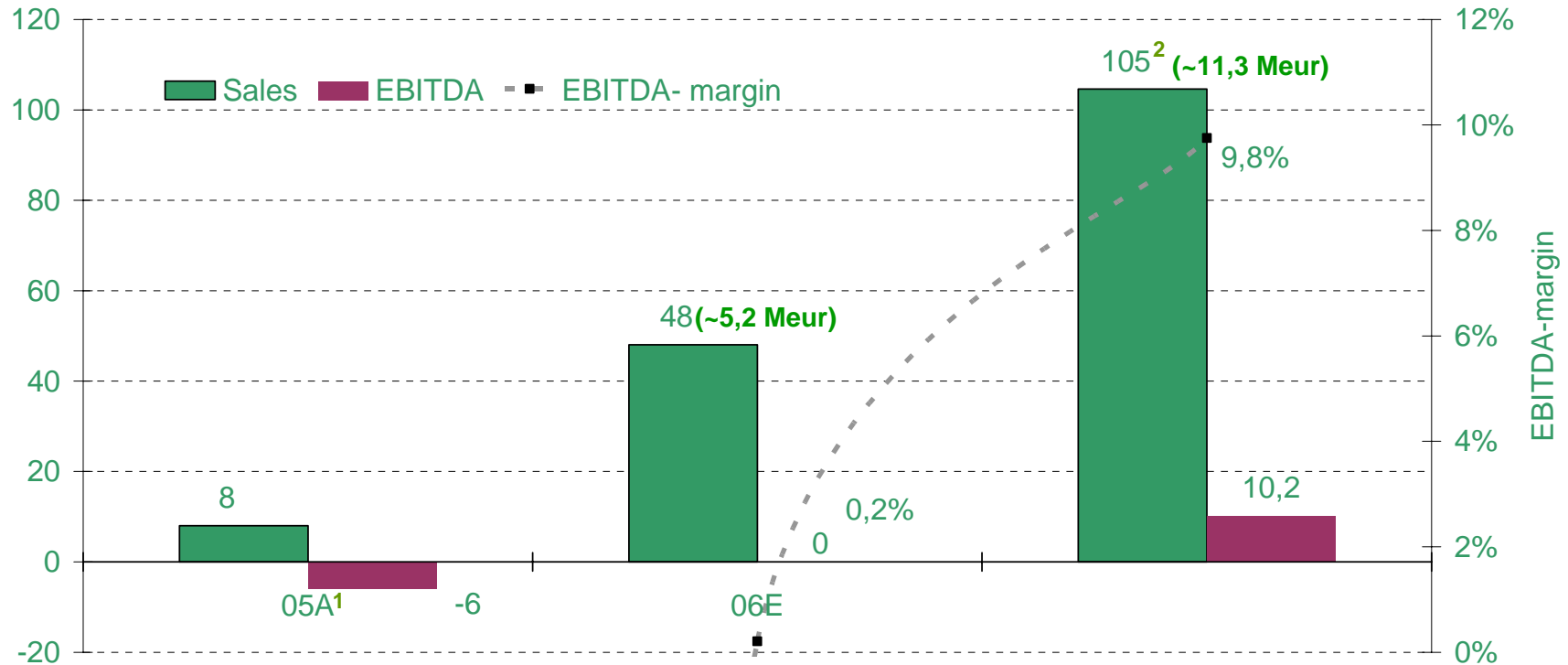
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The Management Team

Position	Name	Background
CEO	Magnus Palmstierna	Owner and President of PALMSTIERNA INSTRUMENT AB 1966 – 1998 when the Company was acquired by BTR, UK. President until 2001
Director of Sales & Marketing	Fredrik Grivans	15 years of global senior manager roles in sales and marketing from Nokia, ABB and M2
CFO	Mattias Klintemar	14 years of financial experience (CFO, Corporate Finance, Treasury, Accounting) from Arthur Andersen, HSBC, ABG Sundal Collier (a large Nordic Investment bank) and own business
Director of Technology	Agne Fälldin	Over 20 years of transformer experience from e.g. Siemens, PQ products and KKM

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Financial projections



- Break even results expected 2006
- Strong growth expected 2007
 - Not aggressive should production bottle neck be resolved before Y/E

Note: This is calendar year, Hexaformer currently has broken financial year (1 May-30 April)

1 05A is an estimate as Hexaformer was part of another company during 2005

2 Sales in the Nordic region only

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Capital need

Amount to be raised

- Approximately 60 MSEK (~6,5 Meur)

Usage

- Set up automated manufacturing plants in India, China and possibly Russia together with JV partners (who will be responsible for distribution and marketing in those countries)
- Financing for setting plant in Serbia already in place

Timing

- Commencement of setting up plants during 2007