

AHEAD OF THE ANNUAL GENERAL MEETING IN PRECISE BIOMETRICS AB

The Annual General Meeting will be held at 4 p.m. on Tuesday April 24, 2006, at Scandic Hotel Star, Glimmervägen 5, Lund, Sweden.

An agenda containing the matters that are proposed to be brought before the Meeting is included in the official notice to attend the Meeting, which is appended this press release and which will be published on March 27, 2007 in the newspapers Post- och Inrikes Tidningar and Svenska Dagbladet.

As will be seen from the notice, inter alia the following proposals are submitted regarding matters at the Meeting:

- In order to enable the company to make acquisitions of shares or assets in companies with payment (wholly or partly) in own shares, the Board proposes that it should be authorized to resolve upon an increase of the share capital with a maximum of SEK 1.6 million by issuing a maximum of 4 million shares, which at full exercise is equivalent to a dilution of just below 4.1 %. The issue may only be made for payment in kind. The further terms and conditions are set forth in the notice.
- The Board proposes that the Meeting resolves on an incentive programme for the employees by way of issue of a maximum of 3.5 million warrants, which entitles to subscription for the equivalent number of new shares in the Company during the period from 1 January 2010 up to and including 31 May 2010 at a subscription price corresponding to 133 % of the average share price during the period 14-28 May 2007. The warrants shall be subscribed for by two of the Company's wholly-owned subsidiaries, which shall in their turn transfer option rights on market terms and conditions to the employees within the group in Sweden and the USA. On full subscription and full exercise of the warrants the share capital may be increased by a maximum of SEK 1.4 million, which is equivalent to approximately 3.6 % of the present share capital and votes. The further terms and conditions are set forth in the notice
- The Board proposes that the Meeting resolves on guidelines for remuneration to management in accordance with the Board's proposal, which main terms are set out in the notice.

For further information, please contact

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Precise Biometrics AB (publ.) is an innovative security company that supplies world-leading systems for fingerprint and smart card-based authentication. The company's solutions replace keys, PIN codes and passwords and enhance the integrity of ID cards and passports. With its Precise Match-on-Card™ technology, the company is a market leader within smart ID cards. The product line includes systems for access control to buildings, computers and networks and for integration into ID cards and passports. The Precise Biometrics group has subsidiaries in Sweden, Great Britain, USA and a joint venture agreement in China. The group headquarters are in Lund, Sweden. Precise Biometrics is listed on the small cap list at the Nordic Exchange in Sweden (symbol: PREC). For more information, please visit <http://www.precisebiometrics.com/>



ANNUAL GENERAL MEETING IN PRECISE BIOMETRICS AB

Welcome to attend the Annual General Meeting to be held at 4 p.m. on Tuesday April 24, 2007, at the Scandic Hotel Star, Glimmervägen 5 (Gastelyckans industriområde) in Lund, Sweden. Registration for the Meeting will start at 3 p.m.

A. PARTICIPATION

Shareholders who wish to attend the Annual General Meeting must:

- (i) be recorded in the share register maintained by the Swedish Securities Register Centre ("VPC") as of Wednesday April 18, 2007; and
- (ii) notify the company of their intent to attend the Meeting at the address: Precise Biometrics AB (publ), Box 798, SE-220 07 LUND, Sweden, by telephone +46 46 31 11 47, by telefax +46 46 31 11 01 or by e-mail: investor@precisebiometrics.com by 4 p.m., Wednesday April 18, 2007. When giving notice of attendance, the shareholder shall state name, personal identity or corporate registration number, address and telephone number. Proxy and representative of a legal entity shall submit papers of authorization prior to the AGM.

In order to be able to vote at the Meeting, shareholders with nominee-registered shares must have the shares temporarily owner-registered with VPC. Such registration must be made as of Wednesday April 18, 2007 at the latest and should be requested well ahead of time.

B. ITEMS ON THE MEETING**Proposal for Agenda**

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to approve the minutes.
6. Determination whether the Meeting has been duly convened.
7. The Managing Director's report.
8. Presentation of the Annual Report and the Auditor's Report and the Consolidated Financial Statements and the Group Auditor's Report.
9. Resolutions regarding
 - (a) adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet, as per December 31, 2006;
 - (b) appropriation of the company's loss according to the adopted Balance Sheet;
 - (c) discharge from liability of the Board and the Managing Director.
10. Determination of the number of members and deputy members of the Board.
11. Determination of fees to the members of the Board.
12. Election of members and Chairman of the Board.
13. Determination of guidelines for remuneration to management.
14. Resolution regarding authorization of the Board to resolve upon new issue of shares.
15. Resolution regarding employee incentive program by issuance of warrants.
16. Closing of the Meeting.



Draft resolutions**Proposal for election of Chairman of the Meeting (item 2)**

At the Annual General Meeting 2005 it was resolved that a Nomination Committee shall be appointed in respect of every Annual General Meeting and consist of the Chairman of the Board and one representative for each of the three major shareholders in the company as per 30 September each year.

The Nomination Committee before the Annual General Meeting 2007, consisting of Chairman Stefan Johnson (Fjärde AP-fonden), Svein Carlsson (Odin fonder), Leif Eriksröd (Storebrand fonder) and the Chairman of the Board Lars Grönberg (convenor), has proposed that Lars Grönberg shall be Chairman of the Meeting.

Proposal for appropriation of loss (item 9b)

The Board proposes that the share premium fund be reduced by SEK 71 293 735 and the reserve fund by SEK 11 835 715, to cover the accumulated loss and that no dividend be declared for the financial year.

Proposal regarding election of members and Chairman of the Board and fees (items 10-12)

The Nomination Committee has informed Precise Biometrics AB (the "Company") that it, ahead of the Annual General Meeting 2007, will submit a proposal on members of the Board and fees, whereupon the Company will publicly announce such proposal.

Proposal regarding guidelines for remuneration to management (item 13)

The proposal of the Board principally entails that the Annual General Meeting shall determine guidelines for remuneration to management implying that levels of remuneration and other employment terms shall be in accordance with the market. Fixed salary will be paid for sound work. In addition to this, members of management can obtain variable salary, which shall be based on the Group result and on individual goals. The variable part of the salary shall amount to a maximum of 50 % of the fixed salary for the Managing Director, and 30 % of the fixed salary for the other members of management. Remuneration can also be paid by way of stock options or other share-based incentive programs.

At termination of employment the mutual notice period shall amount to 6 months for the Managing Director, and 3-6 months for the other members of management. The Managing Director may be entitled to redundancy payment amounting to a maximum of 12 monthly salaries if the employment is terminated by the Company. Other members of management shall not be entitled to redundancy payment.

The retirement age for all members of management shall be 65 years. The pension premium shall be calculated in accordance with predetermined steps based on age and salary and shall amount to a maximum of 25 % of the fixed salary.

The proposal entails a level of remuneration which principally corresponds to that of the previous year.

Proposal regarding authorization of the Board to resolve upon new issue of shares (item 14)

The proposal of the Board principally entails that the Meeting authorizes the Board to, on one or more occasions until the time of the next Annual General Meeting, resolve upon an increase of the share capital by a maximum of MSEK 1.6 by new issue of a maximum of



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4 million shares. Such issue may only be made with a provision of consideration in kind. Full exercise of the authorization is equivalent to a dilution of approximately 4.1 % of the present share capital and votes.

The Board shall be entitled to establish remaining conditions for the issue, including the issue price, which however shall be established based on prevailing conditions on the market. The purpose of the authorization is to enable acquisitions of shares or assets in company(ies) against payment (wholly or in part) consisting of newly issued Precise Biometrics shares.

Proposal regarding employee incentive program by issue of warrants (item 15)

The proposal of the Board principally entails that the Meeting resolves upon issue of a maximum of 3.5 million warrants, each entitling to subscription for the equivalent number of new shares in the Company. The new issue shall be directed to the Company's wholly-owned subsidiaries Precise Biometrics Services AB and Precise Biometrics, Inc. for the purpose of transferring them onwards to employees. The warrants shall be issued to the subsidiaries free of charge. Subscription for the warrants shall take place June 1, 2007, at the latest.

The reason for the deviation from the shareholders' preferential rights is that the Company wishes to introduce an incentive program for employees within the Group in Sweden and in the USA, whereby they can be offered the possibility to take part in an increase in value of the Company share. This is expected to lead to a reinforcement of the interest in the development of the Company - and its share price - as well as an increase in the motivation and stimulation of the loyalty towards the Company during the years to come. The Board assesses that it is beneficial for the company that the employees are given an incentive to work for a favorable economic development in the Company.

Precise Biometrics Services AB shall, against payment, on one or more occasions, transfer the warrants to employees within the Group in Sweden, in accordance with the directions of the Board of the Company. Precise Biometrics, Inc. shall against payment, on one or more occasions, transfer purchase options on equivalent terms and conditions as the warrants, to employees within the group in the USA. The transfer of all warrants and purchase options shall be made against payment of market value at the time of transfer, which shall be established by PricewaterhouseCoopers using the Black & Scholes valuation method.

The Board of the Company shall be entitled to decide upon allotment of warrants to employees within the Group in accordance with the following guidelines:

Position	Number of warrants
Managing Director (one person)	maximum 800,000
Other members of the management (six persons)	maximum 150,000 per person
Other employees (40 persons)	maximum 30 000 per person

The first allotment is scheduled to take place in June 2007. Warrants remaining after the first allotment may thereafter be allotted to future employees against payment of the, at each occasion, prevailing market value, in accordance with the guidelines above.

Subscription for shares in the Company by virtue of the warrants can be effected from January 1, 2010 up to and including May 31, 2010. The subscription price shall be the equivalent of 133 % of



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the average of the, for every trading day from May 14, 2007 up to and including May 28, 2007, calculated average of the highest and lowest settled price for a share in the company as quoted on the official stock exchange list of the Stockholm Stock Exchange.

At full subscription of the proposed issue, and full exercise of the warrants, the share capital may be increased by a maximum of MSEK 1.4, which is equivalent to approximately 3.6 % of the present share capital and votes. The key ratio of equity capital per share will be increased by approximately SEK 0.17 from SEK 0.98 to SEK 1.15 (based on a share subscription price of SEK 5). The Annual General Meeting 2005 resolved on an incentive program by which two million option rights were issued, which will expire on November 1, 2007. The conversion rate of the option rights at present amounts to SEK 12.06. The total dilution, at full exercise of the option rights of the 2005 incentive program, would amount to approximately 5.7 %. In the light of the conversion rate and the present stock exchange price it is however safe to assume that such further dilution will not take place.

The incentive program will not entail any considerable costs. Therefore, no measures to secure the program have been taken.

The Board' proposal has been prepared by the Board. Board members will not be allotted. The proposal is conditioned by support of shareholders representing at least nine tenths of both the given votes and the shares represented at the Meeting.

C. AVAILABLE DOCUMENTS

The Annual Report and the Auditor's Report as well as the Board's complete proposals pursuant to item 13-15 on the agenda will be held available to the shareholders at the Company and on its website www.precisebiometrics.com as from April 10, 2007. Copies of the documents will be also sent to the shareholders who so request and state their address, and will be available at the Annual General Meeting.

Lund in March 2007
The Board of Directors
PRECISE BIOMETRICS AB (publ)

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