

ANNUAL GENERAL MEETING IN PRECISE BIOMETRICS AB

Welcome to attend the Annual General Meeting to be held at 4 p.m. on Tuesday April 22, 2008, 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 Central Securities Depository ("VPC") as of Wednesday April 16, 2008; 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 29, by telefax +46 46 31 11 01 or by e-mail: investor@precisebiometrics.com by 4 p.m., Wednesday April 16, 2008. When giving notice of attendance, the shareholder shall state name, personal identity or corporate registration number, address and telephone number. A proxy form is available on the company website www.precisebiometrics.com and will be sent by mail to shareholders informing the company of their address. Proxy and representative of a legal entity shall submit papers of authorization prior to the Annual General Meeting.

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 16, 2008 at the latest and should be requested well ahead of time.

B. AGENDA

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
 - (a) the Annual Report and the Auditor's Report and the Consolidated Financial Statements and the Group Auditor's Report; and
 - (b) the statement by the Auditor on the compliance with the guidelines for remuneration to management applicable since the last Annual General Meeting
9. Resolutions regarding
 - (a) the 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, 2007;



- (b) the appropriation of the company's loss according to the adopted Balance Sheet; and
 - (c) the 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 and the Auditors.
 12. Election of members and Chairman of the Board and Auditors.
 13. Determination of guidelines for remuneration to management.
 14. Proposal regarding the Nomination Committee.
 15. Resolution regarding the authorization of the Board to resolve upon new issue of shares and/or convertibles with a deviation from the shareholders' preferential rights.
 16. Resolution regarding an incentive program to management by the issuance of warrants.
 17. 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 September 30 each year.

The Nomination Committee before the Annual General Meeting 2008, consisting of Öyvind Fjell (Storebrand fonder), Stefan Johnson (Fjärde AP-fonden), Nils Bernhard 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 8,895,819 and the reserve fund by SEK 23,818,098 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 Auditors and fees (items 10-12)

The Nomination Committee, appointed in accordance with the resolution adopted by the Annual General Meeting of 2005, has proposed the following.

The number of board members shall be five, with no deputy members. The Nomination Committee proposes re-election of the board members Marc Chatel, Jan T. Jørgensen, Eva Maria Matell, Lisa Thorsted and Lena Widin Klasén for the period up to and including the Annual General Meeting 2009. Lisa Thorsted is to be appointed Chairman of the Board. Christer Fåhreaus and Lars Grönberg have declined re-election.

Fees to the Board of Directors up to and including the Annual General Meeting 2009 shall amount to a total of SEK 630,000, to be distributed among the board members as follows: the Chairman of the Board shall, as before, receive SEK 210,000 and each of the other members who are not employed with the company shall, as before, receive SEK 105,000.





Lund, Sweden, March 17, 2008

Shareholders, jointly representing approximately 11 % of the number of votes of all shares in the company, have informed the company that they will vote in accordance with the proposal of the Nomination Committee.

It is proposed that the accounting firm Öhrlings PricewaterhouseCoopers, Stockholm, is re-elected auditor of the company for a period of four years, with authorised public accountant Eva Carlsvi as new auditor in charge.

The Auditor's fees are proposed to be paid as per invoice.

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. A fixed salary will be paid for sound work. In addition to this, members of management may also obtain a 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 the Nomination Committee (item 14)

Shareholders, jointly representing approximately 11 % of the total number of votes in the company, have proposed that the company's Nomination Committee shall be appointed as follows.

During the third quarter each year, the Chairman of the Board shall convene a Nomination Committee which, besides the Chairman of the Board, shall consist of one representative for each of at least three of the company's major owners as per August 31. If any of these shareholders should choose to refrain from the right to appoint a representative or, should any member leave the Nomination Committee before the committee has finished its work, the right shall be transferred to the next major shareholder.

The majority of the members of the Nomination Committee shall not be members of the Board and the Chairman of the Board or another board member shall not be Chairman of the Nomination Committee. The Managing Director or any other management person shall not be a member of the Nomination Committee. The constitution of the Nomination Committee shall be notified to the company in due time in order to enable announcement not later than





Lund, Sweden, March 17, 2008

six months prior to the Annual General Meeting. The Nomination Committee shall elect one of its members as chairman.

The tasks of the Nomination Committee shall be to prepare election of Chairman of the Annual General Meeting, election of Chairman of the Board of Directors and other members of the Board, election of auditor where appropriate, matters concerning fees and relating matters. The Nomination Committee shall, within the scope of its assignment, be entitled to engage external consultants to the extent it is considered necessary, at the expense of the company.

Proposal for the authorisation of the Board of Directors to resolve on a new issue of shares (item 15)

The Board of Directors proposes the Annual General Meeting to authorise the Board of Directors to decide, on one or several occasions, on an issue of shares and/or convertible bonds. Such an issue may entail a deviation from the shareholders' preferential rights to subscribe for new shares and/or convertible bonds and also entail that payment of the new shares and/or convertible bonds may be made in cash or by consideration in kind or by right of set-off. The issue may result in an aggregate increase in the share capital – at full conversion by the application of the conversion rate applicable at the time of issue – by a maximum of SEK 4,000,000, by the issue of maximum 10,000,000 shares and/or convertible bonds to be converted into 10,000,000 shares. Full exercise of the authorisation and full conversion is equivalent to a dilution of approximately 9.9 % of the present share capital and votes. The Board shall be entitled to establish remaining conditions of the issue, including the issue price, which however shall be established based on prevailing conditions on the market, subject to an issue discount in accordance with the market. The purpose of the authorisation and the reason for the deviation from the shareholders' preferential rights is to enable the company to effect payment of company acquisitions by the company's own shares and/or convertible bonds and to obtain capital contributions from new owners that are strategically important.

Proposal for an incentive program to management and key-employees by the issue of warrants (item 16)

The proposal of the Board of Directors principally entails that the Annual General Meeting resolves on an issue of maximum 2.5 million warrants entitling to subscription for the equivalent number of shares in Precise Biometrics AB. The issue shall be directed to the wholly-owned subsidiary Precise Biometrics Services AB for the purpose of transferring them onwards to management employees. The warrants shall be issued to the subsidiary free of charge. Subscription for the warrants shall be made by June 1, 2008 at the latest.

The reason for the deviation from the shareholders' preferential rights is that the Board of Directors is of the opinion that an incentive program which offers the new management team the opportunity to take part in an increase in value of the company will enhance the commitment and motivation of the employees to work for a favourable financial development of the company. An incentive program is expected to improve the possibilities to recruit and retain competent employees.

Precise Biometrics Services shall, against payment, on one or several occasions, transfer warrants to management employees within the Group in Sweden. The transfer of all warrants shall be made at market value at the time of transfer, which shall be established by Örhlings PricewaterhouseCoopers by the application of the Black & Scholes valuation method.





Lund, Sweden, March 17, 2008

Press release

The Board of Directors of Precise Biometrics AB shall be entitled to decide on the allotment of warrants to management employees within the Group in accordance with the following guidelines:

Position	Number of Warrants
Thomas Marschall (CEO)	maximum 800,000
Management Team (maximum 5 persons)	maximum 300,000 each
Other Key Employees (maximum 5 persons)	maximum 75,000 each and 200,000 in total

The first allotment is scheduled to take place in May 2008. Warrants remaining after the first allotment may thereafter be allotted to future management employees at a market value, applicable from time to time, according to the allotment principles stated above.

Subscription for shares in Precise Biometrics AB by virtue of the warrants may be effected as from January 1, 2011 up to and including May 31, 2011. The subscription price shall be equivalent to 180 % of the average of the calculated average of the highest and lowest payment price quoted every trading day as from May 1, 2008 up to and including May 14, 2008 on the official stock exchange list of the OMX Nordic Exchange Stockholm.

At full subscription of the proposed issue, and full exercise of the warrants, the share capital may be increased by a total of maximum SEK 1 million, which is equivalent to approximately 2.5 % of the company's present share capital and votes. The key ratio of equity capital per share will increase by approximately SEK 0.06 from SEK 0.70 to SEK 0.76 (based on a new subscription price of SEK 2.70). The Annual General Meeting 2007 resolved to implement an incentive program, according to which 3.5 million option rights were issued for subscription of new shares, which will expire on 31 May 2010. The subscription price of the option rights at present amounts to SEK 4.03. At full exercise of the option rights of the incentive program 2007, the aggregate dilution would amount to approximately 5.9 %.

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

The proposal of the Board has been prepared by the Board of Directors. Board members will not be allotted warrants. The proposal of the Board of Directors is subject to the resolution of the Annual General Meeting being supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Annual General Meeting.

C. AVAILABLE DOCUMENTS

The Annual Report and the Auditor's Report, the statement by the Auditor on the compliance with the guidelines for remuneration to management applicable since the previous Annual General Meeting and the complete proposals of the Board of Directors according to items 15-16 will be available to the shareholders at the company and on its website





Lund, Sweden, March 17, 2008

www.precisebiometrics.com as from 8 April 2008. Copies of the documents will also be sent to shareholders who so request and state their address, and will be available at the Annual General Meeting.

As per 16 April 2008 the total number of shares and votes in the company amounts to 101,220,600.

Lund in March 2008

The Board of Directors

PRECISE BIOMETRICS AB (publ)

Press release

For further information, please contact

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Precise Biometrics AB is an innovative company offering solutions for fingerprint recognition to prove people's identities. With top-of-the-line expertise in fingerprint verification, Precise Biometrics offers fast, accurate and secure authentication of a person. Our core product Precise BioMatch™ integrates into ID and bank card programs and secure chips, as well as systems for access control to buildings, computers and networks. We act on a global market and our technology is licensed to more than 78 million users all over the world. The Precise Biometrics group has subsidiaries in Sweden (with group headquarters in Lund), Great Britain, Hong Kong and USA, and a joint venture agreement in China. 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/>

