

Ahead of the Annual General Meeting in Precise Biometrics AB

The Annual General Meeting will be held at 4 p.m. on Wednesday April 27, 2005, at the company's premises at Scheelevägen 19 C, 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 29, 2005 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:

The company's Nomination Committee has proposed the Meeting the following election of Board of Directors: re-election of the ordinary Board members Lars Grönberg (Chairman), Christer Fåhraeus, Göran Jansson and Helen Fasth-Gillstedt and new election of Jan T. Jørgensen, Marc Chatel and Christer Bergman. Henrik Holm has declined re-election.

Jan T. Jørgensen (Norwegian citizen), born in 1948, engineer, is CEO for Kitron ASA and has been group chief executive for Kongsberg Gruppen ASA and CEO for Kvaerner ASA. Jørgensen has board assignments for Scanrope AS (Chairman), EFD ASA and Goodtech ASA besides Kitron ASA.

Marc Chatel (Swiss citizen), born in 1955, engineer, is CEO for Finakey S.A. and has been CEO and manager for Europe for Corporate Software and COO for Logitech S.A. Chatel has a board assignment for Apoxis S.A.

Christer Bergman, born in 1955, is President and CEO for Precise Biometrics AB.

The Board proposes that the Meeting resolves on an incentive programme for the management by way of issue of debentures with a maximum of 2,000,000 detachable option rights for subscription for new shares. Each option right entitles the holder to subscribe for one new class A share in the company during the period June 1 up to and including November 1, 2007. The share subscription price shall be the equivalent of 175% of the average share price during the period May 2-13, 2005. The debentures shall be subscribed for by two of Precise Biometrics AB wholly-owned subsidiaries, which shall in their turn transfer option rights on market terms and conditions to management and key personnel within the group in Sweden and the USA. On full subscription and full exercise of the option rights the share capital may be increased by a maximum of SEK 800,000, which is equivalent to approximately 3.3% of the present share capital and votes. The further terms and conditions are set forth in the notice.

The Board proposes that the Meeting authorizes the Board to resolve upon an increase of the share capital with a maximum of SEK 4.8 million by issue of a maximum of 12 million new class A shares. The issue may be made with deviation from the shareholders' pre-emption rights against cash payment and/or with a provision of contribution or set-off. Full exercise of the authorization is equivalent to a dilution of approximately 20% of the present share capital and votes. The further terms and conditions are set forth in the notice.

ANNUAL GENERAL MEETING OF SHAREHOLDERS IN PRECISE BIOMETRICS AB

The shareholders in Precise Biometrics AB (publ) are hereby invited to attend the Annual General Meeting to be held at 4 p.m. on Wednesday April 27, 2005, at the company's premises at Scheelevägen 19 C, Lund, Sweden.

A. Notice of attendance

Shareholders who wish to attend the Annual General Meeting must:

- (i) be recorded in the printout of the share register maintained by the Swedish Securities Register Centre ("VPC"), made as of Sunday April 17, 2005. However, due to the intervening weekend, the registration must be made on Friday April 15, at the latest; *and*
- (ii) notify the company of their intent to attend the Annual General Meeting at the address: Precise Biometrics AB (publ), Scheelevägen 19 C, SE-223 70 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., Thursday April 21, 2005, at the latest. When giving notice of attendance, the shareholder shall state name, personal identity number (corporate registration number), address and telephone number. Proxy and representative of a legal entity shall submit papers of authorisation prior to the Annual General Meeting.

In order to be able to vote at the Annual General Meeting, shareholders with nominee-registered shares through the trust department of a bank or a private broker must have the shares temporarily owner-registered with VPC. Such registration must be made on Friday April 15, 2005, at the latest. Consequently, the shareholders must notify their nominee in due time before said date.

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 person(s) 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, 2004;
 - (b) appropriation of the company's loss according to the adopted Balance Sheet;
 - (c) discharge from liability of the Board of Directors and the Managing Director.

10. Determination of the number of members and deputy members of the Board of Directors.
11. Determination of fees to the members of the Board of Directors.
12. Election of members and Chairman of the Board of Directors.
13. Appointment of Nomination Committee.
14. Resolution regarding incentive programme for management by issue of debentures with subscription rights for new shares.
15. Resolution regarding authorisation of the Board to resolve upon issue of new shares with deviation from the shareholders' pre-emption rights.
16. Closing of the Meeting.

Submitted proposals regarding matters on the agenda

Proposal for appropriation of loss (item 9b)

The Board of Directors proposes that the share premium reserve be reduced by SEK 37,388,615 to cover the accumulated loss and that no dividend be declared for the financial year.

Proposal for election of Members and Chairman of the Board of Directors and fees (items 10-12)

In accordance with a resolution on the Annual General Meeting 2004, a Nomination Committee has been established which consists of the Chairman of the Board Lars Grönberg, Ragnhild Wiborg (Odin fonder), Stefan Johnson (Fjärde AP-fonden), Tom Henderson (Eden Capital Ltd) and Leif Eriksröd (Storebrand fonder). The Nomination Committee has submitted the proposals below regarding items 10-12 on the agenda. Shareholders jointly representing approximately 27.3% of the number of votes of all shares in the company have informed the company that they will vote in favour of the proposal by the Nomination Committee.

The number of Board members shall be seven, without deputies. Re-election of the ordinary Board members: Lars Grönberg (Chairman), Christer Fåhraeus, Göran Jansson and Helen Fasth-Gillstedt and new election of Jan T. Jørgensen, Marc Chatel and Christer Bergman. Henrik Holm has declined re-election.

Jan T. Jørgensen (Norwegian citizen), born in 1948, engineer, is CEO for Kitron ASA and has been group chief executive for Kongsberg Gruppen ASA and CEO for Kvaerner ASA. Jørgensen has board assignments for Scanrope AS (Chairman), EFD ASA and Goodtech ASA besides Kitron ASA.

Marc Chatel (Swiss citizen), born in 1955, engineer, is CEO for Finakey S.A. and has been CEO and manager for Europe for Corporate Software and COO for Logitech S.A. Chatel has a board assignment for Apoxis S.A.

Christer Bergman, born in 1955, is President and CEO for Precise Biometrics AB.

Fees to the Board members shall amount to SEK 735,000 in total, to be distributed among the Board members according to the following: the Chairman shall receive SEK 210,000 and each of the other Board members who are not employed by the company shall receive SEK 105,000.

It is noted that the registered public accounting firm PriceWaterhouseCoopers, with the authorized public accountant Dan Andersson as auditor in charge,

was elected as auditor at the Annual General Meeting 2004, for a term of office of four years. Fee to the auditor will be paid on current account.

Proposal for Nomination Committee (item 13)

Shareowners jointly representing approximately 27.3% of the votes in the company have proposed that a Nomination Committee shall be appointed annually in the company in accordance with the following.

The Nomination Committee shall consist of the Chairman of the Board (convenor) and one representative for at least each of the three largest shareholders per September 30 every year. If any of these shareholders should waive its right to appoint a representative, the right shall vest in the shareholder which, following these shareholders, holds the most shares in the company. The composition of the Nomination Committee shall be made official by the company not later than in connection with the publication of the interim report for the third quarter each respective year. The assignment of the Nomination Committee shall be to prepare election of Chairman and other members of the Board, Chairman of the Annual General Meeting, questions of fees and matters pertaining thereto. The Nomination Committee shall within the scope of its assignment and to the extent that it deems necessary, be entitled to engage external consultants at the company's expense.

Proposal for resolution on an incentive programme for management by issue of debentures with subscription rights for new shares (item 14)

The Board proposes that the Meeting resolves upon a directed issue of a maximum of two debentures, each at nominal amount of SEK 100, with a maximum of 2,000,000 detachable option rights for subscription for new shares in Precise Biometrics AB. Each option right entitles the holder to subscribe for one new class A share in the company at nominal amount of SEK 0.40 per share. The issue price of the debentures shall correspond to their nominal amount. The debentures will carry an annual interest of 5% and be due on June 30, 2005. The debentures shall be subscribed and paid for on May 20, 2005 at the latest. Subscription for shares in Precise Biometrics AB based upon the option rights can be made from June 1, up to and including November 1, 2007. The share subscription price shall be the equivalent of 175% of the average of the for every trading day from May 2, 2005 up to and including May 13, 2005 calculated average of the highest and lowest price paid daily for a share in the company as published on the official list of rates of the Stockholm Stock Exchange.

Precise Biometrics AB's wholly-owned subsidiaries Precise Biometrics Services AB and Precise Biometrics, Inc. shall, with deviation from the shareholders' pre-emption rights, have the right to subscribe for the debentures with detachable option rights. The reason for the deviation from the shareholders' pre-emption rights is that the company wishes to introduce an incentive programme for the management and other key personnel active within the group in Sweden and in the USA, whereby they are offered the possibility to take part in an increase in value in the company share. This is expected to lead to a reinforcement of the interest in the development of the company and its' share price quotation, 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 management and other key personnel be given an incentive to work for a favourable economic development in the company.

Precise Biometrics Services AB shall detach and against payment, on one or more occasions, transfer the option rights to the management and other key personnel within the group in Sweden, in accordance with the directions of the Board of Precise Biometrics AB. Precise Biometrics, Inc. shall against payment, on one or more occasions, transfer purchase options on equivalent terms and conditions as the option rights to the management and other key personnel within the group in the USA, in accordance with the directions of the Board of Precise Biometrics AB. The transfer of all option rights and purchase options shall be made against payment of market value at the time of transfer, which value shall be determined by an independent valuer by way of an established method of valuation (Black & Scholes).

The Board of Precise Biometrics AB shall be entitled to decide upon allotment of option rights to management and key personnel within the group in accordance with the following guidelines:

- Managing Director (one person): A maximum of 600,000 option rights
- Deputy Managing Director (one person): A maximum of 200,000 option rights
- Other members of the group management or other key personnel (presently seven persons): A maximum of 100,000 option rights per person.

The first allotment is scheduled to take place by the end of May 2005. The option rights remaining after the first allotment may thereafter be allotted to future management and key personnel pertaining to the above mentioned categories at the at each occasion prevailing market value. The Meeting is proposed to approve the above described transfers of option rights to management and key personnel within the group.

On full subscription for the proposed issue, and full exercise of the option rights the share capital may be increased by a maximum of SEK 800,000, which is equivalent to approximately 3.3% of the present share capital and votes, and the key ratio equity capital per share increased by approximately SEK 0.31 from SEK 1.11 to SEK 1.42 (based on a share subscription rate of SEK 10.50).

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

The Board of Directors' proposal has been prepared by the Board of Directors. Members of the Board will not be allotted, except for the Managing Director who has been proposed as new Board member. The proposal of the Board presupposes that the decision of the Meeting is supported by shareholders representing at least nine tenths of both the given votes and the at the Meeting represented shares.

Lund, Sweden, March 23, 2005

Proposal for resolution on authorization of the Board to resolve upon issue of new shares with deviation from the shareholders' pre-emption rights (item 15)

The Board proposes 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 with a maximum of SEK 4.8 million by issue of a maximum of 12 million new class A shares, each at nominal amount of SEK 0.40. The issue may be made with deviation from the shareholders' pre-emption rights against cash payment and/or with a provision of contribution or set-off. Full exercise of the authorization is equivalent to a dilution of approximately 20% of the present share capital and votes. The Board shall be permitted to establish the remaining conditions for the issue, including the issue price, which however shall be established based on a valuation, subject to a possible discount, adjusted to prevailing conditions on the market. The purpose of the authorization and the reason for the deviation from the shareholders' pre-emption rights is to enable the company to accomplish acquisitions of companies against payment in own shares and to receive capital contributions primarily from new industrial or international owners.

C. Available documents

The Accounts and the Auditor's Report as well as the Board's complete proposals pursuant to items 14-15 on the agenda will be available to the shareholders at the company and on its website www.precisebiometrics.com as from April 13, 2005. 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 2005
The Board of Directors
PRECISE BIOMETRICS AB (publ)

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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 proprietary Precise Match-on-Card™ technology, the company is a market leader within smart ID cards. Through its subsidiary Fyrplus Teknik, Precise Biometrics can deliver complete biometrics solutions on the Scandinavian market based, for example on fingerprint, iris and facial recognition. The product line includes systems for access control to buildings, computers and networks and for integration into ID cards and passports. The group headquarters are in Lund, Sweden. It also has offices in Stockholm and a U.S. subsidiary in Washington, DC. The subsidiary Fyrplus Teknik is based in Karlstad and has regional offices in Linköping. Precise Biometrics is listed on the O-list of the Stockholm Stock Exchange (symbol: PREC A). For more information, please visit <http://www.precisebiometrics.com/>