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PRECISE BIOMETRICS ANNOUNCES RIGHTS ISSUE OF SEK 55 MILLION

- The Board of Directors of Precise Biometrics ("Precise Biometrics") has resolved, subject to approval of the EGM on September 11, 2012, to undertake a rights issue with preferential rights for Precise Biometrics' shareholders of approximately SEK 55 million.
- The rights issue is implemented to finance increased working capital due to new orders, develop Tactivo™ and to ensure a more cost-effective alternative to the current credit facility.
- The rights issue is guaranteed up to a level of 70% of the rights issue, approximately SEK 38,5 million.
- The terms and conditions for the rights issue, including the subscription price and ratio basis, will be established and announced on September 7, 2012.
- Following approval of the EGM, the subscription period will run from September 19, 2012 until October 3, 2012.

"The newly developed product line Tactivo™ is the world's first product for smartphones with built-in smart card reader and fingerprint sensor. Tactivo™ has received a positive response and we expect that the products will account for the majority of our sales already this year, but are especially crucial to Precise Biometrics' growth and profitability for years to come. Based on independent information from the Gartner Group and our own assessments, we believe that there is a significant potential for Precise Biometrics at about four million units in 2015.

These opportunities in the mobile market also form the background for Precise Biometrics current rights issue. We need good finances to carry out our global market launch and develop production in line with our growth plans. We need to continue to develop our organization, building our network of contacts and establish new capabilities in the U.S., where the potential for new products is significant." says Thomas Marschall, CEO at Precise Biometrics.

FOR FURTHER INFORMATION, PLEASE CONTACT

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Precise Biometrics is a market-leading provider of 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.

The technology adds value to ID, enterprise and bank cards as well as access to mobile solutions, computers and networks. Precise Biometrics serves business and government organizations throughout the world and its technology is licensed to close to 160 million users.

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Background and rationale

Precise Biometrics has in 2012 launched Tactivo™ - the world's first product for smartphones with built-in fingerprint and smart card readers for the iPhone. Tactivo™ provides a high level of mobile security for users wishing to access information or cloud-based services through their smartphones, but which are prevented for security reasons or lack of user friendliness. By replacing passwords with your ID card or a fingerprint Tactivo™ solves the problems and risks that currently exist with mobile devices. This is particularly important for government, healthcare and banks.

The launch of Tactivo™ is expected to provide a significant positive impact on the Company's sales and profitability by expanding Precise Biometrics' technology to a new market, as evidenced by the orders received from one of the world's largest vehicle manufacturers in June 2012 and the first orders and pilot projects for the U.S. Federal authorities announced in August 2012. As a result, Precise Biometrics is experiencing a massive interest in Tactivo™. A part of the issue proceeds will be used to finance new orders through increased working capital in the form of build-up of inventories and the costs associated with launching and development of Tactivo™, such as product development other brands of smartphones and tablets. Further, rights issue proceeds will ensure a more cost effective alternative to the current credit facility, announced in March 2012.

Terms and conditions for the rights issue

The Board of Directors of Precise Biometrics has resolved to, subject to approval of the EGM on September 11, to undertake a rights issue of maximum SEK 55 million with preferential rights for current shareholders. Current shareholders have preferential right to subscribe new shares in relation to shares held at the record day September 17, 2012. The subscription period runs from September 19, 2012 until October 3, 2012, following approval of the EGM on September 11, 2012.

Shares that are not subscribed for on basis of subscription rights should primarily be allocated to those who have subscribed for shares on basis of subscription rights, pro rata in relation to their subscription on the basis of subscription rights, secondarily to those who have declared their interest to subscribe for shares without subscription rights, pro rata in relation to their declared interest and thirdly, as agreed, to guarantors.

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Guarantees

Precise Biometrics has received guarantees from external investors to subscribe for additional shares to secure that the rights issue is subscribed up to a subscription level of at least 70%, approximately an amount of SEK 38,5 million. The guarantors have agreed to subscribe for the difference between 70% of the rights issue and the amount subscribed (with and without subscription rights).

Preliminary timetable for the rights issue

The subscription price and ratio basis will be determined on	September 7, 2012
Extra ordinary general meeting in Precise Biometrics	September 11, 2012
Prospectus is published	September 11, 2012
Last day of trading in the share with right to participate in the new issue	September 12, 2012
First day of trading in the share without right to participate in the new issue	September 13, 2012
Record day for participation in the new issue of shares	September 17, 2012
Subscription period for the rights issue	September 19 – October 3, 2012
Trading in subscription rights	September 19 – 28, 2012
Trading in paid subscribed shares	September 19, 2012 until the share issue is registered at the Swedish Companies Registration Office

The notice to the EGM and prospectus including detailed terms on the rights issue will be published separately.

Financial advisor

Remium Nordic AB is acting as financial adviser to Precise Biometrics in conjunction with the rights issue.

Important information

The publication or distribution of this press release may in certain jurisdictions be subject to restriction by law, and persons in the jurisdictions where this press release has been published or distributed should inform themselves of and follow such legal restrictions.

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This press release does not contain or constitute an invitation or offer to acquire, subscribe to or otherwise trade with shares, subscription rights or other securities in Precise Biometrics. The invitation to the persons concerned to subscribe to shares in Precise Biometrics will only take place through the Prospectus that Precise Biometrics intends to publish, and this Prospectus will contain financial statements and other information on Precise Biometrics' board of directors and auditors.

Neither the subscription rights, paid subscribed shares or the new shares will be registered in accordance with the Securities Act or any other act in Canada, and may not be transferred or offered for sale in the United States or Canada, or to persons domiciled there, or on behalf of such persons, other than in such exceptional cases where registering in accordance with the Securities Act or other act in Canada is not required.

This press release may contain forward-looking statements. When used in this press release, words such as "evaluate", "expect" and "intend" are intended to identify forward-looking statements. They may involve risks and uncertainties, including product demand and market acceptance, the effect of economic conditions, the impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of the management as of the date made with respect to future events and are subject to risks and uncertainties. All of these forward-looking statements are based on estimates and assumptions made by the management and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. Precise Biometrics disclaims any intention or obligation to update these forward-looking statements.

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Precise Biometrics AB (publ) may be required to disclose the information provided herein pursuant to the Securities Markets Act. The information was submitted for publication at 08.00 on August 9, 2012.

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