

EXTRAORDINARY GENERAL MEETING IN PRECISE BIOMETRICS AB (publ)

Welcome to attend Precise Biometrics' Extraordinary General Meeting to be held on Tuesday 11 September 2012, at 4 p.m. at Precise Biometrics' premises on Scheelevägen 30 in Lund, Sweden. Registration for the Meeting will start at 3 p.m.

A. PARTICIPATION

Shareholders who wish to attend the Extraordinary General Meeting must:

- i) be recorded in the share register maintained by Euroclear Sweden AB, as of Wednesday 5 September 2012; and
- ii) notify the Company of their intent to attend the Extraordinary General Meeting at the address Precise Biometrics AB (publ), Box 798, SE-220 07 LUND, Sweden, by telephone +46 46 31 11 13, by telefax +46 46 31 11 01 or by e-mail: investor@precisebiometrics.com, no later than on Wednesday 5 September 2012, preferably before 4 p.m. 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 Meeting.

In order to be able to vote at the Meeting, shareholders with nominee-registered shares must have the shares temporarily owner-registered with Euroclear Sweden AB. Such registration must be made as of Wednesday 5 September 2012 at the latest and should be requested well ahead of time.

FOR FURTHER INFORMATION, PLEASE CONTACT

Thomas Marschall, President and CEO, Precise Biometrics AB
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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. Approval of the Board of Director's resolution on a new share issue with preferential right for the company's shareholders.
8. Approval of the Board of Director's proposal for an incentive program to management and other employees by the issue of warrants.
9. Closing the Meeting.

Draft resolutions

Approval of the Board of Director's resolution on a new share issue with preferential right for the company's shareholders (item 7)

The Board of Directors proposes that the Meeting approves of the resolution of the Board of Directors on 8 August 2012 to increase the company's share capital through an issue of the number of new shares to be resolved by the Board of Directors (or anyone appointed by the Board of Directors) on the following principal terms.

The Company's shareholders will have preferential right to subscribe for the new shares in relation to the number of shares owned on the record day. In the event that all shares are not subscribed for on basis of subscription rights, allocation of shares shall be made within the scope of the maximum amount of the share issue, at which the Board of Directors shall allocate the shares primarily to those who have subscribed for shares on basis of subscription rights, pro rata in

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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 last to guarantors in proportion to their guarantee undertakings.

The Board of Directors (or anyone appointed by the Board of Directors) will, on 7 September 2012 at the latest, resolve on the maximum increase of the Company's share capital, the maximum number of shares to be issued, the number of subscription rights that will that each existing share will entitle to, the number of subscriptions rights required to subscribe for new shares and the subscription price to be paid for each share. Record day for determination of shareholders entitled to participate in the preferential rights issue shall be 17 September 2012. Subscription for the new shares shall be made during the subscription period from and including 19 September 2012 up to and including 3 October 2012, or such later date as decided by the Board of Directors.

Subscription on basis of subscription rights shall be made by simultaneous cash payment. Subscription without subscription rights shall be made on a separate subscription list and be paid in cash within three (3) banking days from when the Board of Directors' resolution on allocation has been sent to the subscriber, or such later date as decided by the Board of Directors. The new shares will entitle to dividend on the first record day for dividend that takes place after the new share issue has been registered by the Swedish Companies Registration Office (Sw: Bolagsverket).

Approval of the Board of Director's proposal for an incentive program to management and other employees by the issue of warrants (item 8)

The proposal of the Board of Directors principally entails that the Extraordinary General Meeting shall resolve on an issue of maximum 12,000,000 warrants entitling to subscription for the equivalent number of shares in Precise Biometrics AB and resulting in a maximum increase of the share capital of SEK 4,800,000. The issue shall be directed to the wholly-owned subsidiary Precise Biometrics Services AB for the purpose of transferring them onwards to management and other employees, currently 36 persons in total. The warrants shall be issued to the subsidiary free of charge. Subscription for the warrants shall be made on 31 December 2012 at the latest.

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The reason for the deviation from the shareholders' preferential right is that the Board of Directors is of the opinion that an incentive program which offers the management and other employees 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 and other employees within the Group. A partly adjusted structure, in all essence corresponding to the terms of the warrants, may be used in relation to participants in the United States for the purpose of adjusting the program to local regulations. The transfer of all warrants shall be made at market value at the time of transfer, which shall be established by Öhrlings PricewaterhouseCoopers by the application of the Black & Scholes valuation method.

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

Position	Number of Warrants
CEO Thomas Marschall	maximum 2,000,000
Management	maximum 4,000,000
Other employees	maximum 6,000,000

The first allotment is scheduled to take place in December 2012. Warrants remaining after the first allotment may thereafter be allotted to future management employees at a market value, applicable from time to time, according the allotment principles stated above.

Subscription for shares in Precise Biometrics AB by virtue of the warrants may be effected from and including 1 January 2015 up to and including 30 June 2015. The subscription price shall be

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equivalent to 220% of the average of the calculated average of the highest and lowest payment price quoted every trading day from and including 29 October 2012 up to and including 9 November 2012 on the official stock exchange list of the NASDAQ OMX Stockholm.

Full exercise of the warrants will result in a dilution of approximately 6.4% in relation to the company's current share capital. The company also has an ongoing warrants program, resolved by the 2011 Annual General Meeting, comprising a total of 7,100,000 warrants. Full exercise of the warrants in the 2011 warrants program will result in a dilution of approximately 3.8% in relation to the company's current share capital. In total, the ongoing and the proposed warrant programs will, at full exercise, result in a dilution of approximately 10.2% in relation to the company's current share capital. The above shall apply subject to that recalculation may be made in relation to the resolution of the Board of Directors on a new share issue under item 7 on the agenda and any recalculation of the number of shares that each warrant entitles to according to the customary terms of recalculation stated in the complete terms and conditions.

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

The proposal of the Board of Directors 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 Extraordinary General Meeting being supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Meeting.

C. INFORMATION AT THE GENERAL MEETING

The Board of Directors and the Managing Director shall, if any shareholder so requests, and if the Board of Directors considers that this can be done without significant harm for the Company, give information on circumstances that can affect the judgment of an item on the agenda and on the Company's relationship with another Group company.

D. AVAILABLE DOCUMENTS

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The Board of Directors' complete resolution according to item 7 and complete proposal according to item 8 on the agenda will be available at the Company and on its website www.precisebiometrics.com as from 21 August 2012. Copies of the documents will also be sent to shareholders who so request and who state their address, and will be available at the General Meeting.

E. NUMBER OF SHARES AND VOTES IN THE COMPANY

As per the date of this notice, the total number of shares and votes in the Company amounts to 188,945,120. All shares are of the same class.

Lund in August 2012
The Board of Directors
PRECISE BIOMETRICS AB (publ)

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