

PRECISE BIOMETRICS MAKE THE EMISSION PROSPECTUS PUBLIC AND CLARIFIES THE USE OF THE LIQUIDITY FROM THE ISSUE

The Prospectus has been prepared in view of the new issue of shares with subscription privileges for existing shareholders in Precise Biometrics AB (publ) and has been approved by the Swedish Financial Supervisory Authority.

The record day for determination of the preferential right to subscribe to new shares is Thursday November 16, 2006. Three (3) existing shares entitle subscription to one (1) new share at an issue price of SEK 3.50 per share. In addition, it shall be possible to subscribe to shares without preferential right after submitting an application expressing your interest for shares that are not subscribed to through preferential right. The subscription of new shares will take place during the period November 20 – December 4, 2006.

The Prospectus, including an application form, will be sent to all directly registered shareholders. The Prospectus can also be obtained from Precise Biometrics' head office, Box 798, SE-220 07 Lund, tel. 04631 11 47, from the website www.precisebiometrics.com, and from Danske Bank A/S, Swedish branch office, Box 7523, SE-103 92 Stockholm, www.danskebank.se.

Following the new issue of shares the company will acquire approximately SEK 85 million prior to issue costs (SEK 75 million after issue costs). The total amount issued is guaranteed to 100 percent through subscription commitments, declarations of intent and issue guarantees.

Use of the liquidity from the issue

The imminent new issue of shares is for the purpose of enabling the further development and expansion of the company as a market-leader in selected areas of the biometrics market. The company's newly appointed President, Thomas Marschall, has established a strategy, the objective of which is to increase efforts in marketing and sales, and to focus operations on activities that create profitability and generate a positive cash flow for the company. The company will improve cost-efficiency in the group, and focus on specific sub-areas in the biometrics sector, such as national ID cards, the aviation industry and PIV cards – all of which are based on the Precise Match-on-Card™ technology.

The infusion of capital from the new issue will be used to cover negative earnings, tied up working capital and investments in 2007 and 2008. Approximately SEK 15-20 million of the amount issued is expected to be used to increase sales and marketing activities, and SEK 15-25 million for an increase in the need for working capital. The company will achieve a profit within a 2-3 year period.

For further information, please contact

Lars Grönberg, Chairman of the Board, Precise Biometrics AB
Phone +46 707 27 54 55
E-mail lars.gronberg@precisebiometrics.com

Niklas Andersson, CFO, Precise Biometrics AB
Phone +46 46 31 11 02 or +46 730 35 67 02
E-mail niklas.andersson@precisebiometrics.com

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/>

