

THE BOARD OF DIRECTORS' PROPOSAL FOR RESOLUTION ON INCENTIVE PROGRAM FOR THE CEO BY WAY OF DIRECTED ISSUE OF SUBSCRIPTION WARRANTS 2022/2025

The Board of Directors of Precise Biometrics AB (the "Company") proposes that the Annual General Meeting 2022 resolves on approval of a long-term share based incentive program for the Company's incoming CEO Patrick Højjer in the form of subscription warrants. The number of subscription warrants in the proposal is stated before a potential consolidation of shares in accordance with the proposal under item 16 on the agenda, and, where applicable, the alternative number of subscription warrants that the proposal comprises after a potential consolidation of shares is stated in the footnotes.

The purpose of the proposed program is to ensure an incentive that is directly connected to the future value growth of the Company's share and increased shareholder value. The program is also part of strengthening the Company's ability to recruit and retain qualified personnel and contribute to the Company offering a competitive total remuneration. The proposed program supports Precise Biometrics' business strategy and long-term interests, including its sustainability, by providing the CEO with a distinct connection between increased shareholder value and remuneration.

Subject to the annual evaluation to be made of variable remuneration and incentive programs, it is the intention of the Board of Directors to propose corresponding incentive programs also to future Annual General Meetings.

To implement the incentive program, the Board of Directors proposes that the General Meeting resolves on an issue of subscription warrants to the Company's incoming CEO Patrick Højjer, on the following terms and conditions.

1. A maximum of one million (1,000,000) subscription warrants (before consolidation¹) shall be issued.
2. The right to subscribe for the subscription warrants shall, with deviation from the shareholders' pre-emptive rights, be granted to Patrick Højjer. Over-subscription may not occur.
3. The subscription price for each subscription warrant shall correspond to the market value at the time of subscription, to be established immediately before subscription by Öhrlings PricewaterhouseCoopers AB as an independent valuation institute, calculated in accordance with the Black Scholes valuation method. Based on the conditions at the time of this proposal, the market value corresponds to approximately SEK 0.24 (assuming a share price of SEK 1.00, an exercise price of SEK 1.30 per share, a risk-free interest rate of 1.04 percent and a volatility of approximately 45 percent).
4. Subscription for the subscription warrants shall be made on a separate subscription list on 30 June 2022 at the latest. The Board of Directors shall have the right to extend the subscription period. Payment must be made upon subscription. The intention is for

¹ 100,000 subscription warrants following potential consolidation.

subscription and allotment to take place as soon as possible following the Annual General Meeting 2022 and Patrick Höijer's entry.

5. Each subscription warrant entitles to subscription for one (1) new share in the Company.
6. Subscription for shares by virtue of the subscription warrants may be effected during the period from 1 July 2025 up to and including 30 September 2025.
7. The subscription price shall be equivalent to 130% of the volume weighted average price according to Nasdaq Stockholm's official price list for share in the Company during a period of five trading days prior to subscription of the warrants (but no lower than the share's quota value), rounded to the nearest SEK 0.01, whereby SEK 0.005 shall be rounded upwards.
8. Shares subscribed for by virtue of the subscription warrants shall entail the right to dividend the first time on the first record date after the subscription for shares by exercise of the subscription warrants has been effected.
9. In the event that the subscription price for the new shares exceeds the quota value of the previous shares, the excess amount shall be added to the unrestricted share premium reserve.
10. Additional terms and conditions for the subscription warrants are set forth in "*Terms and conditions for subscription warrants 2022/2025*". The terms and conditions entail that the subscription price and the number of shares that each subscription warrant entitles to may be subject to re-calculation as a consequence of bonus issue, consolidation (other than the consolidation 1:10 proposed under item 16 on the agenda) or share split, rights issue and similar actions, whereby customary re-calculation terms shall be applied.

Dilution and other ongoing programs

Assuming that all 1,000,000 subscription warrants (before consolidation²) are exercised to subscribe for new shares, the Company's share capital will increase with a maximum of SEK 30,000, corresponding to approximately 0.25% of the Company's share capital after full exercise.

At the Annual General Meeting 2019, it was resolved to issue a maximum of 1,300,000 subscription warrants to the Company's then CEO and CFO. All of these 1,300,000 subscription warrants have been repurchased by the Company and canceled by the Swedish Companies Registration Office, and can thereby not result in any dilution.

The Board of Directors has also proposed that the Annual General Meeting 2022 resolves on a long-term share based incentive program in the form of Performance Share Rights. This program is proposed to include all employees in the Company and may comprise a maximum of 10,850,000 new shares of series C (before consolidation³). Assuming full allotment in the

² 100,000 subscription warrants following potential consolidation.

³ 1,085,000 shares of series C following potential consolidation.

program, the Company's share capital will increase with a maximum of SEK 325,500, corresponding to approximately 2.67 % of the Company's share capital after full exercise.

Reasons for the deviation from the shareholders' pre-emptive rights

The reasons for the deviation from the shareholders' pre-emptive rights are that the Board of Directors is of the opinion that an incentive program which offers the Company's incoming CEO an opportunity to take part of the Company's value growth entail an enhanced commitment and motivation to work for a favorable financial development of the Company.

Miscellaneous

The incentive program is not expected to entail any considerable costs to the Company. Therefore, no measures to secure the program have been taken. The program is neither expected to have any material effect on significant key figures.

The Board of Directors propose that the board, or anyone appointed by the board, shall be authorized to make such minor adjustments of the resolutions of the General Meeting, including appendices, that may be necessary in connection with registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

The Board of Directors' proposal has been prepared by the Company's Remuneration Committee in consultation with the board. Within the terms and conditions stated above, the Board of Directors shall be responsible for the implementation and management of subscription warrants 2022/2025. All significant decisions related to subscription warrants 2022/2025 will be made by the Board of Directors in its entirety.

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

Lund in April 2022
The Board of Directors