



SoundView Technology Group Update on NXT-ID, Inc.; Early 2018 Outlook

April 18, 2018

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SoundView Technology Group (<http://soundview.co>) releases the following company update for NXT-ID, Inc. (NASDAQ: NXTD).

NXT-ID (NXTD \$1.97)

EARLY 2018 OUTLOOK

APRIL 18, 2018

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Excerpt:

April 2018 Update

2017 was a busy year for Nxt-ID. Revenues tripled to \$23.3M from \$7.3M in 2016. It took some expensive financing to get it all done but now the company is in a much better position and has cleaned up the balance sheet considerably. The last component is a refinancing of their revolving debt which we believe will come soon (as per recent management guidance.) This final step will dramatically reduce their interest payments.

(For investors new to the NXTD story we recommend you read the recent SEC 10K form - the first sections are well-written and the most current detailed overview of the business. Here's a [link to the PDF of the NXTD 10K.](#))

We expect they will build on their success in 2018 - primarily in expanding the FitPay business and extending their LogicMark franchise more deeply into the healthcare industry.

But investors should be reminded that the company is rooted in authentication and payments technology which allows them to continue to innovate around new devices and payment devices. The advent of blockchain technologies and crypto currencies has opened up an even broader range of business development opportunities. In 2018 we expect Nxt-ID to debut a new next-generation general purpose payment device.

LogicMark

LogicMark has been a steady growing business, making consistent quarterly revenue progress. In 2018 we expect more of the same backed by a broad range of updated products and expanded distribution and more direct-to-consumer offerings that don't require monthly service fees.

LogicMark is also working on expanding their role in the healthcare industry from personal emergency response (PERS) units into solutions for patient monitoring and chronic care. For example, hospitals want to discharge patients as soon as possible (often too soon) but face penalties and unreimbursed expenses if that patient has to return to the hospital with a relapse. By discharging patients with improved monitoring technology, the hospital can reduce the frequency and severity of relapses and in many cases avoid re-admission.

At this point we are only modeling continued expansion of the PERS business so we'll be watching how the company develops their healthcare market opportunity. The area is ripe, but we know that hospitals and care-providers can be very deliberate in their adoption of new technologies and are often hampered by regulations and prior investments in large legacy systems.

There are some positive trends in healthcare that make us cautiously optimistic. First of all, the pressure on the already-creaking system is unrelenting. An aging population is only making current inefficiencies harder to endure. On the technology side we have seen real growth in modern methods like Telehealth. One example is the success of Teledoc which now has 23 million paying members and grew revenue last year 89% to \$233M. The company expects to do \$355M in revenue in 2018.

Fit Pay

More Fit Pay enabled devices will be rolling out in 2018. Existing customer Garmin is adding "Garmin Pay" deeper into their product portfolio and it should be available across more of their lineup by the end of the year.

We also expect to see shipments of more innovative wearable devices like the Token Ring LINK. We believe there is significant consumer demand for some kind of "digital cash" option outside of the smartphone. So far nothing has fit the bill and seen significant adoption but a raft of new devices may change this.

Fit Pay has their own offering, the Flip, which is scheduled to begin shipping towards the end of Q2. We think about Flip as kind of an "EZPass" for your daily life. Small purchases should be easy and anonymous.

The Flip offering is about recurring account fees but they will be small in magnitude. In 2018 this is still more about "design wins" which translate into long-term recurring revenue streams in the form of small activation systems and account fees.

We expect some significant new customers for Fit Pay in 2018, possibly as early as Q2. These will also reinforce the positioning Fit Pay as a platform and a strategic asset. Any device-maker outside of Apple and Google that wants to do payments would consider Fit Pay to be a key piece of proven infrastructure.

Link to full report: http://s3.amazonaws.com/PUBLISHED/NXT-ID_NXTD_SV_Note_APR_2018.pdf

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