



## NXT-ID, Inc. Announces Results for the Quarter Ended March 31, 2017

May 16, 2017

MELBOURNE, Florida, May 16, 2017 /PRNewswire/ --

NXT-ID, Inc. (NASDAQ:NXTD) ("NXT-ID" or the "Company"), a security technology company, is pleased to report its financial and operating results for the first quarter ended March 31, 2017.

Gino Pereira, Chief Executive Officer of NXT-ID said, "This quarter is a milestone for the Company with significant revenue growth due to LogicMark's sales in the personal emergency response (PERS) market and significant shipments of the Flye smart card to World Ventures Holdings ("WVH"), a related party, in anticipation of their roll-out to their global membership. In addition, the Company had operating income of \$1,066,902 which resulted primarily from the strong gross profit margin earned on both the LogicMark sales and the Flye smart card sales to World Ventures."

### First Quarter Highlights:

- Revenue for Q1 2017 was \$6,681,297 as compared to revenue of \$42,302 in Q1 2016.
- Gross profit for Q1 2017 was \$3,509,290 as compared to a gross loss of \$(32,853) in Q1 2016.
- Operating expenses were \$2,442,388 in Q1 2017 as compared to \$2,294,430 in Q1 2016.
- Operating income for Q1 2017 was \$1,066,902 as compared to an operating loss of \$(2,327,283) in Q1 2016.

### Results of Operations

#### Comparison of three months ended March 31, 2017 and March 31, 2016

**Revenue.** Our revenues for the three months ended March 31, 2017 were \$6,681,297 compared to \$42,302 for the three months ended March 31, 2016. The increase in our revenues for the three months ended March 31, 2017 versus the three months ended March 31, 2016 is directly related to shipments of the Flye card for WVH and LogicMark product sales which was acquired on July 25, 2016.

**Cost of Revenue and Gross Profit.** Our gross profit for the three months ended March 31, 2017 was \$3,509,290 compared to a gross loss of \$32,853 for the three months ended March 31, 2016. The increase in gross profit resulted from the initial shipments of the Flye smartcard and strong gross margin contributed by LogicMark, both of which were not part of our operating results in the three months ended March 31, 2016.

**Operating Expenses.** Operating expenses for the three months ended March 31, 2017, totaled \$2,442,388 and consisted of research and development expenses of \$84,944, selling and marketing expenses of \$996,758 and general and administrative expenses of \$1,360,686. Selling and marketing expenses consisted primarily of salaries and consulting services of \$262,167, merchant processing fees of \$108,127, and sales commissions of \$72,241. General and administrative expenses consisted of salaries and consulting services of \$452,083, accrued management and employee incentives of \$150,000 and legal, audit and accounting fees of \$200,707. Also included in general and administrative expenses is \$86,140 in non-cash stock compensation to consultants and board members.

Operating expenses for the three months ended March 31, 2016, totaled \$2,294,430 and consisted of research and development expenses of \$361,324, selling and marketing expenses of \$806,518 and general and administrative expenses of \$1,126,588. The research and development expenses relate primarily to salaries and consulting services of \$201,820, as well as expenses of \$62,502 related to the design, development and manufacturing of the Wocket®. Selling and marketing expenses consisted primarily of salaries and consulting services of \$152,870 and advertising and promotional expenses, including trade shows, of \$391,045. General and administrative expenses for the three months ended March 31, 2016 consisted of salaries and consulting services of \$275,453, accrued management and employee incentives of \$150,000, legal, audit and accounting fees of \$338,234 and consulting fees for public relations of \$31,282. Also included in general and administrative expenses is \$90,600 in non-cash stock compensation to consultants and board members.

**Operating Profit.** The operating profit for the three months ended March 31, 2017, was \$1,066,902 compared with an operating loss of \$2,327,283 for the three months ended March 31, 2016. The significant favorable change in operating profit for the three months ended March 31, 2017 is attributable to the enhanced gross margin discussed above as well as certain cost containment efforts related to the operating expenses.

**Net Loss.** The net loss for the three months ended March 31, 2017, was \$730,215. The net loss was primarily attributable to the interest expense incurred of \$1,703,930. The net loss for the three months ended March 31, 2016, was \$5,411,696 and resulted in part from the operational expenses incurred during the three months ended March 31, 2016. In addition, the net loss was attributable to interest expense incurred of \$512,667, unfavorable changes in fair value of derivative liabilities of \$2,299,020 and a loss on extinguishment of debt of \$272,749 resulting from the accelerated installment payments made during the three months ended March 31, 2016.

Full financial results and Management's Discussion and Analysis can be found in the Company's Form 10-Q for the quarterly period ended March 31, 2017 filed with the Securities and Exchange Commission ("SEC") on May 15, 2017.

### About NXT-ID Inc. - Mobile Security for a Mobile World

Nxt-ID, Inc. (NASDAQ: NXTD) is a security technology Company providing security for finance, assets and healthcare. The Company's innovative MobileBio® solution mitigates risks associated with mobile computing, m-commerce and smart OS-enabled devices. With extensive experience in biometric identity verification, security and privacy, encryption and data protection, payments, miniaturization and sensor technologies, the Company partners with industry leading companies to provide solutions for modern payment and the Internet of Things ("IoT") applications. The Company's

wholly owned subsidiary, LogicMark, LLC, manufactures and distributes nonmonitored and monitored personal emergency response systems ("PERS") sold through the United States Department of Veterans Affairs ("VA"), healthcare durable medical equipment dealers and distributors and monitored security dealers and distributors.

<http://nxt-id.com/> <http://www.logicmark.com>

**Forward-Looking Statements for NXT-ID:** This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect management's current expectations, as of the date of this press release, and involve certain risks and uncertainties. Forward-looking statements include statements herein with respect to the successful execution of the Company's business strategy. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors. Such risks and uncertainties include, among other things, our ability to establish and maintain the proprietary nature of our technology through the patent process, as well as our ability to possibly license from others patents and patent applications necessary to develop products; the availability of financing; the Company's ability to implement its long range business plan for various applications of its technology; the Company's ability to enter into agreements with any necessary marketing and/or distribution partners; the impact of competition, the obtaining and maintenance of any necessary regulatory clearances applicable to applications of the Company's technology; and management of growth and other risks and uncertainties that may be detailed from time to time in the Company's reports filed with the SEC, including its most recent Annual Report on Form 10-K and subsequent filings.

**NXT-ID Inc. Contact:**

Corporate info: [info@nxt-id.com](mailto:info@nxt-id.com)

**Media:**

D. Van Zant

+1-800-665-0411

[press@nxt-id.com](mailto:press@nxt-id.com)

SOURCE NXT-ID, Inc.