



Nxt-ID, Inc. Announces Third Quarter and Nine-Month 2021 Financial and Operational Results

November 12, 2021

LOUISVILLE, Ky., Nov. 12, 2021 /PRNewswire/ -- Nxt-ID, Inc. (NASDAQ: NXTD) (the "Company" or "NXT-ID"), provider of personal emergency response systems (PERS), health communications devices and IoT technology, announced financial and operations results for the third quarter and nine-month period ended September 30, 2021.

Chia-Lin Simmons, the Company's Chief Executive Officer, commented, "During the third quarter of 2021, we continued working towards establishing a solid foundation for future growth. In this respect, we obtained shareholder approval for a reverse stock split in October, enabling us to remain listed on the Nasdaq Capital Market ("Nasdaq"). We view this as a vote of confidence by our shareholders that we are steering our company in the right direction."

"Along with our recent financings, we now have additional runway to continue developing our product, client and revenue base. And we are also in discussions regarding partnership opportunities to bring technologies to market in new and innovative ways. In fact, this past quarter, we filed two provisional patents in the fall detection category, good examples of the innovative IP solutions that we hope to bring to market."

"We recently made the decision to close our Connecticut corporate office and consolidate corporate functions into our Louisville division office, an opportunity to further rationalize our cost structure. Discussions are also continuing with various candidates to help build our management team's capabilities and in this respect, we hope to make announcements in the near term." concluded Ms. Simmons.

Summary results for the third quarter ended September 30, 2021, include the following:

- Revenue was \$2.4 million, a decrease of 10% from the same quarter last year.
- Gross profit was \$1.3 million, a decrease of \$0.6 million compared with the same quarter last year. Gross margin was 53%, compared with 71% in the prior year. Both gross profit and margin in the recent quarter were materially impacted by the addition of a reserve for obsolete inventory.
- Operating expenses were \$1.8 million, compared to \$2.0 million in the prior quarter and \$2.4 million in the same quarter last year.
- Operating loss was \$0.5 million, slightly better compared to the operating loss in the same quarter last year.
- Net loss was \$0.7 million, or \$0.12 per share, compared to a net loss of approximately \$1.1 million, or \$0.32 per share, in the same quarter last year. Earnings per share have been adjusted for the 1-for-10 reverse stock split made on October 15, 2021.
- At quarter-end, the Company held \$16.0 million in unrestricted cash.

Summary results for the nine months ended September 30, 2021, include:

- Revenue was \$7.6 million, a decrease of \$1.3 million, or 14%, compared to the nine-month period ended September 30, 2020.
- Gross profit was \$4.6 million, a decrease of \$1.8 million, or 29%, from the same period last year. Gross margin declined from 73% to 61% due to inventory reserves and the launch of our 4G Guardian product in November 2020.
- Operating expenses were \$6.1 million, up \$0.1 million, or 1%, from the same period last year.
- Operating loss was \$1.5 million compared to an operating income of \$0.4 million during the same nine-month period last year.
- Net loss was \$7.7 million, or \$1.43 per share, compared to a net loss of \$1.4 million, or \$0.44 per share, in the same nine-month period last year. Earnings per share have been adjusted for the stock split.

Subsequent Events:

- As previously announced, on October 15, 2021, a special meeting of shareholders was held to vote on reverse stock split proposals for both the Company's common and Series C preferred shares outstanding and both proposals were approved by majority vote. As a result of the reverse stock splits, every ten shares of common stock were exchanged for one share of common stock and every ten shares of Series C preferred stock were exchanged for one share of Series C preferred stock. Each of the reverse stock splits became effective as of 5:30 p.m. Eastern Time on October 15, 2021.
- On November 1, 2021, the Company's wholly owned subsidiary, LogicMark, LLC, made a \$1.1 million payment to its senior lender, completely satisfying all of its financial obligations with that lender. As of November 1, 2021, the Company had no senior debt obligations.
- On November 3, 2021, the Company received a letter from The Nasdaq Stock Market acknowledging that the Company had regained compliance with Nasdaq Listing Rule 5550(a)(2), which requires the Company's common stock listed on Nasdaq to maintain a minimum bid price of \$1.00 per share, and that such common stock will remain listed on Nasdaq subject to the Company's ongoing compliance with all Nasdaq listing rules.

- On November 3, 2021, the Company set the record date for its Annual Meeting of Shareholders, which will be held in New York City on December 17, 2021.

Investor Call and SEC Filings

This press release will be available on the Company's website in the investor relations section and filed as an exhibit to a Form 8-K filed by the Company with the Securities and Exchange Commission ("SEC"). The Company's Form 10-Q for the quarter ended September 30, 2021, with full financial results and management's discussion and analysis, will be filed with the SEC, along with an available link on the Company's investor relations section of its Web site.

A live webcast to discuss the Company's financial and operations results for the third quarter ended September 30, 2021, will be held on November 12, 2021, at 11:00 am Pacific Time, or 2:00 pm Eastern Time. To register for the webcast, please visit <https://edge.media-server.com/mmc/p/2hbppitw> prior to the start of the event.

For those wishing to participate by telephone, please use the following dial-in credentials:

US/CANADA Participant Toll-Free Dial-In Number: (877) 644-5287

US/CANADA Participant International Dial-In Number: (281) 973-6282

Conference ID: 4638638

If unable to participate in the live call, a replay of the webcast will be available following the conference call on the Company's investor relations section of its website.

About Nxt-ID, Inc.

Nxt-ID, Inc. (NASDAQ: NXTD) provides personal emergency response systems (PERS), health communications devices and IoT technology that creates a connected care platform. The Company's devices provide additional support for those who wish to age in their homes. [LogicMark LLC](#), a wholly owned subsidiary of NXT-ID, is helping revolutionize the PERS industry by incorporating two-way voice communication technology directly in the medical alert pendant and providing the life-saving technology at a price point everyday consumers can afford. The PERS technologies are sold through dealers and distributors and the United States Veterans Health Administration.

The Company was awarded a contract by the U.S. General Services Administration that enables the Company to distribute its products to federal, state and local governments. For the Company's corporate information, contact: info@NXT-ID.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; the Company's ability to maintain its Nasdaq listing for its common stock; 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.

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