



## NXT-ID Receives Notice of Allowance on the Unpassword Encryption Patent

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NXT-ID, Inc. (NASDAQ:NXTD) ("NXT-ID" or the "Company"), a company focused on the growing mobile commerce market, announces the receipt of a notice of allowance from the US Patent Office on its "Unpassword" encryption patent. The invention relates generally to authenticating and encrypting information exchanged between two devices. A first device needs to authenticate a second device, before the first device will exchange information with the second device. "We want to be sure that the second device is not a bad guy or a hacker before actually sending sensitive information." David Tunnell, Chief Technology Officer of NXT-ID.

Generally, this data will be gathered during several different information exchanges. A combined authentication score will be generated by the first device based on these exchanges. Then an encryption key is generated by the first device and it is used to encrypt that combined authentication score. The dynamic pairing code is then that encrypted combined authentication score. Both the first and second devices can decrypt the dynamic pairing code. The dynamic pairing code is modified based on subsequent information exchanges between the first and second devices.

Location data, user behavior, transactions, biometrics and the like are examples of identifiers that may be used to authenticate devices. Rather than blindly trusting a certificate from a third party certificate authority, as is commonly done today, trust is instead earned by the number of successful authentications achieved over time.

"These dynamic pairing codes are a cornerstone of our MobileBio® encryption technology and we are pleased that this patent is about to be awarded" said Gino Pereira, CEO of NXT-ID. "This technology allows a much higher level of security for transactions than is currently employed and the licensing of this technology is a potential path to generating recurring revenue on financial transactions and the reduction of fraud losses by financial institutions.

NXT-ID, Inc.'s innovative MobileBio® solution mitigates consumer risks associated with mobile computing, m-commerce and smart OS-enabled devices. The company is focused on the growing m-commerce market, launching its innovative MobileBio® suite of solutions that secure consumers' mobile platforms. For more information, please visit <http://www.nxt-id.com>

NXT-ID' wholly owned subsidiary, 3D-ID LLC, is engaged in biometric identification and has 22 licensed patents in the field of 3D facial recognition <http://3d-id.net/>

Product images are available for media at: <http://press.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; 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 Securities and Exchange Commission.

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