



Nxt-ID Provides Update on Proposed Spin-Off of Payments Division

December 17, 2018

New record date to be announced

SEBASTIAN, Florida, December 17, 2018 /PRNewswire/ --

Nxt-ID, Inc. (the "Company") (NASDAQ: [NXTID](#)) today announced that the proposed spin-off of its payment and other assets into an independent publicly traded company and distribution of shares of the new company to Nxt-ID shareholders has been delayed. Nxt-ID intends to proceed with the spin-off and to establish a new record date for the transaction in the first quarter of 2019. Shares of NXT-ID are currently trading with all the rights of shareholders of Nxt-ID common stock, including the right to receive dividends and distributions as determined by the Board of Nxt-ID.

"The reason for the delay in completing the transaction is that, after much effort, we were unable to come to terms with our primary lender regarding the release of their security interest in assets that we are proposing to spin off," said Gino Pereira, Chief Executive Officer of Nxt-ID. "We are currently working with a number of other lenders to replace the existing long-term facility to remove the security interest. We will announce a new record date when we have better clarity on the timing to complete the transaction and to receive various regulatory approvals. We are now targeting to conclude the spin-off before the end of the first quarter of 2019."

The Company previously announced that it intends to separate its payments, authentication and credential management business into an independent company and distribute those shares to Nxt-ID shareholders through the execution of a spin-off, which the Company believes will qualify as a tax-free distribution. Immediately following the transaction, Nxt-ID shareholders, who own shares of Nxt-ID on the new record date to be announced will own shares of both companies. The new company will include the assets acquired in the May 2017 business combination with Fit Pay, Inc. as well as the payment, authentication and credential management assets the Company developed previously by Nxt-ID. Following the spin-off, the Company has an investment commitment for up to \$6 million to fund the operations of the new company. The new company intends to apply for listing on the NASDAQ.

PartX, Inc.

The new company, PartX, will include the payment, authentication and credential management assets of Nxt-ID and Fit Pay, Inc, including Fit Pay's Token Requester Platform, which enables cardholders to securely add their payment credentials to devices that are integrated with FitPay's token management solution. The Platform allows device manufacturers, merchants, banks and any other entity making digital transactions to offer their customers a safe and convenient payment experience. FitPay is one of the first successful commercializations of a token requestor service provider integrated with the major payment card networks.

PartX's core capabilities also include the development of payment and authentication devices that leverage NFC (near field communication), cryptocurrency, and blockchain technology. It is currently developing digital payment and loyalty devices to be distributed through partners as well as payment devices that enable Bitcoin holders to make contactless payments at retail locations with value exchanged from their cryptocurrency. The assets of the new company will include a portfolio of payment, authentication and blockchain technology patents that have been filed by or issued to Nxt-ID and Fit Pay.

Nxt-ID and LogicMark

Assets associated with Nxt-ID's healthcare subsidiary, LogicMark, LLC, will remain with the Company along with the assets under 3D-ID, LLC. LogicMark produces a range of products within the personal emergency response system (PERS) market. The Company has differentiated itself by offering non-monitored products, which only require a one-time purchase price, instead of a recurring monthly contract, offering a significant value proposition over monitored solutions.

Our LogicMark subsidiary has produced record revenues on an annual basis since its inception and is looking to expand its business into other healthcare verticals as well as retail and enterprise channels in order to better serve the expanding demand for connected and remote healthcare solutions. For the nine months ended September 30, 2018, revenues from the Company's continuing operations, excluding Fit Pay as well as the payment, authentication and credential management assets of Nxt-ID, were \$13.1 million with operating income from continuing operations of \$0.9 million and non-GAAP operating income from continuing operations for the nine months ended September 30, 2018, adjusted for depreciation, amortization and other non-cash charges of approximately \$2.3 million.

Transaction Details

For further details please see the Form 8-K filed with the Securities and Exchange Commission on September 20, 2018. Completion of the tax-free spin-off and IPO will be subject to final approval by the Nxt-ID Board of Directors, approval by NASDAQ and a number of other factors, including, the refinancing our current senior debt, market conditions, the execution of inter-company agreements and other matters.

Advisors

Alliance Global Partners is serving as financial advisor on the transaction and Robinson Brog Leinwand Greene Genovese & Gluck, P.C. is serving as legal advisor to Nxt-ID, Inc.

About Nxt-ID, Inc.

[Nxt-ID, Inc.](#) (NASDAQ: [NXTID](#)) provides a comprehensive platform of technology products and services that enable the Internet of Things (IoT). With extensive experience in access control, biometric and behavior-metric identity verification, security and privacy, encryption and data protection,

payments, miniaturization and sensor technologies, NXT-ID develops and markets groundbreaking solutions for payment and IoT applications. Its industry-leading technology products and solutions include MobileBio®, a suite of biometric solutions that secure consumers' mobile platforms, the [Wocket™](#) a next-generation smart wallet and the [Flye](#), a digital credit card developed in collaboration with WorldVentures.

Nxt-ID includes three mobile and IoT-related subsidiaries: [LogicMark, LLC](#), a manufacturer and distributor of non-monitored and monitored personal emergency response systems ("PERS") sold through dealers/distributors and the United States Department of Veterans Affairs; [Fit Pay, Inc.](#), a proprietary technology platform that delivers end-to-end solutions to device manufacturers for contactless payment capabilities, credential management, authentication and other secure services within the IoT ecosystem, and 3D-ID LLC, which is engaged in biometric identification and authentication. Learn more about Nxt-ID at www.nxt-id.com. FitPay and the FitPay Payment Platform are the sole property of Fit Pay, Inc. For Nxt-ID Inc. corporate information contact: info@nxt-id.com

Forward-Looking Statements for Nxt-ID and Risks: 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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Nxt-ID, PartX, or their respective subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this press release include statements related to Nxt-ID's current views and expectations with respect to the spin-off and related transactions.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: a market demand for shares of Nxt-ID's common stock; general economic conditions; the performance of the financial and credit markets; the economic environment for the industries in which Nxt-ID and PartX currently and will operate; uncertainties that may delay or negatively impact the planned spin-off of PartX to be further delayed or to not occur at all; as well as risks Annual Report on Form 10-K, filed with the SEC on April 2, 2018, and subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

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