August 18, 2025

Zacks Small-Cap Research

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LogicMark, Inc. (LGMK-OTC)

LGMK: Device Upgrades Contribute to 2Q Revenue, Margin Improvements; Strong Balance Sheet, Sales Team Expanding

LGMK reported 2Q25 revenue of $2.9m, a 22% y/y increase & 10% sequential increase. Gross profit increased 24% y/y to $1.9m, while the gross margin improved to 67.5% vs xx% in 2Q24. The company attributed much of the improvement to strong response to its upgraded Guardian Alert 911 Plus unit with the addition of fault detection. The upgrade also enabled the company to increase pricing, which contributed to the above noted margin improvement.

Current Price (8/15/25)	$0.00
Valuation	**$0.10**

OUTLOOK

A key component of LGMK's growth strategy is to expand the product line and boost awareness of its growing suite of products and services. LGMK seeks to expand its sales team to help drive growth & recently appointed a new SVP ales to lead its B2B expansion efforts. In addition, the company is revising its reseller program to enable improved partner support and outreach to end customers & increasing its presence at industry conferences to boost awareness of its growing product line. The company expects these initiatives will accelerate its growth over time & expects new products and services to both diversify and augment its revenue streams and boost recurring revenues.

SUMMARY DATA*

52-Week High	**$2.88**
52-Week Low	**$0.00**
One-Year Return (%)	**N/A**
Beta	**1.50**
Average Daily Volume (sh)	**20,383,161**
Shares Outstanding (mil)	**576**
Market Capitalization ($mil)	**$2**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**39**
Insider Ownership (%)	**4**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2025 Estimate	**N/A**
P/E using 2026 Estimate	**N/A**

Risk Level	**High,**
Type of Stock	**Small-Value**
Industry	**Med Tech**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2022	4 A	3 A	3 A	2 A	12 A
2023	3 A	2 A	2 A	2 A	10 A
2024	3 A	2 A	3 A	2 A	10 A
2025	3 A	3 A	3 E	2 E	10 E

Loss per share

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2022	-$2.89 A	-$2.50 A	-$0.23 A	-$0.26 A	-$0.76 A
2023	-$1.92 A	-$1.83 A	-$1.10 A	-$5.74 A	-$11.66A
2024	-$0.85 A	-$0.96 A	-$0.20 A	-$5.95 A	-$14.65A
2025	-$0.12 A	-$0.00 A	-$0.00 E	-$0.00 E	-$0.02 E

Quarters might not sum due to rounding & share counts

Disclosures on page 8 not PF

*Not PF

RECENT DEVICE UPGRADES CONTRIBUTE TO 2Q25 REVENUE, MARGIN IMPROVEMENTS

LogicMark, Inc. (OTC: LGMK) reported strong 2Q25 results last week. LogicMark is transforming its business from a hardware company generating one-time revenue from sales of personal emergency response systems (PERS) to a broader personal safety company offering solutions for a substantially wider target market and generating recurring revenue streams. LGMK reported 2Q25 revenue of $2.9 million, which represents a 22% year-over-year increase and about 10% sequential increase. LGMK's 2Q25 gross profit increased 24% year-over-year to $1.9 million, while the gross margin improved to 67.5% compared to 66.6% in 2Q24.

The company attributed much of the improvement to the strong response it is seeing to its upgraded Guardian Alert 911 Plus unit with the addition of fault detection in the upgrade and to the recently launched Freedom Alert Mini. The upgrade to the Guardian Alert 911 Plus also enabled the company to increase pricing, which contributed to the above noted margin improvement. LGMK continues to leverage AI and software services to enhance its product portfolio, as well as to introduce new products, with many designed to provide the company with additional recurring revenue opportunities. LGMK's new Care Village ecosystem is a proprietary software stack that includes an iOS and Android app, proprietary middleware, AI-enabled cloud infrastructure and subscription services that are expected to enable LogicMark to create new higher margin added revenue streams.

Expanding the sales team to help drive growth

Total operating expenses of $4.1 million increased 12% compared to $3.6 million recorded in 2Q24, with the increase primarily driven by costs related to recruiting efforts as LGMK seeks to expand its sales team to help drive growth. LGMK recently appointed Jeffrey Durkin as SVP of Sales to lead its B2B expansion efforts and a new director of B2B sales. In addition, the company is revising its reseller program to improve partner support and outreach to end customers and to heighten its presence at industry conferences in order to boost awareness of its growing product line. The company continues initiatives to drive new opportunities and expects these initiatives will accelerate its multi-channel growth over time.

In addition, higher consulting and legal fees contributed to the increase. LGMK reported a net loss of $2.1 million or ($0.00) per share, roughly unchanged from $2.1 million in 2Q25 although the per share loss in last year's 2Q on a much smaller share base was ($24.12).

New and/or upgraded product introductions

A key component of the company's growth strategy is to expand the product line and boost awareness and sales of a growing suite of products and services. The company is optimistic about the above noted Freedom Alert Mini, a relatively new mobile medical alert device that offers fall detection and GPS location in a compact sized mobile format that enables seniors to remain connected to caregivers and family while maintaining their mobility. The company believes its mini size makes it convenient for wearers to use on a daily basis and maintain an independent lifestyle. In the U.S., there are more than 50 million people 65 years old or older and seniors increasingly want to live independently. In fact, more than 25% of U.S. seniors live alone. The company's technology is designed to help monitor people remotely so that care givers and family can make sure they are safe.

The device's 4G LTE connectivity provides two-way communication regardless of location. The fall detection and GPS location features in the event of a fall or other issue increase the wearer's sense of confidence. Moreover, reflecting the R&D behind the technology, management believes that the quality of its fall detection solutions is better than technology in competing products.

The Freedom Alert Max offers over-the-air updates, regular alerts including medication reminders and others, as well as the above noted fall detection technology. Freedom Alert Max offers geofencing for patients with dementia and Alzheimer's, and cellular communication technology, among multiple features. The company believes it provides the convenience of a cell phone, while addressing the growing need for innovative mobile technology for seniors. The company has secured approval for the Freedom Alert Max to be procured through the GSA, which enables agencies, including the Veterans Administration (VA), to purchase and distribute the Freedom Alert Max to the communities they serve and adds the Freedom Alert Max to a list of government-approved health technologies available for seniors and their families.

In terms of product upgrades, the next generation of the Guardian Alert 911 Plus was introduced in February 2025. The update integrates advanced fall detection and eliminates recurring monthly subscriptions. The device offers 4G LTE technology combined with fall detection in a more compact form. The fall detection with always-on protection technology enables the device to contact 911 at any time 24/7, even if the wearer cannot press the button.

Diversifying and augmenting revenue streams and growing recurring revenues

Over time, the company expects new products and services to both diversify and augment its revenue streams and contribute to growing recurring revenues. Most PERS products are focused on reactive technology, but the company's focus is both to improve reactive technology versus competitors' products and incorporate predictive and preventative technologies. The company's developing AI technology is expected to detect pattern changes that might indicate potential for falls (predictive technology), as well as health communications services such as medicine reminders (preventative technology). The company believes false positive triggers frequently makes people not want to wear PERS devices. By incorporating enhanced sensors, algorithms, and machine learning technology to analyze movement patterns and other relevant data, LogicMark expects to report and even predict the likelihood of a fall more accurately than competitive devices that rely on legacy technologies. LGMK has indicated that future innovations likely will incorporate additional technologies to monitor health data and provide additional services.

Aster app broadens target market opportunity…

In 2024, LGMK introduced Aster, a software application that broadens its target market beyond the senior demographic and their caregivers. Aster is a subscription-based software application that is available on the Apple and Google Play Stores. The LogicMark Bluetooth button can be worn or attached to the user's pocket, key or other convenient location and can be paired with Aster to provide quick-access to Aster. The company believes Aster illustrates how well it can leverage its technology to launch new Internet of Things (IoT) solutions to help ensure safety for a broadening group of users and enable caregivers and family to monitor the health and safety of loved ones remotely. The company envisions a broad market for Aster, ranging from college students concerned about their on-campus security, real estate agents showing houses alone, active seniors and more.

The company also has a growing intellectual property position to support its opportunities to license its technology and boost recurring revenue. Since 2021, LGMK has filed 14 patents. One relates to risk and safety metrics calculation and assessment using sensors and algorithms. Other patents cover AI capabilities, game theory, environmental sensing, and personalized behavior monitoring, among other features.

As the company innovates and creates new products, LogicMark intends to retain its non-monitored hardware products, which carry a roughly 60% margin, and also introduce new hardware and recurring services and software products into the mix. The goal is to further expand its established government business and VA solutions, even as it innovates across the board and expands beyond its traditional target demo.

Stronger balance sheet

The company had cash and equivalents of $5.0 million and Investments of just under $8 million at the end of 2Q25 for total liquidity of about $13 million to support its growth initiatives. In February 2025, LGMK conducted an offering and sold an aggregate of 2.26 million units consisting of LGMK shares and warrants. As of March 27, 2025, people who participated in the February offering exercised all of their February pre-funded warrants.

VALUATION

We anticipate that LGMK's transition will likely take time and some lumpiness in quarterly revenue / results are not unexpected. Nevertheless, in success, we believe the company will enhance efficiencies and profits and boost shareholder value. We value LGMK shares on a price -to-sales (P/S) basis, as we believe other traditional valuation metrics such as P/E or EV/EBITDA are not appropriate at this early stage of the company's strategy. Moreover, it is difficult to compare LGMK shares to those of other companies, as competitors are generally privately-held or subsidiaries of large conglomerates. Although not directly comparable to LogicMark, medical device companies could provide some benchmark. Their shares trade at a wide range of multiples of forward revenue, averaging from under 1x to about 4x forward revenue.

Following LGMK's strong 2Q25 results, which we believe provides proof of concept that the company's transformation strategy is gaining traction, we apply a P/S multiple at the higher end of the above-noted range (previously we used a multiple at the lower end). We apply a risk adjusted multiple of about 85% (compared to 65% previously) to our 2025 revenue forecast at this time. Reflecting these metrics, we derive a valuation of about $0.10 per LGMK share on the updated share base. We might increase / lower our confidence multiple in the future depending on trends.

It would not surprise us If LGMK shares remained under pressure in the near-term as investors maintain a wait and see view ahead of upcoming milestones. In addition to company specific changes, we believe the pressure also reflects concerns about the general macroeconomic and interest rate environment and potential product cannibalization and dilution to existing shareholders. Nevertheless, if the company can deliver on its growth initiatives, in success we would anticipate share price appreciation over time.

Any delay or failure in successful execution of the strategy could represent a potential risk to our valuation and cause the share price to decline. We believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon.

RISKS

We believe risks to LogicMark achieving its goals, and to our valuation, include the following, among others.

- LGMK might not gain market share in new areas as quickly as the company expects, which could lead to slower than anticipated revenue ramp.
- The company could incur unanticipated costs associated with its initiatives.
- Competition could increase.
- The company might need to raise capital to support its strategy that might be dilutive to current shareholders.
- The inflation and interest rate environments might have a greater than expected impact.
- Potential supply chain disruptions might cause LGMK delays in supplying end customers.
- Given recent actions of a shareholder, we believe LGMK faces the risk of outside parties attempting to exert control over the board and / or company.

RECENT NEWS

- LGMK reported 2Q25 results on August 12, 2025.
- LogicMark shares began trading on the OTC Markets on June 2, 2025.
- On April 28, 2025, LogicMark unveiled a new board committee leadership structure to align with its strategic goals.
- LogicMark secured GSA approval on April 1, 2025.
- On February 18, 2025, LogicMark closed its public offering.
- On February 11, 2025, LogicMark launched next-gen of the Guardian Alert 911 Plus.
- On January 14, 2025, LogicMark secured Medicaid waiver approval in certain states.

FINANCIAL MODEL

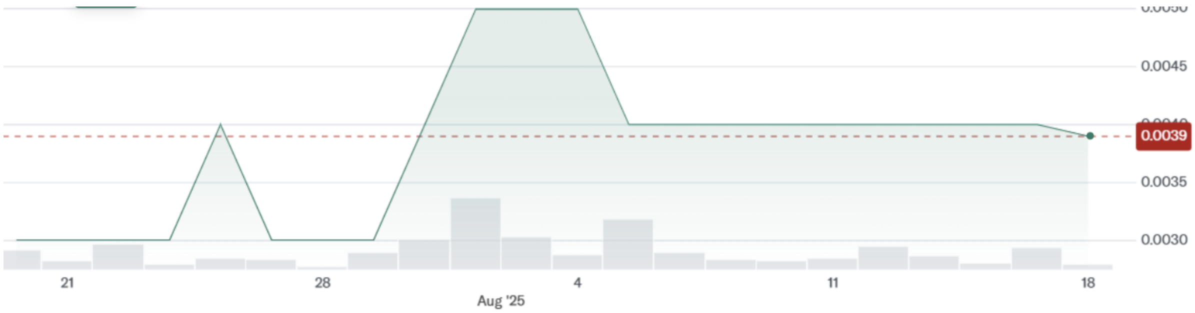
LogicMark

LogicMark Income Statement & Projections ($)

	2023A	1Q24A	2Q24A	3Q24A	4Q24A	2024A	1Q25A	2Q25A	3Q25E	4Q25E	2025E
Revenues	9,929,629	2,611,083	2,336,268	2,705,461	2,249,175	9,901,987	2,611,083	2,853,210	2,721,694	2,260,421	10,446,408
Costs of goods sold	3,269,967	843,865	781,318	903,834	756,977	3,285,994	965,856	925,910	898,159	745,939	3,535,864
Gross Profit	6,659,662	1,767,218	1,554,950	1,801,627	1,492,198	6,615,993	1,645,227	1,927,300	1,823,535	1,514,482	6,910,544
	67%	68%	67%	67%	66%	67%	63%	68%	67%	67%	66%
Operating Expenses:											
Direct operating cost	1,142,597	330,920	320,660	359,044	328,134	1,338,758	343,626	350,453	361,198	329,775	1,385,052
Advertising costs	270,708	152,213	135,220	114,795	155,555	557,783	174,590	46,395	115,484	156,333	492,802
Selling and marketing	2,206,090	587,538	605,493	599,306	485,361	2,277,698	517,100	703,249	602,902	487,788	2,311,039
Research and development	982,684	173,902	133,556	96,650	154,513	558,621	155,489	138,115	97,230	155,286	546,119
General and administrative	8,478,946	1,898,963	1,982,997	1,727,550	2,016,614	7,626,124	2,269,504	2,313,034	1,737,915	2,026,697	8,347,150
Other expense	150,814	83,826	69,932	101,013	62,542	317,313	49,611	14,423	101,619	62,855	228,508
Goodwill impairment	7,815,000	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	944,595	345,551	377,974	402,821	484,081	1,610,427	499,425	494,045	405,238	486,501	1,885,209
Total Operating Expenses	21,991,434	3,572,913	3,625,832	3,401,179	3,686,800	14,286,724	4,009,345	4,059,714	3,421,586	3,705,234	15,195,879
Operating Loss	(15,331,772)	(1,805,695)	(2,070,882)	(1,599,552)	(2,194,602)	(7,670,731)	(2,364,118)	(2,132,414)	(1,598,051)	(2,190,752)	(8,285,335)
Other Income											
Interest income / (expense)	221,873	61,152	32,025	41,109	26,378	160,664	45,213	133,648			
Forgiveness PPP loan	246,138	-	-	-	-	-	-	-			
Other expense	-	-	-	39,638	(1,523,370)	(1,483,732)	127,919	(53,906)	-	-	74,013
Total Other Income	468,011	61,152	32,025	80,747	(1,496,992)	(1,323,068)	173,132	79,742	35,000	35,000	322,874
Loss before Income Taxes	(14,863,761)	(1,744,543)	(2,038,857)	(1,518,805)	(3,691,594)	(8,993,799)	(2,190,986)	(2,052,672)	(1,563,051)	(2,155,752)	(7,962,461)
Income tax expense	(313,158)	-	-	-	9,946	9,946					
Net Loss	(14,550,603)	(1,744,543)	(2,038,857)	(1,518,805)	(3,701,540)	(9,003,745)	(2,190,986)	(2,052,672)	(1,563,051)	(2,155,752)	(7,962,461)
Preferred stock dividends	(300,000)	(75,000)	(75,000)	(75,000)	(75,000)	(300,000)	(75,000)	(75,000)	(75,000)	(75,000)	(300,000)
Deemed dividend	(930,122)	-	-	-	-						
Net Loss Attributable to Common	(15,780,725)	(1,819,543)	(2,113,857)	(1,593,805)	(3,776,540)	(9,303,745)	(2,265,986)	(2,127,672)	(1,638,051)	(2,230,752)	(8,262,461)
LPS	($11.66)	($0.85)	($0.96)	($0.20)	($5.95)	($14.65)	($0.12)	($0.00)	($0.00)	($0.00)	($0.02)
Avg shares out FD (not PF)	1,353,333	2,150,412	2,190,716	7,995,555	634,970	634,970	18,176,403	549,767,010	549,767,010	549,767,010	416,869,358

Source: Company reports, Zacks estimates

HISTORICAL STOCK PRICE



Source: Yahoo Finance

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