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M. Marin
312-265-9211
mmarin@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

LogicMark, Inc. (LGMK- OTC)

LGMK: 1Q26 First Look as Momentum Continues

LGMK's 1Q26 revenue increased 24% y/y to \$3.2m. Importantly, this marked the seventh of the last eight quarters that registered y/y revenue increases. Expanding the product line is a key pillar of the growth strategy & on a positive product mix, gross margin expanded to 69.6%. With LGMK goal to lower relative operating costs in 2026, OpEx fell ~7%, investments in sales personnel to support sales growth notwithstanding.

Current Price (5/19/26) \$0.59
Valuation \$2.25

OUTLOOK

LGMK expects new products and services to both diversify and augment its revenue streams and contribute to growing recurring revenues over time. Upcoming launches include a LGMK tech-enabled wearable watch expected to launch in 3Q26 & connected home hub. The watch incorporates the company's technology in a streamline form factor that supports seniors more active lifestyles and demand for sleek wearable PERS tech. LGMK is also beta testing a connected home hub with partners under an initiative in the senior living and independent living spaces, leveraging its significant experience in areas such as behavioral health and rehabilitative therapy.

SUMMARY DATA*

52-Week High \$10.50
52-Week Low \$0.35
One-Year Return (%) N/A
Beta N/A
Average Daily Volume (sh) 2,316

Shares Outstanding (mil) 1
Market Capitalization (\$mil) \$1
Short Interest Ratio (days) N/A
Institutional Ownership (%) N/A
Insider Ownership (%) 21

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 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)
2023	2.8 A	2.3 A	2.4 A	2.4 A	9.9 A
2024	2.6 A	2.3 A	2.7 A	2.2 A	9.9 A
2025	2.6 A	2.9 A	2.9 A	3.0 A	11.4 A
2026	3.2 A	3.2 E	3.3 E	3.5 E	13.3 E

Loss per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
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	-\$2.50 A	-\$2.35 A	-\$2.21 A	-\$1.96 A	-\$13.06A
2026	-\$1.68 A	-\$1.75 E	-\$1.68 E	-\$1.65 E	-\$6.76E

Quarters might not sum due to rounding & share counts

Disclosures on page 7 '23-24 not PF

*Not PF

1Q26 HIGHLIGHTS

7 of the last 8 quarters have registered year-over-year revenue increases

LogicMark, Inc. (OTC: LGMK) provides personal safety and emergency response systems (PERS), health communications devices and technology for the care and safety economy. The company announced 1Q26 results last week. Revenue increased 24% year-over-year to \$3.2 million as the product line expands. The increase was primarily attributable to higher sales of Freedom Alert Mini units that launched in 2024 and the recently upgraded Guardian Alert 911 Plus. Importantly, this marked the seventh of the last eight quarters that registered year-over-year revenue increases.

LGMK's 1Q26 gross margin expanded to 69.6% on a positive product mix. The company targets lowering relative operating costs in 2026 and operating expenses decreased by about 7% in 1Q26 to \$3.7 million. The decline was largely attributable to lower stock-based compensation, consulting and legal costs, as well as lower advertising costs and G&A expense, partially offset by higher selling and marketing expense to B2B customers.

The company has made recent investments in additional sales personnel to support sales growth. For instance, Jeff Durkin joined the company in June 2025 as SVP of Sales. He has more than 20 years of experience leading sales organizations within the healthcare and health technology sectors. With Mr. Durkin and other new sales executives in place, the company is expanding sales activities and expanding the distribution channels through which it sells its products and applications, including its access to federal procurement opportunities, thereby broadening its reach among veterans and others served through government-supported care programs.

The company has indicated its intention to continue to focus on expanding distribution across healthcare, government, B2B, and consumer channels in 2026. LGMK expects to boost sales growth by increasing its focus on multiple channels. LGMK redirected its efforts away from B2C advertising in 1Q26 compared to B2B advertising.

The net loss attributable to stockholders narrowed to \$1.5 million and LPS of \$1.68 compared to a net loss of \$2.3 million in the prior year period. LGMK had cash and investments of \$7.5 million at the end of 1Q26 and no long-term debt.

Ongoing expansion of the LGMK product line

Expanding the product line is a key pillar of LogicMark's growth strategy, as it transitions from hardware sales of legacy devices to proactive health monitoring devices and software solutions that can help prevent emergencies, falls and other safety issues and enable people to remain independent safely. With more active lifestyles compared to earlier generations of people age 55 and over, clunky models that were offered in the past do not work for many, if not most, seniors. LogicMark believes there has been little innovation in the home monitoring space reflecting several factors, including that the PERS sector is highly fragmented, with a number of privately-held small competitors and other companies are subsidiaries of larger corporations that do not prioritize this business.

Upcoming launches - wearable watch & connected home hub

The company expects new products and services to both diversify and augment its revenue streams and contribute to growing recurring revenues over time. The company has additional new products in the pipeline and others in development. For example, LGMK's wearable watch is expected to launch in 3Q26. The watch incorporates the company's technology in a streamline form factor that supports seniors' demand for sleek wearable PERS tech and more active lifestyles.

With an initiative in the senior living and independent living spaces leveraging its expanded teams' significant experience in areas such as behavioral health and rehabilitative therapy, the company is beta testing a connected home hub with partners. The system integrates the CPaaS platform, predictive cloud services, caregiving apps and proprietary AI-powered fall detection technology that operates with no need to wear wearable devices at home. An example of where this technology could be particularly helpful is in the shower where a fall can prove fatal. The hub connects with other systems and environmental sensors to enhance safety and enable LGMK potentially to partner with connected home and health tech providers to help support aging at home safely.

Recent product and solution introductions and/or upgrades or in the pipeline

- Freedom Alert Mini
- Guardian Alert 911 Plus
- Freedom Alert Max
- Activity metrics feature in the Freedom Alert Max
- Medication reminders feature in the Freedom Alert Max
- Aster software application
- Wearable watch
- Connected home hub

Licensing opportunity = potential new revenue stream supported by growing patent portfolio

Licensing of the company's IP is another potential revenue stream. Over the past several years, LGMK has focused on protecting its technology and IP. Its IP portfolio currently comprises more than 45 issued or pending patents. In 2025 the company was granted a patent covering the core architecture of its Care Analytics Management Processor (CAMP), which supports the Caring Platform as a Service (CPaaS), which LGMK views as a significant milestone. The company has also filed under patent cooperation treaty, supporting its ability to seek patent protection in more than 150 countries.

VALUATION

With seven of the last eight quarters registering year-over-year revenue increases, we believe LogicMark's strong business momentum provides proof of concept that the company's transformation strategy is gaining traction. We value the company 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 the company 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.

We apply a P/S multiple at the mid-end of the above-noted range to our 2026 revenue forecast. We apply a risk adjusted multiple of about 30%-35% to reflect potential changes in share counts or revenue delays at this time. Reflecting these metrics, we derive a valuation of about \$2.25 per LogicMark share on the updated share base. We might increase / lower our confidence multiple in the future depending on trends.

It would not surprise us, however, if the company 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. In success, we believe the company will enhance efficiencies and profits and boost shareholder value. We anticipate, however, that LogicMark's transition will likely take time and some lumpiness in quarterly revenue / results are not unexpected.

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.

- LogicMark 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 economic environment might have a greater than expected impact.
- Potential supply chain disruptions might cause the company delays in supplying end customers.
- We believe LogicMark faces the risk of outside parties attempting to exert control over the board and / or company.

RECENT NEWS

- LogicMark reported 1Q26 results on May 13, 2026.
- On September 23, 2025, the company launched Predictive Activity Metrics in the Freedom Alert Max Device.
- LogicMark introduced Medication Reminders into medical alert technology on September 4, 2025.
- On August 19, 2025, LogicMark released responses from its study on women's safety concerns.
- 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 (\$)

	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26E	3Q26E	4Q26E	2026E
Revenues	2,611,083	2,853,210	2,915,081	3,065,348	11,425,463	3,214,280	3,167,063	3,337,768	3,537,412	13,256,522
<u>Costs of goods sold</u>	<u>965,856</u>	<u>925,910</u>	<u>996,015</u>	<u>926,340</u>	<u>3,794,862</u>	<u>977,492</u>	<u>1,045,131</u>	<u>1,068,086</u>	<u>1,096,598</u>	<u>4,187,306</u>
Gross Profit	1,645,227	1,927,300	1,919,066	2,139,008	7,630,601	2,236,788	2,121,932	2,269,682	2,440,814	9,069,216
Gross profit margin	63%	68%	66%	70%	67%	70%	67%	68%	69%	68%
<i>Operating Expenses:</i>										
Direct operating cost	343,626	350,453	370,384	356,351	1,420,814	377,679	357,462	385,199	370,605	1,490,945
Advertising costs	174,590	46,395	71,427	111,082	403,494	78,375	47,323	74,284	112,193	312,175
Selling and marketing	517,100	703,249	852,298	948,014	3,020,661	805,550	843,899	852,298	957,494	3,459,241
Research and development	155,489	138,115	161,441	162,324	617,369	123,436	140,877	167,899	168,817	601,029
General and administrative	2,269,504	2,313,034	1,683,594	1,593,739	7,857,086	1,728,733	1,781,036	1,750,938	1,657,489	6,918,196
Other expense	49,611	14,423	11,331	94,627	169,992	16,281	14,711	11,784	85,164	127,941
Goodwill impairment	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	499,425	494,045	504,955	542,053	2,040,478	612,101	503,926	525,153	563,735	2,204,915
Total Operating Expenses	4,009,345	4,059,714	3,655,430	3,808,190	15,529,894	3,742,155	3,689,235	3,767,555	3,915,497	15,114,442
Operating Loss	(2,364,118)	(2,132,414)	(1,736,364)	(1,669,182)	(7,899,293)	(1,505,367)	(1,567,302)	(1,497,873)	(1,474,683)	(6,045,225)
<i>Other Income</i>										
Interest income / (expense)	45,213	133,648	138,928	79,867	397,658	96,227	-	-	-	-
Forgiveness PPP loan	-	-	-	-	-	-	-	-	-	-
Other	127,919	(53,906)	(28,069)	5,903	49,060	(42,267)	-	-	-	-
Total Other Income	173,132	79,742	110,859	85,770	446,718	53,960	54,500	55,045	55,595	219,099
Loss before Income Taxes	(2,190,986)	(2,052,672)	(1,625,505)	(1,583,412)	(7,452,575)	(1,451,407)	(1,512,803)	(1,442,829)	(1,419,088)	(5,826,126)
Income tax expense	-	-	-	14,853	14,853	-	-	-	-	-
Net Loss	(2,190,986)	(2,052,672)	(1,625,505)	(1,598,265)	(7,467,428)	(1,451,407)	(1,512,803)	(1,442,829)	(1,419,088)	(5,826,126)
Preferred stock dividends	(75,000)	(75,000)	(75,000)	(75,000)	(300,000)	(75,000)	(75,000)	(75,000)	(75,000)	(300,000)
Deemed dividend	-	-	-	-	-	-	-	-	-	-
Net Loss Attributable to Common :	(2,265,986)	(2,127,672)	(1,700,505)	(1,673,265)	(7,767,428)	(1,526,407)	(1,587,803)	(1,517,829)	(1,494,088)	(6,126,126)
LPS	(\$0.12)	(\$0.00)	(\$2.21)	(\$1.96)	(\$13.06)	(\$1.68)	(\$1.75)	(\$1.68)	(\$1.65)	(\$6.76)
Avg shares out FD (not PF)	18,176,403	549,767,010	768,407	854,087	594,946	906,059	906,109	906,159	906,209	906,134

Source: Company reports, Zacks estimates

HISTORICAL STOCK PRICE



Source: Yahoo Finance

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