UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________to ________

Commission File Number: 001-36616

LogicMark, Inc.
(Exact name of registrant as specified in its charter)

Nevada	**46-0678374**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2801 Diode Lane
Louisville, KY 40299
(Address of principal executive offices) (Zip Code)

(502) 442-7911
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value $0.0001 per share	LGMK	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 12, 2024, there were 6,065,383 shares of common stock, par value $0.0001 per share, of the registrant issued and outstanding.

LogicMark, Inc.
Form 10-Q

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements (Unaudited)

LogicMark, Inc.
CONDENSED BALANCE SHEETS
(Unaudited)

		June 30, 2024		December 31, 2023
Assets				
Current Assets				
Cash and cash equivalents	$	2,959,815	$	6,398,164
Accounts receivable, net		11,918		13,647
Inventory		678,537		1,177,456
Prepaid expenses and other current assets		773,894		460,177
Total Current Assets		4,424,164		8,049,444
Property and equipment, net		161,501		203,333
Right-of-use assets, net		82,298		113,761
Product development costs, net of amortization of $216,151 and $68,801, respectively		1,368,120		1,269,021
Software development costs, net of amortization of $161,775 and $23,354, respectively		1,637,875		1,299,901
Goodwill		3,143,662		3,143,662
Other intangible assets, net of amortization of $6,047,407 and $5,666,509, respectively		2,557,160		2,938,058
Total Assets	**$**	**13,374,780**	**$**	**17,017,180**
Liabilities, Series C Redeemable Preferred Stock and Stockholders' Equity				
Current Liabilities				
Accounts payable	$	796,815	$	901,624
Accrued expenses		767,717		1,151,198
Deferred revenue		25,069		-
Total Current Liabilities		1,589,601		2,052,822
Other long-term liabilities		13,382		51,842
Total Liabilities		1,602,983		2,104,664
Commitments and Contingencies (Note 8)				
Series C Redeemable Preferred Stock				
Series C redeemable preferred stock, par value $0.0001 per share: 2,000 shares designated; 10 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively		1,807,300		1,807,300
Stockholders' Equity				
Preferred stock, par value $0.0001 per share: 10,000,000 shares authorized				
Series F preferred stock, par value $0.0001 per share: 1,333,333 shares designated; 106,333 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively, aggregate liquidation preference of $319,000 as of June 30, 2024 and as of December 31, 2023, respectively		319,000		319,000
Common stock, par value $0.0001 per share: 100,000,000 shares authorized; 2,193,587 and 2,150,412 issued and outstanding as of June 30, 2024 and December 31, 2023, respectively		220		216
Additional paid-in capital		113,589,568		112,946,891
Accumulated deficit		(103,944,291)		(100,160,891)
Total Stockholders' Equity		9,964,497		13,105,216
Total Liabilities, Series C Redeemable Preferred Stock and Stockholders' Equity	**$**	**13,374,780**	**$**	**17,017,180**

The accompanying notes are an integral part of these unaudited condensed financial statements.

LogicMark, Inc.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Revenues	$ 2,336,268	$ 2,326,995	$ 4,947,351	$ 5,136,713
Costs of goods sold	781,318	727,276	1,625,183	1,674,445
Gross Profit	1,554,950	1,599,719	3,322,168	3,462,268
Operating Expenses				
Direct operating cost	320,660	312,426	651,580	575,228
Advertising costs	135,220	85,277	287,433	133,393
Selling and marketing	605,493	517,931	1,193,031	983,466
Research and development	133,556	250,266	307,458	564,154
General and administrative	1,982,997	2,443,860	3,881,960	4,857,619
Other expense	69,932	50,646	153,758	78,964
Depreciation and amortization	377,974	215,703	723,525	431,701
Total Operating Expenses	3,625,832	3,876,109	7,198,745	7,624,525
Operating Loss	(2,070,882)	(2,276,390)	(3,876,577)	(4,162,257)
Other Income				
Interest income	32,025	8,510	93,177	60,938
Total Other Income	32,025	8,510	93,177	60,938
Loss before Income Taxes	(2,038,857)	(2,267,880)	(3,783,400)	(4,101,319)
Income tax expense	-	-	-	-
Net Loss	**(2,038,857)**	**(2,267,880)**	**(3,783,400)**	**(4,101,319)**
Preferred stock dividends	(75,000)	(75,000)	(150,000)	(150,000)
Net Loss Attributable to Common Stockholders	**$ (2,113,857)**	**$ (2,342,880)**	**$ (3,933,400)**	**$ (4,251,319)**
Net Loss Attributable to Common Stockholders Per Share - Basic and Diluted	$ (0.96)	$ (1.83)	$ (1.81)	$ (3.73)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	2,190,716	1,282,794	2,170,564	1,139,437

The accompanying notes are an integral part of these unaudited condensed financial statements.

LogicMark, Inc.
CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Three Months Ended June 30, 2024						
	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance - March 31, 2024	**106,333**	**$ 319,000**	**2,150,412**	**$ 216**	**$ 113,257,840**	**$ (101,905,434)**	**$ 11,671,622**
Stock based compensation expense	-	-	-	-	408,512	-	408,512
Shares issued as stock compensation	-	-	46,200	4	2,884	-	2,888
Common stock withheld to pay taxes	-	-	(3,025)	-	(4,235)	-	(4,235)
Fees incurred in connection with equity offerings	-	-	-	-	(433)	-	(433)
Series C Preferred stock dividends	-	-	-	-	(75,000)	-	(75,000)
Net loss	-	-	-	-		(2,038,857)	(2,038,857)
Balance - June 30, 2024	**106,333**	**$ 319,000**	**2,193,587**	**$ 220**	**$ 113,589,568**	**$ (103,944,291)**	**$ 9,964,497**

	Six Months Ended June 30, 2024						
	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance - January 1, 2024	**106,333**	**$ 319,000**	**2,150,412**	**$ 216**	**$ 112,946,891**	**$ (100,160,891)**	**$ 13,105,216**
Stock based compensation expense	-	-	-	-	826,198	-	826,198
Shares issued as stock compensation	-	-	46,200	4	2,884	-	2,888
Common stock withheld to pay taxes	-	-	(3,025)	-	(4,235)	-	(4,235)
Fees incurred in connection with equity offerings	-	-	-	-	(32,170)	-	(32,170)
Series C Preferred stock dividends	-	-	-	-	(150,000)	-	(150,000)
Net loss	-	-	-	-	-	(3,783,400)	(3,783,400)
Balance - June 30, 2024	**106,333**	**$ 319,000**	**2,193,587**	**$ 220**	**$ 113,589,568**	**$ (103,944,291)**	**$ 9,964,497**

LogicMark, Inc.
CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Three Months Ended June 30, 2023						
	Preferred Stock		Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance - April 1, 2023	**106,333**	**$ 319,000**	**1,220,308**	**$ 123**	**$ 111,079,795**	**$ (87,443,721)**	**$ 23,955,197**
Stock based compensation expense	-	-	-	-	365,458	-	365,458
Fees incurred in connection with equity offerings	-	-	-	-	(10,772)	-	(10,772)
Fractional shares issued in the 1-for-20 stock split	-	-	40,228	4	(4)	-	-
Warrants exercised for common stock	-	-	64,481	6	162,488	-	162,494
Series C Preferred stock dividends	-	-	-	-	(75,000)	-	(75,000)
Net loss	-	-	-	-	-	(2,267,880)	(2,267,880)
Balance - June 30, 2023	**106,333**	**$ 319,000**	**1,325,017**	**$ 133**	**$ 111,521,965**	**$ (89,711,601)**	**$ 22,129,497**

	Six Months Ended June 30, 2023						
	Preferred Stock		Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance - January 1, 2023	**173,333**	**$ 520,000**	**480,447**	**$ 48**	**$ 106,070,253**	**$ (85,610,282)**	**$ 20,980,019**
Stock based compensation expense	-	-	-	-	792,300	-	792,300
Shares issued as stock based compensation	-	-	5,000	1	2,202	-	2,203
Sale of common stock, pre-funded warrants and warrants pursuant to a registration statement on Form S-1	-	-	701,250	70	5,211,358	-	5,211,428
Fees incurred in connection with equity offerings	-	-	-	-	(816,017)	-	(816,017)
Fractional shares issued in the 1-for-20 stock split	-	-	40,228	4	(4)	-	-
Warrants exercised for common stock	-	-	64,481	6	162,488	-	162,494
Series F Preferred stock converted to common stock	(67,000)	(201,000)	27,089	3	200,997	-	-
Common stock issued as Series F Preferred stock dividends	-	-	6,522	1	48,388	-	48,389
Series C Preferred stock dividends	-	-	-	-	(150,000)	-	(150,000)
Net loss	-	-	-	-	-	(4,101,319)	(4,101,319)
Balance - June 30, 2023	**106,333**	**$ 319,000**	**1,325,017**	**$ 133**	**$ 111,521,965**	**$ (89,711,601)**	**$ 22,129,497**

The accompanying notes are an integral part of these unaudited condensed financial statements.

LogicMark, Inc.
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended June 30,	
	2024	**2023**
Cash Flows from Operating Activities		
Net loss	$ (3,783,400)	$ (4,101,319)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	56,859	50,803
Stock based compensation	829,086	794,503
Amortization of intangible assets	380,898	380,898
Amortization of product development costs	147,350	-
Amortization of software development costs	138,421	-
Loss on disposal of fixed assets	1,654	-
Deferred Revenue	25,069	-
Changes in operating assets and liabilities:		
Accounts receivable	1,729	386,186
Inventory	498,919	757,992
Prepaid expenses and other current assets	(94,097)	(251,173)
Accounts payable	(281,725)	(372,865)
Accrued expenses	(539,366)	(840,937)
Net Cash Used in Operating Activities	(2,618,603)	(3,195,912)
Cash flows from Investing Activities		
Purchase of equipment and website development	(16,678)	(48,697)
Product development costs	(165,416)	(400,630)
Software development costs	(384,739)	(90,050)
Net Cash Used in Investing Activities	(566,833)	(539,377)
Cash flows from Financing Activities		
Proceeds from the sale of common stock and warrants	-	5,211,428
Fees paid in connection with equity offerings	(98,678)	(816,017)
Common stock withheld to pay taxes	(4,235)	-
Warrants exercised for common stock	-	162,494
Series C redeemable preferred stock dividends	(150,000)	(150,000)
Net Cash (Used in) Provided by Financing Activities	(252,913)	4,407,905
Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	(3,438,349)	672,616
Cash, Cash Equivalents and Restricted Cash - Beginning of Period	6,398,164	7,037,102
Cash, Cash Equivalents and Restricted Cash - End of Period	**$ 2,959,815**	**$ 7,709,718**
Supplemental Disclosures of Cash Flow Information:		
Non-cash investing and financing activities:		
Conversion of Series F preferred stock to common stock	$ -	$ 201,000
Common stock issued to settle Series F preferred stock dividends	-	48,389
Fees in connection with deferred offering costs included in accounts payable and accrued expenses	153,113	-
Product development costs included in accounts payable and accrued expenses	81,033	130,027
Software development costs included in accounts payable and accrued expenses	91,656	16,478

The accompanying notes are an integral part of these unaudited condensed financial statements.

LogicMark, Inc.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - ORGANIZATION AND PRINCIPAL BUSINESS ACTIVITIES

LogicMark, Inc. (“LogicMark” or the “Company”) was incorporated in the State of Delaware on February 8, 2012 and was reincorporated in the State of Nevada on June 1, 2023. LogicMark operates its business in one segment and provides personal emergency response systems (“PERS”), health communications devices, and Internet of Things technology that creates a connected care platform. The Company’s devices give people the ability to receive care at home and confidence to age independently. LogicMark revolutionized the PERS industry by incorporating two-way voice communication technology directly in the medical alert pendant and providing life-saving technology at a price point everyday consumers could afford. The PERS technologies as well as other personal safety devices are sold direct-to-consumer through the Company’s eCommerce website and Amazon.com, through dealers and distributors, as well as directly to the United States Veterans Health Administration (“VHA”).

NOTE 2 - LIQUIDITY AND MANAGEMENT PLANS

The Company generated an operating loss of $3.9 million and a net loss of $3.8 million for the six months ended June 30, 2024. As of June 30, 2024, the Company had cash and cash equivalents of $3.0 million. As of June 30, 2024, the Company had working capital of $2.8 million and accumulated deficit of $103.9 million, compared to working capital and accumulated deficit as of December 31, 2023 of $6.0 million and $100.2 million, respectively.

Given the Company’s cash position as of June 30, 2024, and its projected cash flow from operations, the Company believes that it will have sufficient capital to sustain operations for a period of one year following the date of this filing. The Company may also raise funds through equity or debt offerings to accelerate the execution of its long-term strategic plan to develop and commercialize its core products and to fulfill its product development efforts. As further described in Note 9, Subsequent Event, on August 5, 2024, the Company closed a firm commitment public offering that resulted in gross proceeds to the Company of approximately $4.5 million.

NOTE 3 - BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. In the opinion of management, the information herein reflects all adjustments, consisting only of normal recurring adjustments, except as otherwise noted, considered necessary for a fair statement of results of operations, financial position, stockholders’ equity, and cash flows. The results for the interim periods presented are not necessarily indicative of the results expected for any future period. The following information should be read in conjunction with the audited financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 which was filed with the SEC on April 16, 2024.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES IN THE CONDENSED FINANCIAL STATEMENTS

U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management evaluates these significant estimates and assumptions, including those related to the fair value of acquired assets and liabilities, stock based compensation, income taxes, allowance for doubtful accounts, long-lived assets, and inventories, and other matters that affect the condensed financial statements and disclosures. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid securities with an original maturity date of three months or less when purchased to be cash equivalents. Due to their short-term nature, cash equivalents are carried at cost, which approximates fair value. The Company had cash equivalents of $1.7 million and $4.7 million as of June 30, 2024 and December 31, 2023, respectively.

RESTRICTED CASH

Restricted cash includes amounts held as collateral for company credit cards. During the year ended December 31, 2023, the Company closed the company credit card and changed to a vendor that did not require cash collateral. As of June 30, 2024 and December 31, 2023, the Company did not have restricted cash.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company maintains its cash and cash equivalents balances in large well-established financial institutions located in the United States. At times, the Company's cash balances may be uninsured or in deposit accounts that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION

The Company's revenues consist of product sales to either end customers, to distributors or direct bulk sales to the VHA. The Company's revenues are derived from contracts with customers, which are in most cases customer purchase orders. For each contract, the promise to transfer the title of the products, each of which is individually distinct, is considered to be the identified performance obligation. As part of the consideration promised in each contract, the Company evaluates the customer's credit risk. Our contracts do not have any financing components, as payments are mostly prepaid, or in limited cases, due net 30 days after the invoice date. The majority of prepaid contracts are with the VHA, which consists of the majority of the Company's revenues. The Company's products are almost always sold at fixed prices. In determining the transaction price, we evaluate whether the price is subject to any refunds, due to product returns or adjustments due to volume discounts, rebates, or price concessions to determine the net consideration we expect to be entitled to. The Company's sales are recognized at a point-in-time under the core principle of recognizing revenue when title transfers to the customer, which generally occurs when the Company ships or delivers the product from its fulfillment center to our customers, when our customer accepts and has legal title of the goods, and the Company has a present right to payment for such goods. Based on the respective contract terms, most of our contract revenues are recognized either (i) upon shipment based on free on board ("FOB") shipping point, or (ii) when the product arrives at its destination.

During the year ended December 31, 2023, the Company released new product and service offerings by leasing hardware coupled with monthly subscription services. The Company accounts for the revenue from its lease contracts by utilizing the single component accounting policy. This policy requires the Company to account for, by class of underlying asset, the lease component and non-lease component(s) associated with each lease as a single component if two criteria are met: (1) the timing and pattern of the lease component and the non-lease component are the same and (2) the lease component would be classified as an operating lease, if accounted for separately. The Company has determined that its leased hardware meets the criteria to be operating leases and has the same timing and pattern of transfer as its monthly subscription services. The Company has elected the lessor practical expedient within ASC 842, *Leases* ("ASC 842") and recognizes, measures, presents, and discloses the revenue for the new offering based upon the predominant component, either the lease or non-lease component. The Company recognizes revenue under ASC 606, *Revenue Recognition from Contracts with Customers* ("ASC 606") for its leased product for which it has estimated that the non-lease components of the new offering is the predominant component of the contract. For the three and six months ended June 30, 2024, the Company's sales recognized over time were immaterial. For the three and six months ended June 30, 2023, none of the Company's sales were recognized over time.

SALES TO DISTRIBUTORS AND RESELLERS

The Company maintains a reserve for unprocessed and estimated future price adjustments, claims and returns as a refund liability. The reserve is recorded as a reduction to revenue in the same period that the related revenue is recorded and is calculated based on an analysis of historical claims and returns over a period of time to appropriately account for current pricing and business trends. Similarly, sales returns and allowances are recorded based on historical return rates, as a reduction to revenue with a corresponding reduction to cost of goods sold for the estimated cost of inventory that is expected to be returned. These reserves were not material as of June 30, 2024 and December 31, 2023.

SHIPPING AND HANDLING

Amounts billed to customers for shipping and handling are included in revenues. The related freight charges incurred by the Company are included in cost of goods sold and were \$0.1 million for the three and six months ended June 30, 2024, respectively, and \$0.1 million and \$0.2 million for the three and six months ended June 30, 2023.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE - NET

For the three and six months ended June 30, 2024 and 2023, the Company’s revenues were primarily the result of shipments to VHA hospitals and clinics, which are made in most cases on a prepaid basis. The Company also sells its products to distributors and resellers, typically providing customers with modest trade credit terms. Sales made to distributors and resellers are done with limited rights of return and are subject to the normal warranties offered to the ultimate consumer for product defects.

Accounts receivable is stated at net realizable value. The Company regularly reviews accounts receivable balances and adjusts the accounts receivable allowance for credit losses, as necessary whenever events or circumstances indicate the carrying value may not be recoverable. As of June 30, 2024 and December 31, 2023, the allowance for credit losses was immaterial.

INVENTORY

The Company measures inventory at the lower of cost or net realizable value, defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Cost is determined using the first-in, first-out method.

The Company performs regular reviews of inventory quantities on hand and evaluates the realizable value of its inventories. The Company adjusts the carrying value of the inventory as necessary for excess, obsolete, and slow-moving inventory by comparing the individual inventory parts to forecasted product demand or production requirements. As of June 30, 2024, inventory was composed of $0.7 million in finished goods on hand. As of December 31, 2023, inventory was composed of $1.2 million in finished goods on hand.

The Company is required to partially prepay for inventory with certain vendors. As of June 30, 2024 and December 31, 2023, $0.4 million and $0.3 million, respectively, of prepayments were made for inventory in both periods and are included in prepaid expenses and other current assets on the balance sheet.

LONG-LIVED ASSETS

Long-lived assets, such as property and equipment, and other intangible assets are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. When indicators exist, the Company tests for the impairment of the definite-lived assets based on the undiscounted future cash flow the assets are expected to generate over their remaining useful lives, compared to the carrying value of the assets. If the carrying amount of the assets is determined not to be recoverable, a write-down to fair value is recorded. Management estimates future cash flows using assumptions about expected future operating performance. Management’s estimates of future cash flows may differ from actual cash flow due to, among other things, technological changes, economic conditions, or changes to the Company’s business operations.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

Property and equipment consisting of equipment, furniture, fixtures, website and other is stated at cost. The costs of additions and improvements are generally capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful life of the respective asset as follows:

Equipment	5 years
Furniture and fixtures	3 to 5 years
Website and other	3 years

GOODWILL

Goodwill is reviewed annually in the fourth quarter, or when circumstances indicate that an impairment may have occurred. The Company first performs a qualitative assessment of goodwill impairment, which considers factors such as market conditions, performance compared to forecast, business outlook and unusual events. If the qualitative assessment indicates a possible goodwill impairment, goodwill is then quantitatively tested for impairment. The Company may elect to bypass the qualitative assessment and proceed directly to the quantitative test. If a quantitative goodwill impairment test is required, the fair value is determined using a variety of assumptions including estimated future cash flows using applicable discount rates (income approach), comparisons to other similar companies (market approach), and an adjusted balance sheet approach. As of June 30, 2024, no indicators of impairment were noted.

OTHER INTANGIBLE ASSETS

The Company's intangible assets are related to the acquisition of LogicMark LLC in 2016, the former subsidiary that was merged with and into the Company and are included in other intangible assets in the Company's condensed balance sheets as of June 30, 2024 and December 31, 2023.

As of June 30, 2024, the other intangible assets are composed of patents of $1.1 million; trademarks of $0.8 million; and customer relationships of $0.7 million. As of December 31, 2023, the other intangible assets are composed of patents of $1.3 million; trademarks of $0.8 million; and customer relationships of $0.8 million. The Company amortizes these intangible assets using the straight-line method over their estimated useful lives which for the patents, trademarks and customer relationships are 11 years, 20 years, and 10 years, respectively. During the three and six months ended June 30, 2024, the Company had amortization expense of $0.2 million and $0.4 million, respectively. During the three and six months ended June 30, 2023, the Company had amortization expense of $0.2 million and $0.4 million, respectively.

As of June 30, 2024, total amortization expense estimated for the remainder of fiscal year 2024 was $0.4 million. Amortization expense estimated for 2025 is expected to be approximately $0.8 million, $0.6 million for 2026, $0.3 million for 2027, $0.1 million for 2028, and approximately $0.4 million thereafter.

STOCK BASED COMPENSATION

The Company accounts for stock based awards exchanged for employee services at the estimated grant date fair value of the award. The Company accounts for equity instruments issued to non-employees at their fair value on the measurement date. The measurement of stock based compensation is subject to periodic adjustment as the underlying equity instrument vests or becomes non-forfeitable. Stock based compensation charges are amortized over the vesting period or as earned. Stock based compensation is recorded in the same component of operating expenses as if it were paid in cash.

NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS PER SHARE

Basic net loss attributable to common stockholders per share ("Basic net loss per share") was computed using the weighted average number of common shares outstanding. Diluted net loss applicable to common stockholders per share ("Diluted net loss per share") includes the effect of diluted common stock equivalents. Potentially dilutive securities from the exercise of stock options to purchase 170,470 shares of common stock and warrants to purchase 9,284,290 shares of common stock as of June 30, 2024, were excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive. Potentially dilutive securities from the exercise of stock options to purchase 35,928 shares of common stock and warrants to purchase 1,253,985 shares of common stock as of June 30, 2023, were excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RESEARCH AND DEVELOPMENT AND PRODUCT AND SOFTWARE DEVELOPMENT COSTS

Research and development costs are expenditures on new market development and related engineering costs. In addition to internal resources, the Company utilizes functional consulting resources, third-party software, and hardware development firms. The Company expenses all research and development costs as incurred until technological feasibility has been established for the product. Once technological feasibility is established, development costs including software and hardware design are capitalized until the product is available for general release to customers. Judgment is required in determining when technological feasibility of a product is established. For the three months ended June 30, 2024, the Company capitalized $0.2 million and $0.2 million in product development costs and software development costs, respectively. For the six months ended June 30, 2024, the Company capitalized $0.3 million and $0.5 million in product development cost and software development costs, respectively. For the three and six months ended June 30, 2023, the Company capitalized $0.3 million and $0.5 million of such product development costs, respectively, and capitalized $0.1 million of such software development costs for both periods. Amortization of these costs was on a straight-line basis over three years and amounted to approximately $73.9 thousand and $85.1 thousand for product development and software development, respectively, for the three months ended June 30, 2024. For the six months ended June 30, 2024, amortization of these costs amounted to approximately $147.4 thousand and $138.4 thousand for product development and software development, respectively. There was no amortization of product development costs during the three and six months ended June 30, 2023. Cumulatively, as of June 30, 2023, approximately $0.6 million of capitalized product development costs arose from expenditures to a company considered to be a related party since it is controlled by the Company's Vice-President of Engineering.

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which requires disclosure of incremental income tax information within the rate reconciliation and expanded disclosures of income taxes paid, among other disclosure requirements. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company's management does not believe the adoption of ASU 2023-09 will have a material impact on its financial statements and disclosures.

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which provides an update to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. The Company's management does not believe the adoption of ASU 2023-07 will have a material impact on its financial statements and disclosures.

NOTE 5 - ACCRUED EXPENSES

Accrued expenses consist of the following:

	June 30, 2024	December 31, 2023
Salaries, payroll taxes and vacation	$ 170,329	$ 167,930
Merchant card fees	21,500	14,983
Professional fees	101,920	83,532
Management incentives	203,431	503,800
Lease liability	74,116	68,321
Development costs	70,000	109,000
Other	126,421	203,632
Totals	**$ 767,717**	**$ 1,151,198**

NOTE 6 - STOCKHOLDERS' EQUITY AND REDEEMABLE PREFERRED STOCK

November 2023 Warrant Inducement Transactions

On November 21, 2023, the Company entered into inducement agreements (together, the "Inducement Agreements") with certain of its warrant holders, pursuant to which the Company induced such warrant holders to exercise for cash their common stock purchase warrants issued pursuant to firm commitment public offerings by the Company that closed on September 15, 2021 (the "Existing September 2021 Warrants") and January 25, 2023 (the "Existing January 2023 Warrants" and together with the Existing September 2021 Warrants, the "Existing Warrants") to purchase up to approximately 909,059 shares of Common Stock, at a lower exercise price of (x) $2.00 per share for the Existing September 2021 Warrants and (y) $2.00 per one and one-half share for the Existing January 2023 Warrants, during the period from the date of the Inducement Agreements until December 20, 2023 (the "Inducement Deadline"). In consideration for the warrant holders' agreement to exercise the Existing Warrants in accordance with the Inducement Agreements, the Company agreed to issue such warrant holders the Warrants as follows: (A) Series A Common Stock purchase warrants (the "Series A Warrants") to purchase up to a number of shares of Common Stock equal to 200% of the number of shares of Common Stock issued upon exercise of the Existing September 2021 Warrants (up to 80,732 shares) (the "Series A Warrant Shares"), at an exercise price of $2.00 per Series A Warrant Share; and (B) Series B Common Stock purchase warrants (the "Series B Warrants") to purchase up to a number of shares of Common Stock equal to 200% of the number of shares of Common Stock issued upon exercise of the Existing January 2023 Warrants (up to 1,382,058 shares) (the "Series B Warrant Shares"), at an exercise price of $2.00 per one and one-half Series B Warrant Share. Of the Series A Warrants, 50% are immediately exercisable and expire on the Termination Date (as defined in the Existing September 2021 Warrants) and 50% are exercisable at any time on or after the Stockholder Approval Date (as defined in the Inducement Agreements), and have a term of exercise of five and a half years from the date of the initial closing of the transactions contemplated by the Inducement Agreements. Of the Series B Warrants, 50% are immediately exercisable and expire on the Termination Date (as defined in the Existing January 2023 Warrants) and 50% are exercisable at any time on or after the Stockholder Approval Date, and have a term of exercise of five and a half years from the date of the initial closing of the transactions contemplated by the Inducement Agreements. The Company used the proceeds from the exercise of the Existing Warrants for working capital purposes and other general corporate purposes. On May 22, 2024, the November 2023 Warrant Inducement was approved by stockholders at the Annual Meeting of Stockholders.

NOTE 6 - STOCKHOLDERS' EQUITY AND REDEEMABLE PREFERRED STOCK (CONTINUED)

January 2023 Offering

On January 25, 2023, the Company closed a firm commitment registered public offering (the "January Offering") pursuant to which the Company issued (i) 529,250 shares of Common Stock and 10,585,000 common stock purchase warrants (exercisable for 793,875 shares of Common Stock at a purchase price of $2.52 per share), subject to certain adjustments and (ii) 3,440,000 pre-funded common stock purchase warrants that were exercised for 172,000 shares of Common Stock at a purchase price of $0.02 per share, subject to certain adjustments and 3,440,000 warrants to purchase up to an aggregate of 258,000 shares of Common Stock at a purchase price of $2.52 per share and (iii) 815,198 additional warrants to purchase up to 61,140 shares of Common Stock at a purchase price of $2.52 per share, which additional warrants were issued upon the partial exercise by the underwriters of their over-allotment option, pursuant to an underwriting agreement, dated as of January 23, 2023 between the Company and Maxim Group LLC, as representative of the underwriters. The January Offering resulted in gross proceeds to the Company of approximately $5.2 million, before deducting underwriting discounts and commissions of 7% of the gross proceeds (3.5% of the gross proceeds in the case of certain identified investors) and estimated January Offering expenses.

Series C Redeemable Preferred Stock

In May 2017, the Company authorized Series C Redeemable Preferred Stock. Holders of Series C Redeemable Preferred Stock are entitled to receive dividends of 15% per year, payable in cash. For each of the three and six months ended June 30, 2024 and June 30, 2023, the Company recorded Series C Redeemable Preferred Stock dividends of $75 thousand and $150 thousand, respectively.

The Series C Redeemable Preferred Stock may be redeemed by the Company at the Company's option in cash at any time, in whole or in part, upon payment of the stated value of the Series C Redeemable Preferred Stock and unpaid dividends. If a "fundamental change" occurs, the Series C Redeemable Preferred Stock shall be immediately redeemed in cash equal to the stated value of the Series C Redeemable Preferred Stock, and unpaid dividends. A fundamental change includes but is not limited to any change in the ownership of at least fifty percent of the voting stock; liquidation or dissolution; or the common stock ceases to be listed on the market upon which it currently trades.

The holders of the Series C Redeemable Preferred Stock are entitled to vote on any matter submitted to the stockholders of the Company for a vote. One share of Series C Redeemable Preferred Stock carries the same voting rights as one share of common stock.

A redeemable equity security is to be classified as temporary equity if it is conditionally redeemable upon the occurrence of an event that is not solely within the control of the issuer. Upon the determination that such events are probable, the equity security would be classified as a liability. Given the Series C Redeemable Preferred Stock contains a fundamental change provision, the security is considered conditionally redeemable. Therefore, the Company has classified the Series C Redeemable Preferred Stock as temporary equity in the balance sheets as of June 30, 2024 and December 31, 2023 until such time that events occur that indicate otherwise.

NOTE 6 - STOCKHOLDERS' EQUITY AND REDEEMABLE PREFERRED STOCK (CONTINUED)

Warrants

The following table summarizes the Company's warrants outstanding and exercisable as of June 30, 2024 and December 31, 2023:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding and Exercisable at January 1, 2024	9,531,242	$ 39.44	3.72	$ -
Expired warrants	(246,952)	$ 305.00		
Outstanding and Exercisable at June 30, 2024	9,284,290	$ 33.09	3.24	$ -

NOTE 7 - STOCK INCENTIVE PLANS

2023 Stock Incentive Plan

On March 7, 2023, the Company's stockholders approved the 2023 Stock Incentive Plan ("2023 Plan"). The aggregate maximum number of shares of common stock that may be issued under the 2023 Plan is 68,723 shares for the 2023 fiscal year; thereafter, the maximum number is limited to 15% of the outstanding shares of common stock, calculated on the first business day of each fiscal quarter. As of June 30, 2024, the maximum number of shares of common stock that may be issued under the 2023 Plan is 322,562. Under the 2023 Plan, options which are forfeited or terminated, settled in cash in lieu of shares of common stock, or settled in a manner such that shares are not issued, will again immediately become available to be issued. If shares of common stock are withheld from payment of an award to satisfy tax obligations with respect to the award, those shares of common stock will be treated as shares that have been issued under the 2023 Plan and will not again be available for issuance.

During the three and six months ended June 30, 2024, the Company issued an aggregate of 1,375 stock options under the Company's 2023 Stock Incentive Plan (the "2023 Plan"), vesting over a period of four years to employees with an exercise price of $1.06 per share and 625 stock options under the 2023 Plan, vesting over a period of four years to employees with an exercise price of $1.00 per share in consideration for services provided to the Company. In addition, an aggregate of 42,138 fully vested stock options were granted under the 2023 Plan to five non-employee directors at an exercise price of $1.06 per share, an aggregate of 16,854 fully vested stock options were granted under the 2023 Plan to three non-employee directors at an exercise price of $1.73 per share and an aggregate of 40,000 fully vested stock options were granted under the 2023 Plan to four non-employee directors at an exercise price of $1.00 per share in each case in consideration for services provided to the Company. The aggregate fair value of the shares issued to the directors was $85.4 thousand. As of June 30, 2024, the unrecognized compensation cost related to non-vested stock options was $26.4 thousand.

During the three and six months ended June 30, 2024, 1,125 stock options were forfeited by participants under the 2023 Plan.

During the three and six months ended June 30, 2023, no stock options were forfeited by participants under the 2023 Plan.

NOTE 7 - STOCK INCENTIVE PLANS (CONTINUED)

2017 Stock Incentive Plan

On August 24, 2017, the Company's stockholders approved the 2017 Stock Incentive Plan ("2017 SIP"). The aggregate maximum number of shares of common stock that may be issued under the 2017 SIP is limited to 10% of the outstanding shares of common stock, calculated on the first business day of each fiscal year. Under the 2017 SIP, options which are forfeited or terminated, settled in cash in lieu of shares of common stock, or settled in a manner such that shares are not issued, will again immediately become available to be issued. If shares of common stock are withheld from payment of an award to satisfy tax obligations with respect to the award, those shares of common stock will be treated as shares that have been issued under the 2017 SIP and will not again be available for issuance. On March 7, 2023, the Company's 2017 SIP was terminated upon the approval of the 2023 Plan at the Company's special meeting of stockholders.

During the three and six months ended June 30, 2024, the Company did not issue any stock options under the 2017 SIP. As of June 30, 2024, the unrecognized compensation cost related to non-vested stock options was $17.9 thousand.

During the three months ended June 30, 2023, the Company did not issue any stock options. During the six months ended June 30, 2023, the Company issued 3,125 stock options vesting over four years to employees with an exercise price of $3.80 per share and a total aggregate fair value of $11 thousand. In addition, 10,528 fully vested stock options were granted to four non-employee Board directors at an exercise price of $3.80 per share. The aggregate fair value of the shares issued to the directors was $35 thousand.

During the six months ended June 30, 2024, 1,000 stock options were forfeited by participants under the 2017 SIP. During the three and six months ended June 30, 2023, 125 and 750 stock options were forfeited, respectively, by participants under the 2017 SIP.

2013 Long-Term Stock Incentive Plan

On January 4, 2013, the Company's stockholders approved the Company's Long-Term Stock Incentive Plan ("2013 LTIP"). The maximum number of shares of common stock that may be issued under the 2013 LTIP, including stock awards, stock issued to the Company's Board, and stock appreciation rights, is limited to 10% of the common shares outstanding on the first business day of any fiscal year. The Company's 2013 LTIP expired in accordance with its terms on January 3, 2023.

During the three and six months ended June 30, 2024 and 2023, the Company did not issue any stock options under the 2013 LTIP. As of June 30, 2024, the unrecognized compensation cost related to non-vested stock options was $0.2 million.

During the three and six months ended June 30, 2024, no stock options were forfeited by participants under the 2013 LTIP. During the three months ended June 30, 2023, no stock options were forfeited and during the six months ended June 30, 2023, 1,250 stock options were forfeited by participants under the 2013 LTIP.

Stock based Compensation Expense

Total stock based compensation expense during the three and six months ended June 30, 2024 pertaining to awards under the 2023 Plan, the 2017 SIP and the 2013 LTIP amounted to $0.4 million and $0.8 million, respectively. Total stock based compensation expense during the three and six months ended June 30, 2023, pertaining to awards under the 2017 SIP and 2013 LTIP amounted to $0.4 million and $0.8 million, respectively.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

LEGAL MATTERS

From time to time, the Company may be involved in various claims and legal actions arising in the ordinary course of our business. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of the Company or any of our subsidiaries, threatened against or affecting our company, or any of our subsidiaries in which an adverse decision could have a material adverse effect upon our business, operating results, or financial condition.

COMMITMENTS

The Company leases warehouse space and equipment, in the U.S., which is classified as operating leases expiring at various dates. The Company determines if an arrangement qualifies as a lease at the lease inception. Operating lease liabilities are recorded based on the present value of the future lease payments over the lease term, assessed as of the commencement date. The Company's real estate lease is for a fulfillment center, with a lease term of 5 years expiring in August 2025. The Company has elected to account for the lease and non-lease components (insurance and property taxes) as a single lease component for its real estate leases. Lease payments, which includes lease components and non-lease components, are included in the measurement of the Company's lease liabilities to the extent that such payments are either fixed amounts or variable amounts based on a rate or index (fixed in substance) as stipulated in the lease contract. Any actual costs in excess of such amounts are expensed as incurred as variable lease cost.

The Company's lease agreements generally do not specify an implicit borrowing rate, and as such, the Company uses its incremental borrowing rate to calculate the present value of the future lease payments. The discount rate represents a risk-adjusted rate on a secured basis and is the rate at which the Company would borrow funds to satisfy the scheduled lease liability payment streams. The Company entered into a new five-year lease agreement in June 2020 for new warehouse space located in Louisville, Kentucky. The Right of Use ("ROU") asset value added as a result of this new lease agreement was $0.3 million. The Company's ROU asset and lease liability accounts reflect the inclusion of this lease in the Company's balance sheets as of June 30, 2024 and December 31, 2023. The current monthly rent of $6.6 thousand increased from the commencement amount of $6.4 thousand in September 2023 in accordance with the lease agreement, which requires that the rent increase 3% annually.

The Company's lease agreements include options for the Company to either renew or early terminate the lease. Renewal options are reviewed at lease commencement to determine if such options are reasonably certain of being exercised, which could impact the lease term. When determining if a renewal option is reasonably certain of being exercised, the Company considers several factors, including significance of leasehold improvements on the property, whether the asset is difficult to replace, or specific characteristics unique to the lease that would make it reasonably certain that the Company would exercise the option. In most cases, the Company has concluded that renewal and early termination options are not reasonably certain of being exercised by the Company and thus not included in the Company's ROU asset and lease liability.

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

For the three and six months ended June 30, 2024, total operating lease cost was $19.2 thousand and $38.5 thousand, respectively, and was recorded in direct operating costs. Operating lease cost for the three and six months ended June 30, 2023 amounted to $25.2 thousand and $50.7 thousand and was recorded in direct operating costs and general and administrative expenses. Operating lease cost is recognized on a straight-line basis over the lease term. The following summarizes (i) the future minimum undiscounted lease payments under the non-cancelable lease for each of the next three years and thereafter, incorporating the practical expedient to account for lease and non-lease components as a single lease component for our existing real estate lease, (ii) a reconciliation of the undiscounted lease payments to the present value of the lease liabilities, and (iii) the lease-related account balances on the Company's balance sheet as of June 30, 2024:

Year Ending December 31,		
2024 (for the remainder of 2024)		40,400
2025		54,400
Total future minimum lease payments	$	94,800
Less imputed interest		(7,302)
Total present value of future minimum lease payments	$	87,498

As of June 30, 2024		
Operating lease right-of-use assets	$	82,298
Accrued expenses	$	74,116
Other long-term liabilities		13,382
	$	87,498

As of June 30, 2024	
Weighted Average Remaining Lease Term	1.17
Weighted Average Discount Rate	13.00%

NOTE 9 – SUBSEQUENT EVENT

Best Efforts Public Offering

On August 5, 2024 (the "Closing Date"), the Company, in connection with a best efforts public offering (the "Offering"), sold to certain purchasers an aggregate of (x) 1,449,916 units of the Company (the "Units") at an offering price of $0.4654 per Unit, consisting of (i) 1,449,916 shares (the "Shares") of the Company's common stock, par value $0.0001 per share ("Common Stock") (ii) 1,449,916 of the Company's Series A warrants to purchase Common Stock, exercisable for up to 1,449,916 shares of Common Stock (the "August Series A Warrants"), and (iii) 1,449,916 of the Company's Series B warrants to purchase Common Stock, exercisable for up to 1,449,916 shares of Common Stock (the "August Series B Warrants"); and (y) 8,220,084 pre-funded units of the Company (the "Pre-Funded Units") at an offering price $0.4644 per Pre-Funded Unit, consisting of (i) 8,220,084 pre-funded common stock purchase warrants exercisable for up to 8,220,084 shares of Common Stock at $0.001 per share, (the "August Pre-Funded Warrants"), (ii) 8,220,084 August Series A Warrants and (iii) 8,220,084 August Series B Warrants, pursuant to the Company's Form S-1 registration statement, as amended (File No. 333-279133), declared effective by the SEC on August 1, 2024 and securities purchase agreements, dated August 2, 2024, between the Company and each of the purchasers signatory thereto (the "Purchasers"). On the Closing Date, the Company received gross proceeds of approximately $4.5 million, before deducting placement agent discounts and commissions and estimated Offering expenses. The Company intends to use the net proceeds from the Offering for continued new product development, working capital and other general corporate purposes.

In addition, as of August 12, 2024, the Purchasers exercised their August Pre-Funded Warrants for an aggregate of 2,421,930 shares of Common Stock.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations for the three and six months ended June 30, 2024, should be read together with our condensed financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q for the three and six months ended June 30, 2024 (this "Form 10-Q"). This discussion and other disclosure in this Form 10-Q contain forward-looking statements and information relating to our business, including without limitation those related to current and future compliance with the listing requirements of The Nasdaq Stock Market LLC, that reflect our current views and assumptions concerning future events and is subject to risks and uncertainties that may cause our or our industry's actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These forward-looking statements speak only as of the date of this Form 10-Q. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, or achievements. Except as required by applicable law, including the securities laws of the United States, we expressly disclaim any obligation or undertaking to disseminate any update or revisions of any of the forward-looking statements to reflect any change in our expectations with regard thereto or to conform to these statements to actual results.

Overview

LogicMark, Inc. provides PERS, health communications devices, and Internet of Things technology that creates a connected care platform. The Company's devices provide people with the ability to receive care at home and age independently. The Company's PERS devices incorporate two-way voice communication technology directly in the medical alert pendant and providing life-saving technology at a consumer-friendly price point aimed at everyday consumers. These PERS technologies, as well as other personal safety devices, are sold direct-to-consumer through Company's eCommerce website and Amazon.com, through dealers and distributors, as well as directly to 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.

Recent Developments

Best Efforts Public Offering

On August 5, 2024 (the "Closing Date"), the Company, in connection with a best efforts public offering (the "Offering"), sold to certain purchasers an aggregate of (x) 1,449,916 units of the Company (the "Units") at an offering price of $0.4654 per Unit, consisting of (i) 1,449,916 shares (the "Shares") of the Company's common stock, par value $0.0001 per share ("Common Stock") (ii) 1,449,916 of the Company's Series A warrants to purchase Common Stock, exercisable for up to 1,449,916 shares of Common Stock (the "Series A Warrants"), and (iii) 1,449,916 of the Company's Series B warrants to purchase Common Stock, exercisable for up to 1,449,916 shares of Common Stock (the "Series B Warrants" and, together with the Series A Warrants, the "Warrants"); and (y) 8,220,084 pre-funded units of the Company (the "Pre-Funded Units") at an offering price $0.4644 per Pre-Funded Unit, consisting of (i) 8,220,084 pre-funded common stock purchase warrants exercisable for up to 8,220,084 shares of Common Stock at $0.001 per share, (the "Pre-Funded Warrants"), (ii) 8,220,084 Series A Warrants and (iii) 8,220,084 Series B Warrants, pursuant to the Company's Form S-1 registration statement, as amended (File No. 333-279133), declared effective by the SEC on August 1, 2024 (the "Registration Statement") and securities purchase agreements, dated August 2, 2024, between the Company and each of the purchasers signatory thereto (the "Purchasers"). On the Closing Date, the Company received gross proceeds of approximately $4.5 million, before deducting placement agent discounts and commissions and estimated Offering expenses. The Company intends to use the net proceeds from the Offering for continued new product development, working capital and other general corporate purposes. In connection with the Offering, on August 2, 2024, the Company also entered into a placement agency agreement with Roth Capital Partners, LLC ("Roth"), pursuant to which it paid Roth cash fees equal to 7.0% of the gross proceeds received by the Company from the Offering and $75,000 in fees and expenses.

In addition, as of August 12, 2024, the Purchasers exercised their Pre-Funded Warrants for an aggregate of 2,421,930 shares of Common Stock. For additional information regarding the Offering, see the Current Report on Form 8-K filed by the Company with the SEC on August 5, 2024.

Results of Operations

Three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023.

Revenue, Cost of Goods Sold, and Gross Profit

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	$ 2,336,268	$ 2,326,995	$ 4,947,351	$ 5,136,713
Cost of Goods Sold	781,318	727,276	1,625,183	1,674,445
Gross Profit	$ 1,554,950	$ 1,599,719	$ 3,322,168	$ 3,462,268
Profit Margin	67%	69%	67%	67%

We did not experience a material fluctuation for the three months ended June 30, 2024, compared to the same period ended June 30, 2023. We experienced a 4% decrease in revenue for the six months ended June 30, 2024, as compared to the same period ended June 30, 2023. The primary decrease in revenue was due to lower sales of our Freedom Alert and Guardian Alert hardware.

Gross profit margin was 67% for the three months ended June 30, 2024, down from 69% for the three months ended June 30, 2023, as a result of an increase in cost of goods sold related to an increase in costs of our Guardian Alert and Freedom Alert hardware due to an increase in sales, new hardware cost and software monitoring costs for our newly released hardware in 2024, packaging and materials cost, and an increase in warehouse labor. No material fluctuations were noted for the six months ended June 30, 2024, compared to the same period ended June 30, 2023.

Operating Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
Operating Expenses	**2024**	**2023**	**2024**	**2023**
Direct operating cost	$ 320,660	$ 312,426	$ 651,580	$ 575,228
Advertising costs	135,220	85,277	287,433	133,393
Selling and marketing	605,493	517,931	1,193,031	983,466
Research and development	133,556	250,266	307,458	564,154
General and administrative	1,982,997	2,443,860	3,881,960	4,857,619
Other expense	69,932	50,646	153,758	78,964
Depreciation and amortization	377,974	215,703	723,525	431,701
Total Expenses	$ 3,625,832	$ 3,876,109	$ 7,198,745	$ 7,624,525

Direct Operating Cost

No material fluctuations were noted for the three months ended June 30, 2024, compared to the same period ended June 30, 2023. The $0.1 million increase in direct operating cost for the six months ended June 30, 2024, compared to the same period ended June 30, 2023, was primarily driven by the direct operating fees incurred from sales through Amazon.com.

Advertising Costs

The $50.0 thousand and $0.2 million increase in advertising costs for the three and six months ended June 30, 2024, compared to the same periods ended June 30, 2023, was primarily driven by the cost of advertising related to the sale of our hardware through Amazon.com and a continued expansion in social media advertising.

Selling and Marketing

The $0.1 million and $0.2 million increase in selling and marketing expenses for the three and six months ended June 30, 2024, compared to the same periods ended June 30, 2023, was driven by the additional sales personnel and consultants and their related expenses.

Research and Development

The $0.1 million and $0.3 million decrease in research and development expenses for the three and six months ended June 30, 2024, compared to the same periods ended June 30, 2023, was driven by an increase in capitalization of salaries and wages due to the development of new hardware and software in the pipeline and a reduction in product development and engineering costs as new products have been released.

General and Administrative

General and administrative costs decreased $0.5 million and $1.0 million for the three and six months ended June 30, 2024, compared to the same periods ended June 30, 2023, which was driven by lower recruiting, accounting costs, consulting costs and legal fees.

Other Income

	Three Months Ended June 30,		Six Months Ended June 30,	
Other Income	**2024**	**2023**	**2024**	**2023**
Interest income	$ 32,025	$ 8,510	$ 93,177	$ 60,938
Total Other Income	**$ 32,025**	**$ 8,510**	**$ 93,177**	**$ 60,938**

During each of the three and six months ended June 30, 2024 and 2023, the Company recorded other income, which was driven by the generation of interest income from its cash balances.

Liquidity and Capital Resources

Sources of Liquidity

The Company generated an operating loss of $3.9 million and a net loss of $3.8 million for the six months ended June 30, 2024. As of June 30, 2024, the Company had cash and cash equivalents of $3.0 million. As of June 30, 2024, the Company had working capital of $2.8 million.

Given our cash position as of June 30, 2024, the proceeds from our common stock, pre-funded warrant and warrant issuance in August 2024, and our projected cash flow from operations, we believe we will have sufficient capital to sustain operations for the twelve months from the date of the filing of our condensed financial statements. We may also raise funds through equity or debt offerings to accelerate the execution of our long-term strategic plan to develop and commercialize our new products.

Cash Flows

Cash Used in Operating Activities

During the six months ended June 30, 2024, net cash used in operating activities was $2.7 million. During the six months ended June 30, 2023, net cash used in operating activities was $3.2 million. Our primary ongoing uses of operating cash relate to payments to vendors, salaries and related expenses for our employees and consulting and professional fees. Our vendors and consultants generally provide us with normal trade payment terms (net 30).

Cash Used in Investing Activities

During the six months ended June 30, 2024, we purchased $16.7 thousand in equipment and website development costs and invested $0.6 million in product development and software development. During the six months ended June 30, 2023, we purchased $49 thousand in equipment and invested $0.5 million in product development and software development.

Cash (Used in) Provided by Financing Activities

	Six Months Ended June 30,	
Cash flows from Financing Activities	**2024**	**2023**
Proceeds from sale of common stock and warrants	$ -	$ 5,211,428
Fees paid in connection with equity offerings	(98,678)	(816,017)
Common stock withheld to pay taxes	(4,235)	-
Warrants exercised for common stock	-	162,494
Series C redeemable preferred stock dividends	(150,000)	(150,000)
Net Cash (Used in) Provided by Financing Activities	**$ (252,913)**	**$ 4,407,905**

During the six months ended June 30, 2024, we incurred $98.7 thousand in fees for the warrant inducement transaction that occurred in November 2023 and offering costs related to the Offering that closed on August 5, 2024. During the three and six months ended June 30, 2023, we completed a registered public offering of units and pre-funded units, consisting of common stock, warrants and pre-funded warrants, whereby we received proceeds of $5.2 million and paid fees of $0.8 million. During the six months ended June 30, 2024 and 2023, we paid Series C Redeemable Preferred Stock dividends amounting to $0.2 million each period.

Impact of Inflation

We believe that our business has been modestly impacted by inflationary trends during the past three fiscal years. However, continued domestic inflation may increase our cost of fulfilment in the 2024 fiscal year through higher labor and shipping costs, as well as our operating and overhead expenses. Should inflation become a continuing factor in the worldwide economy, it may increase the cost of purchasing products from our contract manufacturers in Asia, as well as the cost of certain raw materials, component parts and labor used in the production of our products. We have been able to maintain our profit margins through high productivity, stable supply chain management, efficiency improvements, reduction programs and selected price increases.

Off-Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. In addition, we do not have any undisclosed borrowings or debt, and we have not entered into any synthetic leases. We are, therefore, not materially exposed to any financing, liquidity, market, or credit risk that could arise if we had engaged in such relationships.

Critical Accounting Policies

There were no significant changes to our critical accounting policies and estimates during the three and six months ended June 30, 2024, from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are not required to provide the information required by this Item 3 as we are a smaller reporting company.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we are required to perform an evaluation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Exchange Act, as of June 30, 2024. Management has concluded that our disclosure controls and procedures were effective as of June 30, 2024 to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the six months ended June 30, 2024 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Limitations of the Effectiveness of Internal Control

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls and procedures will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple errors. Additionally, controls can be circumvented by the individual acts of a person, by collusion of two or more people, or by management override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become subject to legal proceedings, claims, or litigation arising in the ordinary course of business. We are not presently a party to any other legal proceedings that in the opinion of our management, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, financial condition, or cash flows.

Item 1A. Risk Factors

As a smaller reporting company, we are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended June 30, 2024, the Company issued an aggregate of 625 stock options under the Company's 2023 Stock Incentive Plan (the "2023 Plan"), vesting over a period of four years to employees with an exercise price of $1.00 per share, in consideration for services provided to the Company. In addition, an aggregate of 40,000 fully vested stock options were granted under the 2023 Plan to four non-employee directors at an exercise price of $1.00 per share in each case in consideration for services provided to the Company.

The sale and the issuance of the foregoing securities were offered and sold in reliance upon the exemption from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, for transactions not involving any public offering. No underwriter participated in the offer and sale of these securities, no commission or other remuneration was paid or given directly or indirectly in connection therewith, and there was no general solicitation or advertising for securities issued in reliance upon such exemption.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

In accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are being furnished and not filed.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

LogicMark, Inc.

Date: August 14, 2024	By: /s/ Chia-Lin Simmons Chia-Lin Simmons Chief Executive Officer (Principal Executive Officer)
Date: August 14, 2024	By: /s/ Mark Archer Mark Archer Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

**CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Chia-Lin Simmons, as the principal executive officer of the registrant, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2024, of LogicMark, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2024

By: /s/ Chia-Lin Simmons
Chia-Lin Simmons
Chief Executive Officer
(Duly Authorized Officer and
Principal Executive Officer)

Exhibit 31.2

CERTIFICATION
OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Mark Archer, as the principal financial officer of the registrant, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2024, of LogicMark, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2024

/s/ Mark Archer
Mark Archer
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial and Accounting Officer)

Exhibit 32.1

**CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of LogicMark, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Chia-Lin Simmons, Chief Executive Officer of LogicMark, Inc., certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2024

By: /s/ Chia-Lin Simmons
Chia-Lin Simmons
Chief Executive Officer
(Duly Authorized Officer and
Principal Executive Officer)

Exhibit 32.2

CERTIFICATION
OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of LogicMark, Inc. (the “Company”) on Form 10-Q for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark Archer, Chief Financial Officer of LogicMark, Inc., certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2024

By: /s/ Mark Archer
Mark Archer
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)