

# Zacks Small-Cap Research

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## Cosmos Health

(COSM-NASDAQ)

### COSM: Record Revenue and Accelerating Growth

COSM is a growing healthcare company that has a broad revenue base and an expanding pharmaceutical business. Using DCF analysis, we value COSM at \$4.50 per share.

### OUTLOOK

Cosmos is a vertically integrated healthcare group with a portfolio that spans pharmaceutical and nutraceutical brands, pharmaceutical distribution, proprietary and contract manufacturing as well as an emerging set of technology- and services-oriented assets.

Cosmos Health released its fiscal 2025 results that underscored the rapid improvement the company is making and underscoring the validity of the strategy management has in place.

Current Price (04/15/26) \$0.39  
**Valuation \$4.50**

### SUMMARY DATA

52-Week High \$1.25  
 52-Week Low \$0.29  
 One-Year Return (%) -13.22  
 Beta 5.33  
 Average Daily Volume (sh) 938,719

Shares Outstanding (mil) 37  
 Market Capitalization (\$mil) \$15  
 Short Interest Ratio (days) N/A  
 Institutional Ownership (%) 13  
 Insider Ownership (%) 25

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 2026 Estimate N/A  
 P/E using 2027 Estimate N/A

Zacks Rank N/A

Risk Level Above Average  
 Type of Stock Small-Growth  
 Industry Health Care

### ZACKS ESTIMATES

#### Revenue

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	NA	NA	NA	NA	54.4 A
2025	13.7 A	14.7 A	17.1 A	19.7 A	65.3 A
2026	21.7 E	23.8 E	26.2 E	31.5 E	103.2 E
2027	31.1 E	32.9 E	33.0 E	33.8 E	130.8 E

#### Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	NA	NA	NA	NA	-1.17 A
2025	-0.03 A	-0.10 A	-0.17 A	-0.33 A	-0.63 A
2026	-0.01 E	0.01 E	0.02 E	0.06 A	0.08 E
2027	0.00 E	0.01 E	0.03 E	0.03 E	0.07 E

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## KEY POINTS

- Cosmos announced fiscal 2025 results that showed a vast improvement in almost all measures.
- Revenue increased 20% and reached a record high, while gross profit was up 83%.
- The company has moved through an inflection point and is now in the accelerating growth phase.

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## OVERVIEW

The latest earnings release from Cosmos Health Inc (COSM) marks a clear inflection point in the company's trajectory, with the financial results reinforcing a narrative of accelerating growth, improving operating efficiency, and expanding strategic optionality. The company delivered its strongest annual performance to date, with revenue reaching a record \$65.3 million, representing 20% year-over-year growth—an outcome driven by strength across all core operating segments, including contract manufacturing, pharmaceutical distribution, and proprietary nutraceutical brands.

What stands out most in this report is not simply the top-line growth, but the sharp improvement in profitability metrics. Gross profit surged 83% to \$7.9 million, significantly outpacing revenue growth and driving a meaningful expansion in gross margin to 12.1%. This margin expansion reflects a favorable shift in product mix toward higher-value offerings, particularly within the company's contract manufacturing division and branded product portfolio. It also signals that Cosmos is beginning to benefit from operating leverage as scale increases—an important milestone for a company that has historically operated at thinner margins.

Further reinforcing this operational progress is the substantial improvement in earnings efficiency. Adjusted loss per share narrowed by approximately 82% year-over-year, indicating that while the company is not yet profitable on a GAAP basis, it is moving decisively in that direction. This trend, combined with an improvement in adjusted EBITDA, suggests that the underlying business is becoming structurally more efficient.

Equally important is the dramatic strengthening of the balance sheet. Cash increased nearly tenfold to roughly \$3.5 million, providing the company with significantly greater financial flexibility. This liquidity improvement is further amplified by the establishment of a \$300 million financing facility, which positions Cosmos to pursue growth initiatives, including expansion of its manufacturing footprint, continued product development, and the buildout of a digital asset treasury strategy. While unconventional, this capital strategy underscores management's willingness to explore non-traditional avenues to enhance shareholder value and fund expansion.

From an operational standpoint, the earnings release highlights increasing visibility and durability in revenue streams. The company has secured long-term contract manufacturing agreements covering more than 12 million units of various products, providing a foundation of recurring revenue and improved forecasting confidence. At the same time, continued expansion of its proprietary brands—particularly Sky Premium Life—along with growing international demand (evidenced by repeat purchase orders in markets like the UAE) signals strengthening brand equity and distribution reach.

Looking ahead, the strategic pipeline adds another layer to the investment case. Cosmos is advancing a range of initiatives, including AI-driven drug repurposing efforts, patented oncology assets, and new nutraceutical launches such as Liv18, which we wrote about recently, targeting large and growing markets like liver health. These programs, while still developing, introduce potential high-margin revenue streams that could materially enhance the company's long-term profile.

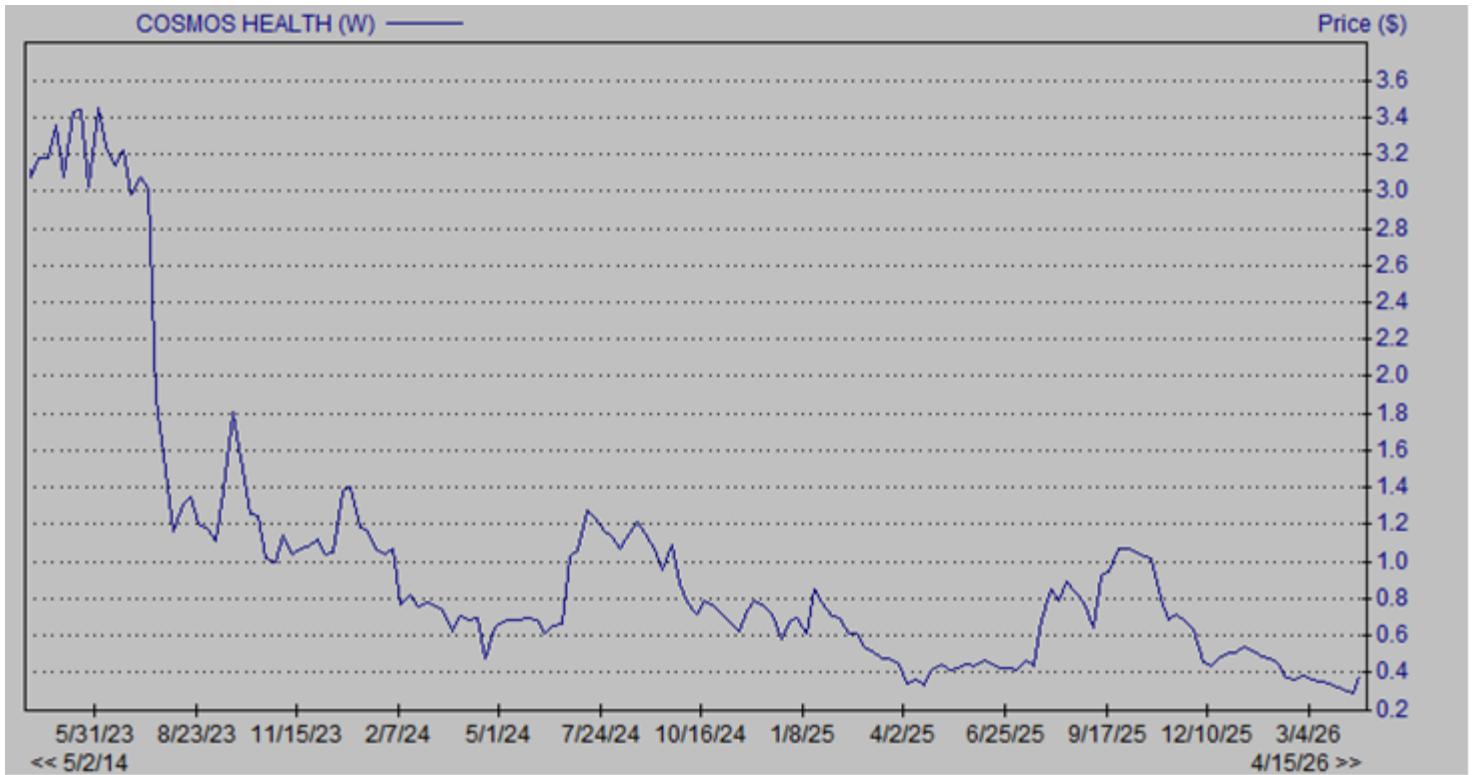
Taken together, this earnings report presents a company that is transitioning from a fragmented healthcare distributor into a more integrated, higher-margin platform with multiple growth vectors. The combination of accelerating revenue, expanding margins, improving earnings quality, strengthened liquidity, and a broadening strategic pipeline suggests that Cosmos Health is building momentum across both its core operations and its future-facing initiatives. For investors, the key takeaway is that the underlying fundamentals are moving in the right direction, with early signs that scale and strategy are beginning to translate into tangible financial progress and should take a look at COSM at the beginning stages of what looks like a long and sustained ramp up.

# PROJECTED INCOME STATEMENT & BALANCE SHEET

Cosmos Health Income Statement and Balance Sheet

	2024A	1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026E	2Q2026E	3Q2026E	4Q2026E
Revenues	54,426,402	13,712,528	14,745,702	17,110,425	19,703,160	21,673,476	23,840,824	26,224,906	31,469,887
Cost of Goods Sold	50,115,079	11,662,729	13,581,888	14,507,807	17,623,816	17,772,250	19,072,659	20,455,427	23,602,415
Gross Profit	4,311,323	2,049,799	1,163,814	2,602,618	2,079,344	3,901,226	4,768,165	5,769,479	7,867,472
Operating Expenses									
General and administrative	(11,733,237)	(1,478,702)	(1,490,485)	(2,040,341)	(10,609,632)	(2,081,148)	(10,821,825)	(2,122,771)	(11,038,261)
Salaries and wages	(5,693,436)	(1,040,019)	(1,868,443)	(1,919,950)	(1,949,866)	(1,969,365)	(1,989,058)	(2,008,949)	(2,029,038)
Sales and marketing	(354,969)	(28,155)	(21,706)	(64,794)	(35,585)	(39,144)	(43,058)	(47,364)	(52,100)
Research and development	(533,293)	(15,629)	(74,637)	(18,337)	(410,760)	(1,200,000)	(1,400,000)	(2,000,000)	(2,500,000)
Impairment Charge	(291,980)	0	0	0	(162,785)	0	0	0	0
Depreciation and amort.	(1,249,238)	(320,439)	(353,862)	(377,911)	(317,141)	(326,655)	(336,455)	(346,549)	(356,945)
Total Operating Expenses	(19,856,153)	(2,882,944)	(3,809,133)	(4,421,333)	(13,485,769)	(5,616,311)	(14,590,396)	(6,525,632)	(15,976,344)
Other income and (expenses)									
Interest income	406,449	91,326	105,787	100,698	98,602	100,574	102,586	104,637	106,730
Interest expense	(1,012,314)	(187,107)	(388,814)	(669,150)	(654,801)	(589,321)	(530,389)	(477,350)	(429,615)
Other income, net	(32,323)	110,829	100,278	(2,965,723)	1,816,691	1,889,359	1,889,359	1,964,933	1,964,933
Total other (income) and expenses, net	(638,188)	15,048	(182,749)	(3,534,175)	1,260,492	1,400,612	1,461,555	1,592,220	1,642,048
Gain/(Loss) from before income taxes	(16,183,018)	(818,097)	(2,828,068)	(5,352,890)	(10,145,933)	(314,474)	(8,360,676)	836,068	(6,466,825)
Income Taxes	0	0	0	0	0	0	0	0	0
Net gain/(loss)	(16,183,018)	(818,097)	(2,828,068)	(5,352,890)	(10,145,933)	(314,474)	(8,360,676)	836,068	(6,466,825)
Deemed Dividends	(6,195,024)	0	0	0	0	0	0	0	0
Foreign currency translation adjustment	(1,715,087)	1,031,268	1,562,470	255,263	2,466,434	0	0	0	0
Total Comprehensive Gain/(Loss)	(24,093,129)	213,171	(1,265,598)	(5,097,627)	(7,679,499)	(314,474)	(8,360,676)	836,068	(6,466,825)
Basic and diluted loss per share	\$ (1.17)	\$ (0.03)	\$ (0.10)	\$ (0.17)	\$ (0.33)	\$ (0.01)	\$ (0.24)	\$ 0.02	\$ (0.17)
Basic and diluted wtd avg common shares	19,147,726	26,037,608	28,753,492	30,625,284	30,289,072	32,289,072	34,289,072	36,289,072	38,289,072
Assets									
Current Assets:									
Cash	315,105	742,881	655,503	889,441	715,674	737,144	759,259	782,036	805,497
Restricted Cash	-	-	-	3,744,219	2,744,219	-	-	-	-
Accounts Receivable	14,708,571	15,673,910	16,905,141	19,637,469	22,072,800	22,293,528	22,516,463	22,741,628	22,969,044
Securities and other current assets	21,148	25,278	30,266	33,178	46,158	48,004	49,924	51,921	53,998
Inventory	4,355,365	4,736,222	5,110,947	5,683,662	5,778,142	5,951,486	6,130,031	6,313,932	6,503,350
Loan Receivable	1,171,946	1,435,116	1,431,298	1,834,777	487,638	492,514	497,440	502,414	507,438
Prepaid Expenses	4,889,213	5,231,592	6,429,156	6,281,543	6,543,625	6,609,061	6,675,152	6,741,903	6,809,322
Total Current Assets	25,461,348	27,844,999	30,562,311	38,104,289	38,388,256	36,131,738	36,628,269	37,133,835	37,648,650
Property, Plant and Equipment, net	9,689,505	10,016,068	10,820,391	10,664,820	10,578,858	10,790,435	11,006,244	11,226,369	11,450,896
Goodwill and intangible, net	7,756,534	7,808,529	8,225,361	7,960,633	7,569,695	7,418,301	7,269,935	7,124,536	6,982,046
Digital Assets	-	-	-	1,000,057	1,411,084	2,822,168	5,644,336	11,288,672	22,577,344
Other assets	11,404,505	11,528,348	12,227,497	11,762,959	7,529,625	7,454,329	7,379,785	7,305,988	7,232,928
Total Assets	54,311,892	57,197,944	61,835,560	69,492,758	65,477,518	64,616,971	67,928,569	74,079,399	85,891,864
Liabilities and stockholder equity									
Current liabilities:									
Accounts Payable	12,427,061	12,287,516	13,431,963	14,676,934	16,626,476	16,792,741	16,960,668	17,130,275	17,301,578
Accrued Interest	221,820	255,192	345,406	521,843	786,497	794,362	802,306	810,329	818,432
Lines of Credit	6,985,052	7,305,377	8,161,845	7,584,786	9,177,684	8,259,916	7,433,924	6,690,532	6,021,478
Notes/loans Payable	2,565,232	2,774,735	3,167,072	3,584,928	4,341,049	4,254,228	4,169,143	4,085,761	4,004,045
Other current liabilities	3,558,375	3,963,167	6,060,275	12,165,826	7,340,138	7,707,145	8,092,502	8,497,127	8,921,984
Total Current Liabilities	25,757,540	26,585,987	31,166,561	38,534,317	38,271,844	37,808,391	37,458,543	37,214,023	37,067,517
Long-term Liabilities:									
Notes payable-long-term	1,560,433	2,088,540	2,053,857	5,711,462	5,851,837	5,910,355	5,969,459	6,029,154	6,089,445
Operating/Fin. Lease-long-term	501,797	468,697	453,442	427,813	373,473	377,208	380,980	384,790	388,638
Other liabilities	1,959,193	2,097,008	1,930,066	1,684,282	2,555,735	2,479,063	2,404,691	2,332,550	2,262,574
Total long-term liabilities	4,021,423	4,654,245	4,437,365	7,823,557	8,781,045	8,766,626	8,755,130	8,746,493	8,740,656
Total liabilities	29,778,963	31,240,232	35,603,926	46,357,874	47,052,889	46,575,017	46,213,673	45,960,516	45,808,173
Stockholders Equity									
Common stock	23,689	27,285	29,804	31,956	41,154	41,977	42,817	43,673	44,546
Additional Paid-in capital	141,583,625	142,785,641	144,328,641	146,327,367	152,136,404	153,636,404	155,136,404	156,636,404	158,136,404
Subscription receivable	(20)	(20)	(20)	(20)	-	-	-	-	-
Treasury stock	(917,159)	(917,159)	(917,159)	(917,159)	(917,159)	(917,159)	(917,159)	(917,159)	(917,159)
Accumulated Deficit	(114,022,275)	(114,840,372)	(117,668,440)	(123,021,330)	(133,167,273)	(135,017,621)	(132,815,683)	(127,885,701)	(117,397,600)
Accumulated other comp. income	(2,134,931)	(1,103,663)	458,808	714,070	331,503	298,353	268,517	241,666	217,499
Total stockholders equity	24,532,929	25,951,712	26,231,634	23,134,884	18,424,629	18,041,954	21,714,896	28,118,883	40,083,691
Total liabilities and stockholder equity	54,311,892	57,197,944	61,835,560	69,492,758	65,477,518	64,616,971	67,928,569	74,079,399	85,891,864

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