

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Brad Sorensen

312-265-9674

bsorensen@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

Cosmos Health

(COSM-NASDAQ)

COSM: Expanding Product Line to Aid Male Sexual Health

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.

Current Price (05/05/26) \$0.35
Valuation \$4.50

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 announced another product in the Series 18 platform for commercialization in the US. Fort18 is a proprietary five-ingredient botanical blend intended to support men's sexual stamina. This clinically-validated product enters a \$4 billion market.

SUMMARY DATA

52-Week High \$1.25
 52-Week Low \$0.29
 One-Year Return (%) -20.55
 Beta 5.00
 Average Daily Volume (sh) 1,617,838

Shares Outstanding (mil) 52
 Market Capitalization (\$mil) \$19
 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
 Industry

Small-Growth
 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

KEY POINTS

- Cosmos announced a new product for male sexual stamina in its Series 18 line.
- Every product in the Series, including Fort18, is validated by clinical research.
- The global sexual health supplement market is expected to reach \$7 billion by 2030.

OVERVIEW

Cosmos Health Inc. (COSM) has increasingly positioned itself as a differentiated healthcare and nutraceutical company that combines pharmaceutical distribution, manufacturing infrastructure, telehealth initiatives, and science-driven supplement development into a vertically integrated operating model. Unlike many small-cap supplement companies that rely heavily on marketing narratives without clinical substantiation, Cosmos Health has been building a portfolio centered on patented ingredients, published human studies, exact clinical dosing, and internally aligned manufacturing and distribution capabilities.

A major component of Cosmos Health's current growth strategy is the rollout of its "18 Series," a platform of science-based nutraceutical products designed around clinically studied ingredients and proprietary formulations. Management has stated that the long-term objective is to develop a portfolio of 18 products targeting large health and wellness categories. Current products include Liv18 for liver health, Cur18 for joint health and inflammation support, Noor18 for anti-aging and collagen support, and now Fort18, which expands the company into the large and rapidly growing men's wellness market.

The recent addition of Fort18 to the portfolio represents one of the more commercially intriguing products in Cosmos Health's emerging nutraceutical portfolio because it targets a category with substantial recurring consumer demand, strong margins, and growing acceptance of clinically supported natural alternatives. The product is designed as a men's sexual stamina and endurance supplement utilizing a proprietary blend of botanical extracts and nutrients that collectively target hormonal, vascular, neurological, and stress-response pathways associated with male performance and vitality. According to the company, the formulation includes L-arginine along with extracts of fenugreek, mucuna, ashwagandha, and artichoke leaf, standardized to specific saponin and flavonoid concentrations. Mechanistically, the formulation is designed to address multiple physiological systems simultaneously rather than relying on a single stimulant effect. L-arginine supports nitric oxide production and blood flow, potentially improving vascular function. Fenugreek has been associated in published research with support for testosterone balance, stamina, and energy. Ashwagandha functions as an adaptogenic botanical that may reduce stress and support nervous system regulation, which is important because stress and cortisol dysregulation are often linked to diminished sexual performance and endurance. Mucuna contains naturally occurring L-DOPA precursors that interact with dopamine-related pathways associated with motivation and male wellness, while artichoke extract may further support endothelial and vascular health. Collectively, the formulation attempts to create a broader systems-based approach to male vitality rather than a narrow pharmaceutical-style intervention.

It's important to note that Fort18 is not simply a generic supplement assembled from commodity ingredients. The blend utilizes an exclusive and patent-protected standardization fingerprint held by the ingredient supplier, helping create differentiation in a crowded supplement market. In the nutraceutical industry, intellectual property protection and standardized ingredient consistency can be extremely valuable because they support premium pricing, help defend against commoditization, and provide a more credible scientific narrative for consumers and healthcare practitioners.

In our view, the strongest aspect of the Fort18 investment case may be the presence of published human clinical research supporting the active formulation. According to the company, the active ingredient was evaluated in a randomized, double-blind, placebo-controlled study involving 60 healthy men between the ages of 18 and 60 experiencing reduced sexual stamina. Over an eight-week period, the published data demonstrated a 5.1-fold improvement in endurance versus placebo, with measurable effects observed as early as week four. The study also reportedly observed no significant adverse changes in vital signs or laboratory safety markers. In the supplement industry, where many products rely on anecdotal marketing claims or animal studies, the existence of placebo-controlled human clinical data can significantly strengthen consumer credibility and improve the product's positioning in premium channels.

The commercial opportunity for Fort18 is also potentially substantial. Cosmos Health cited projections indicating that the U.S. sexual health supplement market could grow to approximately \$1.93 billion by 2030, with men representing more than half of the overall consumer base. Demographic and behavioral trends appear favorable for continued expansion, including aging populations, increasing consumer willingness to use wellness supplements, growing acceptance of preventative health products, and rising interest in natural alternatives supported by clinical data. Importantly, this category often benefits from recurring purchasing behavior, which can create highly attractive customer lifetime economics if a company successfully builds brand loyalty.

Fort18 fits well into Cosmos Health's broader strategic transition toward higher-margin proprietary products. Historically, portions of the company's pharmaceutical distribution business operated with relatively modest margins, which is common in wholesale pharmaceutical distribution. However, management has recently emphasized the margin potential of its new nutraceutical products. For example, the company projected gross margins approaching 75% for Liv18 in the U.S. market through direct-to-consumer commercialization strategies. If Fort18 achieves similar economics, the product could become a meaningful contributor to both revenue growth and margin expansion over time.

An important aspect of the business strategy is that Cosmos Health is positioning the entire 18 Series around evidence-based differentiation. Management has repeatedly emphasized that each product within the platform is intended to meet three criteria: proprietary ingredients, published clinical research, and dosing consistent with clinical studies. This creates a coherent branding strategy that may resonate with increasingly sophisticated health consumers who are becoming more skeptical of unsupported supplement claims. If Cosmos can continue building recognition around the "18 Series" as a clinically substantiated wellness platform, the company could potentially develop meaningful brand equity across multiple large health categories simultaneously, resulting in increasing revenues and profitability and a boost in shares of COSM.

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

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, Brad Sorensen, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business. SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.