

Zacks Small-Cap Research

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Cosmos Health

(COSM-NASDAQ)

COSM: 1Q Revenues Rise by 31%

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 announced 1Q2026 earnings that showed revenue growth of 31% y/y as expanding product line shows progress.

Current Price (05/20/26) \$0.28
Valuation \$4.50

SUMMARY DATA

52-Week High \$1.25
 52-Week Low \$0.28
 One-Year Return (%) -39.61
 Beta 5.00
 Average Daily Volume (sh) 828,246

Shares Outstanding (mil) 52
 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	17.9 A	19.7 E	21.7 E	26.0 E.	87.3 E
2027	26.1 E	27.9 E	28.0 E	28.8 E	110.8 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	-0.06 A	0.01 E	0.02 E	0.04 A	0.01 E
2027	0.00 E	0.01 E	0.03 E	0.03 E	0.07 E

OVERVIEW

Cosmos Health Inc. (COSM) has continued to position itself as a diversified healthcare and pharmaceutical platform that blends traditional pharmaceutical distribution and manufacturing operations with higher-growth nutraceutical, telehealth, and AI-assisted drug development initiatives. The company recently released 1Q earnings that demonstrated the initial successes of the company's expanding product line and overall strategy.

Revenues grew by 31% y/y, which is a stellar growth rate and one which we believe will continue to grow as the company expands its 18 Series—which is discussed more below. The company also recently announced a financing agreement with one of its key subsidiaries that we believe is large positive step forward for the company—also discussed below. Management continues to execute at a high level and we maintain our positive view on COSM.

Over the last month, Cosmos Health has delivered a steady stream of announcements that illustrate management is attempting to build multiple growth avenues simultaneously. One of the most notable developments was the company's expansion of the "18 Series" into the U.S. market, including the launch of Fort18, a men's wellness and stamina product built around clinically studied ingredients and dosing protocols. The company projected that Fort18 alone could generate more than \$3.2 million in incremental annual revenue within 12–18 months in the United States, while Cur18 was projected to contribute more than \$2.5 million in incremental annual revenue over a similar timeframe. These announcements demonstrate management's effort to commercialize internally developed nutraceutical products with potentially higher margins and stronger branding opportunities than traditional pharmaceutical distribution operations.

The company has also emphasized that the 18 Series is intended to become a broader science-driven nutraceutical platform targeting multiple health categories with clinically validated formulations. That strategy could allow Cosmos Health to leverage existing manufacturing and distribution capabilities while building recurring consumer-oriented revenue streams. For investors, this creates a potentially attractive combination of established healthcare infrastructure alongside newer branded wellness products that may scale more rapidly if consumer adoption accelerates.

Perhaps the most strategically important announcement during the past month, however, was the advisory agreement entered into by Cana Laboratories with the European Investment Bank. Under the agreement, Cosmos Health is pursuing financing support for a planned €50 million research and development initiative, with the EIB venture debt framework potentially covering up to 50% of the program, or approximately €25 million.

This development stands out because the EIB is one of Europe's premier institutional lenders and typically conducts extensive due diligence before engaging with companies. While the financing is not guaranteed and remains milestone-dependent, the advisory agreement itself can be viewed as an important validation of the company's broader R&D strategy and pipeline ambitions. Importantly, the contemplated financing structure could provide access to substantial non-dilutive or minimally dilutive institutional capital at a scale that would be highly meaningful relative to Cosmos Health's current market capitalization.

Management indicated that potential funding would support several AI-powered development programs, including CCX0722 for weight management as well as oncology initiatives targeting prostate, ovarian, and colorectal cancers. Additional areas under development include multiple sclerosis, gliomas,

hematologic malignancies, and allergic inflammation. While these programs remain early-stage and carry substantial development risk, the breadth of the pipeline demonstrates that Cosmos is attempting to evolve beyond a traditional pharmaceutical distribution company into a more innovation-oriented healthcare platform.

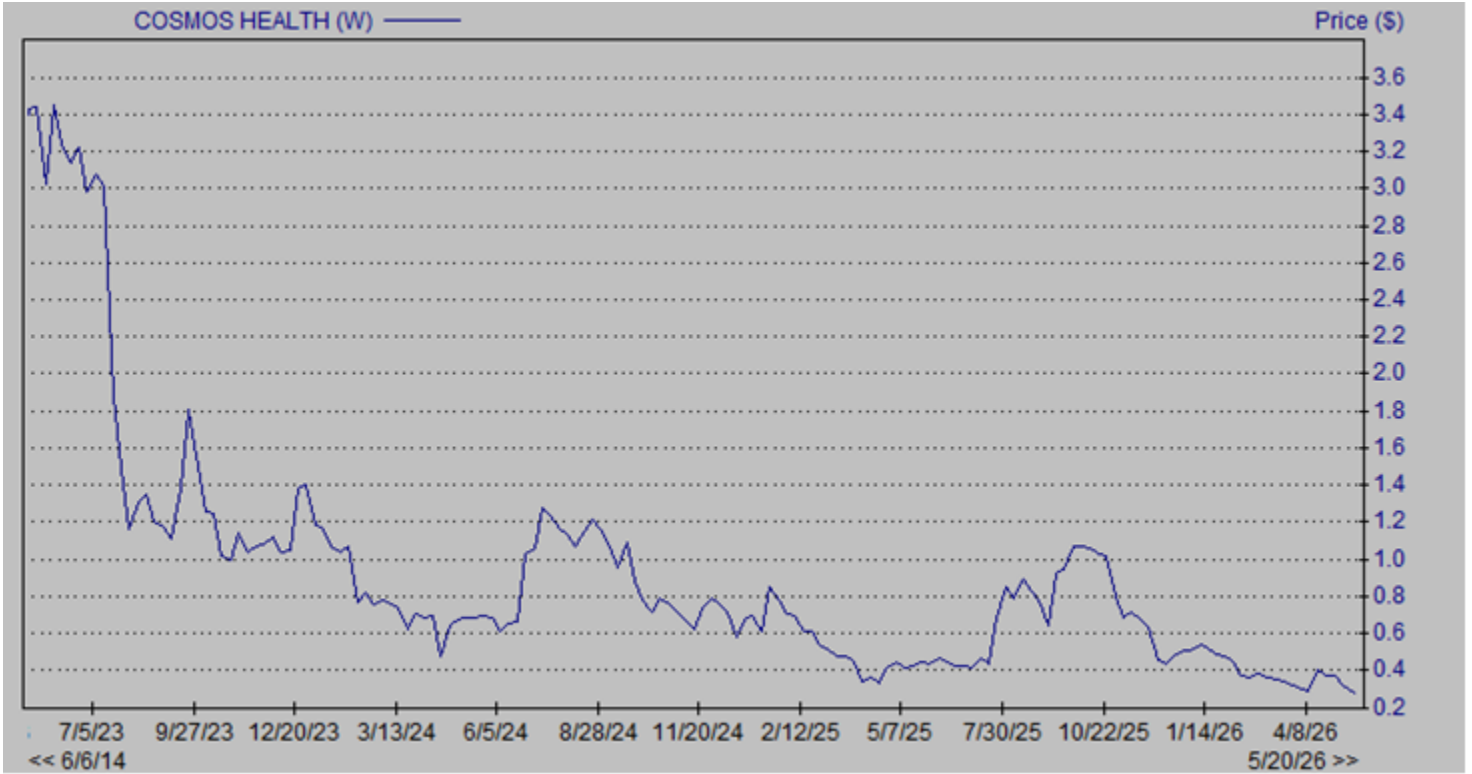
Overall, the recent announcements suggest that Cosmos Health is transitioning into a more scalable and innovation-focused healthcare company with exposure to multiple potentially attractive markets including wellness, obesity management, oncology, and AI-assisted therapeutics. The advisory agreement involving Cana Laboratories and the European Investment Bank may represent one of the more important milestones in that transition because it opens the possibility of institutional-grade financing support for a much larger R&D expansion initiative. If management can continue to successfully execute on commercialization of the 18 Series while advancing its broader development pipeline, investors should benefit as shares of COSM rise.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Cosmos Health Income Statement and Balance Sheet

	2024A	1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026E	3Q2026E	4Q2026E
Revenues	54,426,402	13,712,528	14,745,702	17,110,425	19,703,160	17,927,892	19,720,681	21,692,749	26,031,299
Cost of Goods Sold	50,115,079	11,662,729	13,581,888	14,507,807	17,623,816	16,546,721	15,776,545	16,920,344	19,523,474
Gross Profit	4,311,323	2,049,799	1,163,814	2,602,618	2,079,344	1,381,171	3,944,136	4,772,405	6,507,825
Operating Expenses									
General and administrative	(11,733,237)	(1,478,702)	(1,490,485)	(2,040,341)	(10,609,632)	(1,800,162)	(1,836,165)	(1,836,165)	(1,872,889)
Salaries and wages	(5,693,436)	(1,040,019)	(1,868,443)	(1,919,950)	(1,949,866)	(1,397,657)	(1,411,634)	(1,425,750)	(1,440,007)
Sales and marketing	(354,969)	(28,155)	(21,706)	(64,794)	(35,585)	(19,352)	(21,287)	(23,416)	(25,758)
Research and development	(533,293)	(15,629)	(74,637)	(18,337)	(410,760)	0	(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)	(348,179)	(358,624)	(369,383)	(380,465)
Total Operating Expenses	(19,856,153)	(2,882,944)	(3,809,133)	(4,421,333)	(13,485,769)	(3,565,350)	(5,027,710)	(5,654,714)	(6,219,118)
Other income and (expenses)									
Interest income	406,449	91,326	105,787	100,698	98,602	46,673	47,606	48,559	49,530
Interest expense	(1,012,314)	(187,107)	(388,814)	(669,150)	(654,801)	(423,229)	(380,906)	(342,815)	(308,534)
Other income, net	(32,323)	110,829	100,278	(2,965,723)	1,816,691	(244,688)	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	(621,244)	1,556,059	1,670,676	1,705,929
Gain/(Loss) from before income taxes	(16,183,018)	(818,097)	(2,828,068)	(5,352,890)	(10,145,933)	(2,805,423)	472,485	788,367	1,994,636
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)	(2,805,423)	472,485	788,367	1,994,636
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	(295,061)	0	0	0
Total Comprehensive Gain/(Loss)	(24,093,129)	213,171	(1,265,598)	(5,097,627)	(7,679,499)	(3,100,484)	472,485	788,367	1,994,636
Basic and diluted loss per share	\$ (1.17)	\$ (0.03)	\$ (0.10)	\$ (0.17)	\$ (0.33)	\$ (0.06)	\$ 0.01	\$ 0.02	\$ 0.04
Basic and diluted wtd avg common shares	19,147,726	26,037,608	28,753,492	30,625,284	30,289,072	47,087,621	49,087,621	51,087,621	53,087,621
Assets									
Current Assets:									
Cash	315,105	742,881	655,503	889,441	715,674	514,702	530,143	546,047	562,429
Restricted Cash	-	-	-	3,744,219	2,744,219	1,644,219	-	-	-
Accounts Receivable	14,708,571	15,673,910	16,905,141	19,637,469	22,072,800	20,552,592	20,758,118	20,965,699	21,175,356
Securities and other current assets	21,148	25,278	30,266	33,178	46,158	34,225	35,594	37,018	38,498
Inventory	4,355,365	4,736,222	5,110,947	5,683,662	5,778,142	5,650,458	5,819,972	5,994,571	6,174,408
Loan Receivable	1,171,946	1,435,116	1,431,298	1,834,777	487,638	485,191	490,043	494,943	499,893
Prepaid Expenses	4,889,213	5,231,592	6,429,156	6,281,543	6,543,625	8,007,935	8,088,014	8,168,894	8,250,583
Total Current Assets	25,461,348	27,844,999	30,562,311	38,104,289	38,388,256	36,889,322	35,721,884	36,207,173	36,701,168
Property, Plant and Equipment, net	9,689,505	10,016,068	10,820,391	10,664,820	10,578,858	10,280,203	10,485,807	10,695,523	10,909,434
Goodwill and intangible, net	7,756,534	7,808,529	8,225,361	7,960,633	7,569,695	7,225,011	7,080,511	6,938,901	6,800,123
Digital Assets	-	-	-	1,000,057	1,411,084	2,068,645	4,137,290	8,274,580	16,549,160
Other assets	11,404,505	11,528,348	12,227,497	11,762,959	7,529,625	5,905,830	5,846,772	5,788,304	5,730,421
Total Assets	54,311,892	57,197,944	61,835,560	69,492,758	65,477,518	62,369,011	63,272,264	67,904,481	76,690,305
Liabilities and stockholder equity									
Current liabilities:									
Accounts Payable	12,427,061	12,287,516	13,431,963	14,676,934	16,626,476	14,817,101	14,965,272	15,114,925	15,266,074
Accrued Interest	221,820	255,192	345,406	521,843	786,497	871,960	880,680	889,486	898,381
Lines of Credit	6,985,052	7,305,377	8,161,845	7,584,786	9,177,684	7,856,208	7,070,587	6,363,528	5,727,176
Notes/loans Payable	2,565,232	2,774,735	3,167,072	3,584,928	4,341,049	2,123,322	2,080,856	2,039,238	1,998,454
Other current liabilities	3,558,375	3,963,167	6,060,275	12,165,826	7,340,138	8,408,244	8,828,656	9,270,089	9,733,593
Total Current Liabilities	25,757,540	26,585,987	31,166,561	38,534,317	38,271,844	34,076,835	33,826,051	33,677,267	33,623,678
Long-term Liabilities:									
Notes payable-long-term	1,560,433	2,088,540	2,053,857	5,711,462	5,851,837	6,124,297	6,185,540	6,247,395	6,309,869
Operating/Fin. Lease-long-term	501,797	468,697	453,442	427,813	373,473	463,388	468,022	472,702	477,429
Other liabilities	1,959,193	2,097,008	1,930,066	1,684,282	2,555,735	1,878,132	1,821,788	1,767,134	1,714,120
Total long-term liabilities	4,021,423	4,654,245	4,437,365	7,823,557	8,781,045	8,465,817	8,475,350	8,487,232	8,501,419
Total liabilities	29,778,963	31,240,232	35,603,926	46,357,874	47,052,889	42,542,652	42,301,400	42,164,499	42,125,097
Stockholders Equity									
Common stock	23,689	27,285	29,804	31,956	41,154	49,868	50,865	51,883	52,920
Additional Paid-in capital	141,583,625	142,785,641	144,328,641	146,327,367	152,136,404	156,629,904	154,620,042	154,461,441	152,800,480
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)	(135,972,696)	(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	36,442	32,798	29,518	26,566
Total stockholders equity	24,532,929	25,951,712	26,231,634	23,134,884	18,424,629	19,826,359	20,970,863	25,739,982	34,565,208
Total liabilities and stockholder equity	54,311,892	57,197,944	61,835,560	69,492,758	65,477,518	62,369,011	63,272,264	67,904,481	76,690,305

HISTORICAL STOCK PRICE



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