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Zacks Small-Cap Research

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Cosmos Health (COSM-NASDAQ)

COSM: Launch Reinforced Company's Growth Strategy

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.

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Current Price (09/09/26)	$0.25
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 the launch of C-ScrubVet with the first commercial orders, entering the massive animal health care market and further solidifying its growth strategy.

SUMMARY DATA

52-Week High	**$1.25**
52-Week Low	**$0.17**
One-Year Return (%)	**-66.45**
Beta	**4.80**
Average Daily Volume (sh)	**2,556,211**
Shares Outstanding (mil)	**101**
Market Capitalization ($mil)	**$26**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**13**
Insider Ownership (%)	**26**
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	19.0 A	20.9 E	23.0 E.	80.8 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	-0.10 A	-0.05 E	-0.03 A	-0.21 E
2027	0.00 E	0.01 E	0.03 E	0.03 E	0.07 E

UPDATE

We view Cosmos Health's latest launch of C-ScrubVet as an intriguing extension of the company's strategy of using its existing manufacturing, regulatory, distribution and brand infrastructure to enter additional healthcare markets without having to build an entirely new business from scratch. The veterinary antimicrobial product takes an established Cosmos Health platform and extends it into a global animal health industry that is large, growing and increasingly focused on preventive care. For investors, we believe the significance of the announcement goes beyond the potential sales of a single product: C-ScrubVet provides another example of Cosmos attempting to extract more value from assets it already owns while broadening its addressable market.

Cosmos Health (NASDAQ: COSM) is quickly developing into a vertically integrated healthcare platform rather than operating simply as a pharmaceutical distributor. Its businesses encompass pharmaceutical distribution, contract manufacturing, proprietary pharmaceutical and nutraceutical brands, healthcare products, telehealth and research and development. The company's principal brands include Sky Premium Life, C-Sept and C-Scrub, while its Cana Laboratories subsidiary gives Cosmos an important in-house manufacturing capability. Cana operates an EU GMP-licensed and EMA-certified facility capable of producing pharmaceuticals, supplements, cosmetics, biocides and medical devices. Cosmos also has pharmaceutical distribution operations in Greece through CosmoFarm and a growing UK presence through Decahedron.

That vertical integration is particularly relevant to the C-ScrubVet story. Cosmos announced that it has received its first orders for C-ScrubVet, its veterinary antimicrobial line, with commercial sales beginning in the United Kingdom. C-ScrubVet Wash 4% CHDG contains 4% chlorhexidine digluconate and is designed as an antimicrobial cleanser effective against bacteria, fungi and enveloped viruses. The product is intended for dogs, cats, horses, companion animals and large animals and is being introduced in a 500ml pump-dispenser bottle. Importantly, it has been certified under European standards EN 1656 and EN 1657 for bactericidal and fungicidal activity in veterinary applications.

We believe the fact that Cosmos has already received initial orders is important. Earlier this year, the veterinary opportunity was largely a development and expansion concept. The latest announcement moves C-ScrubVet into the commercialization phase. Sales are beginning in the UK, with Cosmos planning additional European markets beginning in the fourth quarter of 2026. Initially, the company intends to emphasize e-commerce before expanding into pet-store chains and veterinary clinics.
From an investment standpoint, one of the most attractive aspects of the launch is that Cosmos is not starting from zero. C-ScrubVet is derived from the company's existing C-Scrub Wash 4% platform. The company already possesses manufacturing infrastructure, formulation experience, testing and quality-control systems and commercial experience with the C-Scrub brand. Production takes place internally at Cana Laboratories. This potentially reduces both the cost and execution risk associated with entering a completely new product category.

C-Scrub itself has been making meaningful commercial and regulatory progress. The human-use product successfully passed EN 12791 clinical validation for surgical hand disinfection, opening hospital and surgical applications, while Cosmos has also expanded the brand through online and retail channels in the UK. The veterinary version therefore becomes another way to monetize a formulation, brand and manufacturing infrastructure that Cosmos has already invested in creating.

The market Cosmos is entering is substantial. Grand View Research estimates the overall global animal health market at approximately $68.7 billion in 2025, rising to $75.3 billion in 2026 and potentially reaching $156 billion by 2033, representing an estimated compound annual growth rate of approximately 11%. Growth is being supported by higher animal-health spending, greater attention to diseases, increased pet insurance penetration, changing regulations and the continuing trend toward treating companion animals as members of the family.

The companion-animal portion of the market is particularly interesting for C-ScrubVet. Grand View estimates the global companion animal health market at $25.5 billion in 2025 and $27.9 billion in 2026, with the market potentially reaching $56.4 billion by 2033. Dogs accounted for approximately 40% of the market in 2025. Other recent industry estimates similarly point toward sustained growth in spending on veterinary pharmaceuticals and preventive animal healthcare.

We see several structural reasons this market could remain attractive. Pet ownership and the "humanization" of pets have increased owners' willingness to spend on animal health. At the same time, veterinary clinics are placing greater emphasis on infection prevention and preventive healthcare. The livestock side of the market creates another potentially large opportunity because animal health and hygiene can have direct economic consequences for producers through disease prevention, animal productivity and food-supply protection. Research and Markets estimates that the broader animal health market could expand from roughly $52.4 billion in 2025 to $71.8 billion by 2030 under its somewhat more conservative market definition.

For Cosmos, however, the key issue is not whether it captures a large percentage of a $69 billion-plus market. It does not need to. Given Cosmos Health's current size, even a very small share of the veterinary antimicrobial and hygiene opportunity could become financially meaningful. The more important question will be whether management can use its existing UK and European distribution relationships to establish C-ScrubVet efficiently and then expand the brand into veterinary clinics, pet retailers and additional countries.

This is where we see the launch fitting in exceptionally well with the broader Cosmos strategy. Management has increasingly pursued a "platform" approach in which the company's manufacturing and distribution infrastructure supports multiple products and revenue streams. Cana Laboratories manufactures both for Cosmos and third parties. CosmoFarm distributes through an expanding pharmacy network. Decahedron provides an established UK presence. Cosmos is simultaneously expanding proprietary brands such as Sky Premium Life and C-Scrub while developing its 18 Series of clinically supported nutraceutical products for the U.S. market. C-ScrubVet adds animal health without requiring Cosmos to abandon or materially alter this infrastructure.

The veterinary expansion illustrates the potential economic value of vertical integration. A company that simply owned a consumer healthcare brand might need to outsource formulation, manufacturing, regulatory work and distribution when entering a new category. Cosmos already controls many of those functions. C-ScrubVet is manufactured at Cana, can leverage the C-Scrub formulation and quality systems, and can initially use e-commerce and the company's existing UK presence before moving into more specialized veterinary channels. If sales scale, the incremental economics could therefore become more attractive because much of the underlying infrastructure already exists.

The timing also appears favorable because the veterinary launch is occurring against a backdrop of accelerating growth in Cosmos's core operations. Second-quarter 2026 revenue reached a record $18.99 million, up 28.8% year over year, while first-half revenue increased 29.7% to $36.91 million. Adjusted Q2 gross profit increased 58.4%, and adjusted gross margin expanded 165 basis points to 9.54%. Operating expenses increased only 16.5% during the quarter, substantially slower than revenue growth, providing evidence of improving operating leverage.

We believe the C-ScrubVet launch strengthens the longer-term COSM investment story. It demonstrates a potentially repeatable model: develop or acquire an asset, manufacture it internally, obtain the necessary certifications, distribute it through existing channels, and then extend the product into additional geographies and market categories. In this case, Cosmos has effectively taken an antimicrobial platform developed for human healthcare and created an entry point into a global animal-health market approaching $70 billion and growing at an attractive rate.

The opportunity becomes especially interesting when viewed alongside Cosmos Health's other initiatives. The company is simultaneously expanding pharmaceutical distribution, building Cana's contract manufacturing backlog, growing proprietary nutraceutical brands, entering the U.S. with its 18 Series, expanding C-Scrub into hospital and surgical settings, and now commercializing C-ScrubVet in animal health. Management has established ambitious 2029 targets of approximately $200.6 million in revenue and $44.2 million in adjusted EBITDA. C-ScrubVet is specifically identified by the company as one of several potential catalysts supporting that longer-term outlook.

We seen the reason investors should consider COSM as increasingly based on the cumulative effect of multiple growth engines rather than the success of any single product. C-ScrubVet by itself is unlikely to transform Cosmos overnight, and investors should not assume that the enormous size of the animal-health market automatically translates into significant COSM revenue. What makes the launch attractive to us is the relatively capital-efficient manner in which Cosmos appears to be entering the market. It is leveraging an existing formulation, an existing brand, existing certifications and regulatory capabilities, an established UK commercial presence and, most importantly, its own manufacturing facility.

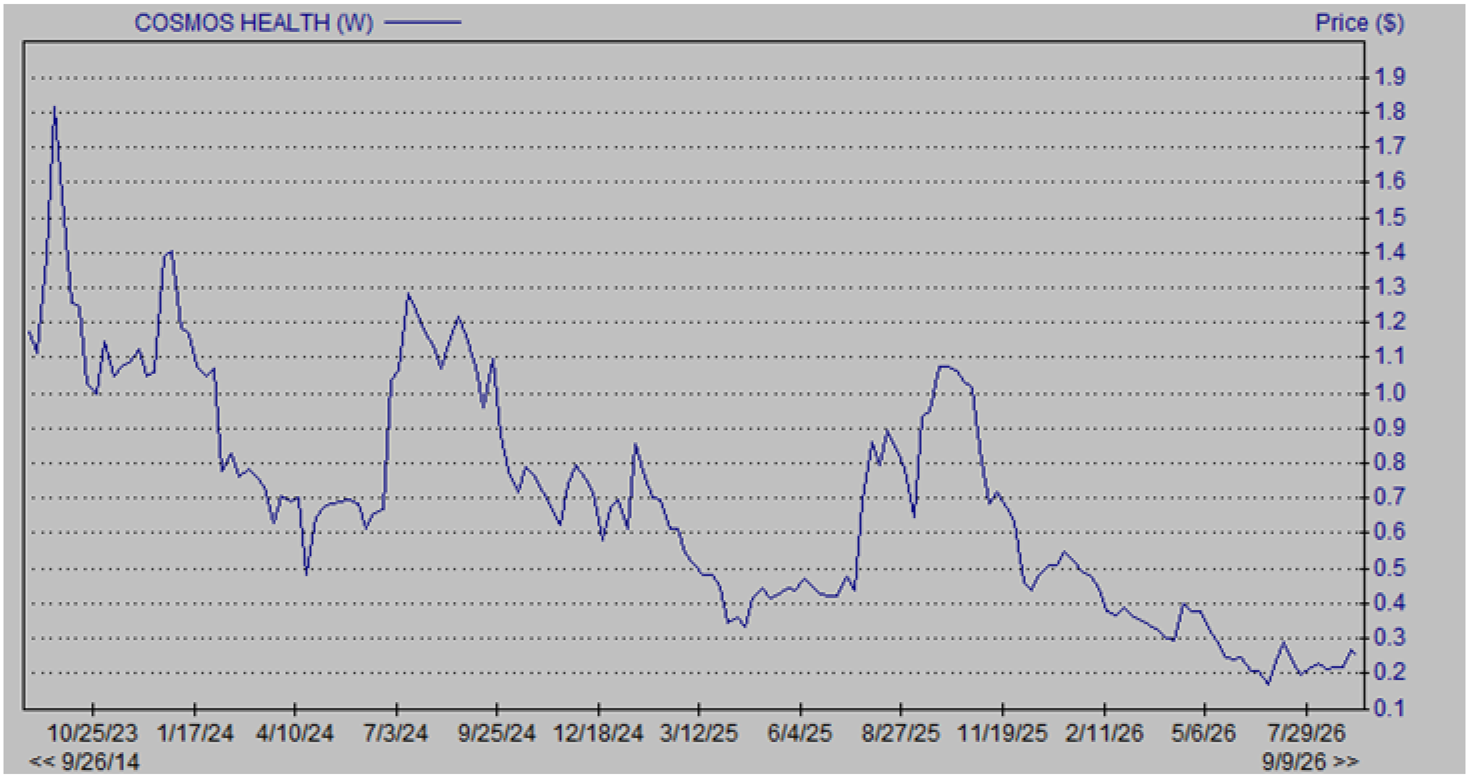
For investors willing to accept the considerable execution and small-cap risks, the C-ScrubVet launch is another encouraging piece of evidence that Cosmos Health's collection of manufacturing, distribution and proprietary-brand assets can be used as a unified growth platform. The immediate revenue contribution may initially be modest, but the strategic importance is considerably larger: Cosmos has opened a new commercial vertical in a rapidly expanding global healthcare market while utilizing infrastructure it already owns. If initial UK sales translate into broader European distribution and eventual penetration of veterinary and retail channels, C-ScrubVet could develop into another meaningful contributor to Cosmos Health's increasingly diversified growth story and we believe worth serious consideration by investors.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Cosmos Health Income Statement and Balance Sheet

	2024A	1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026A	3Q2026E	4Q2026E
Revenues	54,426,402	13,712,528	14,745,702	17,110,425	19,703,160	17,927,892	18,986,376	20,885,014	22,973,515
Cost of Goods Sold	50,115,079	11,662,729	13,581,888	14,507,807	17,623,816	16,546,721	17,474,714	16,290,311	17,230,136
Gross Profit	4,311,323	2,049,799	1,163,814	2,602,618	2,079,344	1,381,171	1,511,662	4,594,703	5,743,379
Operating Expenses									
General and administrative	(11,733,237)	(1,478,702)	(1,490,485)	(2,040,341)	(10,609,632)	(1,800,162)	(2,066,053)	(1,836,165)	(2,107,374)
Salaries and wages	(5,693,436)	(1,040,019)	(1,868,443)	(1,919,950)	(1,949,866)	(1,397,657)	(1,855,257)	(1,873,810)	(1,892,548)
Sales and marketing	(354,969)	(28,155)	(21,706)	(64,794)	(35,585)	(19,352)	(98,226)	(108,049)	(118,853)
Research and development	(533,293)	(15,629)	(74,637)	(18,337)	(410,760)	0	(68,552)	(75,407)	(82,948)
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)	(349,181)	(359,656)	(370,446)
Total Operating Expenses	(19,856,153)	(2,882,944)	(3,809,133)	(4,421,333)	(13,485,769)	(3,565,350)	(4,437,269)	(4,253,087)	(4,572,169)
Other income and (expenses)									
Interest income	406,449	91,326	105,787	100,698	98,602	46,673	45,741	46,656	47,589
Interest expense	(1,012,314)	(187,107)	(388,814)	(669,150)	(654,801)	(423,229)	(602,364)	(542,128)	(487,915)
Other income, net	(32,323)	110,829	100,278	(2,965,723)	1,816,691	(244,688)	(2,604,292)	(2,708,464)	(2,708,464)
Total other (income) and expenses, net	(638,188)	15,048	(182,749)	(3,534,175)	1,260,492	(621,244)	(3,160,915)	(3,203,935)	(3,148,790)
Gain/(Loss) from before income taxes	(16,183,018)	(818,097)	(2,828,068)	(5,352,890)	(10,145,933)	(2,805,423)	(6,086,522)	(2,862,320)	(1,977,580)
Income Taxes	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)	(6,086,522)	(2,862,320)	(1,977,580)
Deemed Dividends	(6,195,024)	0	0	0					
Foreign currency translation adjustment	(1,715,087)	1,031,268	1,562,470	255,263	2,466,434	(295,061)	(54,802)	0	0
Total Comprehensive Gain/(Loss)	(24,093,129)	213,171	(1,265,598)	(5,097,627)	(7,679,499)	(3,100,484)	(6,141,324)	(2,862,320)	(1,977,580)
Basic and diluted loss per share	$ (1.17)	$ (0.03)	$ (0.10)	$ (0.17)	$ (0.33)	$ (0.06)	$ (0.10)	$ (0.05)	$ (0.03)
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	59,923,199	58,923,199	57,923,199
Assets									
Current Assets:									
Cash	315,105	742,881	655,503	889,441	715,674	514,702	1,800,949	1,854,977	1,910,627
Restricted Cash	-	-	-	3,744,219	2,744,219	1,644,219	644,219	-	-
Accounts Receivable	14,708,571	15,673,910	16,905,141	19,637,469	22,072,800	20,552,592	21,241,737	21,454,154	21,668,696
Securities and other current assets	21,148	25,278	30,266	33,178	46,158	34,225	37,464	38,963	40,521
Inventory	4,355,365	4,736,222	5,110,947	5,683,662	5,778,142	5,650,458	4,518,560	4,654,117	4,793,740
Loan Receivable	1,171,946	1,435,116	1,431,298	1,834,777	487,638	485,191	487,579	492,455	497,379
Prepaid Expenses	4,889,213	5,231,592	6,429,156	6,281,543	6,543,625	8,007,935	7,938,187	8,017,569	8,097,745
Total Current Assets	25,461,348	27,844,999	30,562,311	38,104,289	38,388,256	36,889,322	36,668,695	36,512,235	37,008,708
Property, Plant and Equipment, net	9,689,505	10,016,068	10,820,391	10,664,820	10,578,858	10,280,203	10,140,150	10,342,953	10,549,812
Goodwill and intangible, net	7,756,534	7,808,529	8,225,361	7,960,633	7,569,695	7,225,011	6,965,934	6,826,615	6,690,083
Digital Assets	-	-	-	1,000,057	1,411,084	2,068,645	1,664,501	3,329,002	6,658,004
Other assets	11,404,505	11,528,348	12,227,497	11,762,959	7,529,625	5,905,830	6,022,674	5,962,447	5,902,823
Total Assets	54,311,892	57,197,944	61,835,560	69,492,758	65,477,518	62,369,011	61,461,954	62,973,252	66,809,430
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	14,496,222	14,641,184	14,787,596
Accrued Interest	221,820	255,192	345,406	521,843	786,497	871,960	801,403	809,417	817,511
Lines of Credit	6,985,052	7,305,377	8,161,845	7,584,786	9,177,684	7,856,208	8,745,807	7,871,226	7,084,104
Notes/loans Payable	2,565,232	2,774,735	3,167,072	3,584,928	4,341,049	2,123,322	3,555,772	3,484,657	3,414,963
Other current liabilities	3,558,375	3,963,167	6,060,275	12,165,826	7,340,138	8,408,244	7,243,504	7,605,679	7,985,963
Total Current Liabilities	25,757,540	26,585,987	31,166,561	38,534,317	38,271,844	34,076,835	34,842,708	34,412,163	34,090,138
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	3,036,978	3,067,348	3,098,021
Operating/Fin. Lease--long-term	501,797	468,697	453,442	427,813	373,473	463,388	432,422	436,746	441,114
Other liabilities	1,959,193	2,097,008	1,930,066	1,684,282	2,555,735	1,878,132	2,475,363	2,401,102	2,329,069
Total long-term liabilities	4,021,423	4,654,245	4,437,365	7,823,557	8,781,045	8,465,817	5,944,763	5,905,196	5,868,204
Total liabilities	29,778,963	31,240,232	35,603,926	46,357,874	47,052,889	42,542,652	40,787,471	40,317,359	39,958,342
Stockholders Equity									
Common stock	23,689	27,285	29,804	31,956	41,154	49,868	83,409	85,077	86,779
Additional Paid-in capital	141,583,625	142,785,641	144,328,641	146,327,367	152,136,404	156,629,904	164,098,808	163,940,207	162,279,246
Subscription receivable	(20)	(20)	(20)	(20)	-	-	-	-	-
Treasury stock	(917,159)	(917,159)	(917,159)	(917,159)	(917,159)	(917,159)	(1,430,156)	(917,159)	(917,159)
Accumulated Deficit	(114,022,275)	(114,840,372)	(117,668,440)	(123,021,330)	(133,167,273)	(135,972,696)	(142,059,218)	(140,435,708)	(134,582,907)
Accumulated other comp. income	(2,134,931)	(1,103,663)	458,808	714,070	331,503	36,442	(18,360)	(16,524)	(14,872)
Total stockholders equity	24,532,929	25,951,712	26,231,634	23,134,884	18,424,629	19,826,359	20,674,483	22,655,893	26,851,087
Total liabilities and stockholder equity	54,311,892	57,191,944	61,835,560	69,492,758	65,477,518	62,369,011	61,461,954	62,973,252	66,809,430

HISTORICAL STOCK PRICE



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