

Zacks Small-Cap Research

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Cosmos Health

(COSM-NASDAQ)

COSM: More Evidence of 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 announced initial sales results from their recently introduced US subscription business. Initial signs are extremely encouraging and show accelerating growth prospects.

Current Price (10/13/26) \$0.38
Valuation **\$4.50**

SUMMARY DATA

52-Week High \$1.25
52-Week Low \$0.17
One-Year Return (%) -65.03
Beta 4.69
Average Daily Volume (sh) 4,217,964

Shares Outstanding (mil) 101
Market Capitalization (\$mil) \$39
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	17.3 E	44.9 E.	80.8 E
2027	26.1 E	27.9 E	22.0 E	52.0 E	128.0 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	-0.06 E	0.06 A	-0.22 E
2027	0.00 E	0.01 E	0.03 E	0.03 E	0.07 E

UPDATE

Cosmos Health (NASDAQ: COSM) continues to demonstrate meaningful progress in transforming its business into a diversified, vertically integrated healthcare company with expanding international operations, proprietary consumer health products, and increasingly attractive recurring revenue opportunities. Two announcements released on October 13 and October 14 provide further evidence to us that management's strategy to build a direct-to-consumer business in the United States is gaining traction at an impressive pace. The combination of accelerating daily sales, rapidly increasing subscription adoption, and expanding customer relationships suggests that Cosmos is developing a potentially significant new growth engine that could contribute meaningfully to revenue, profitability, and shareholder value.

Cosmos Health operates across several complementary healthcare segments, including pharmaceutical distribution, contract manufacturing, proprietary nutraceuticals, and consumer health products. Through subsidiaries such as Cana Laboratories, SkyPharm, and CosmoFarm, the company has established an integrated infrastructure that provides manufacturing capabilities, established distribution networks, and opportunities to introduce higher-margin proprietary products. Its portfolio includes Sky Premium Life, Mediterranean, NOOR Collagen, and the innovative 18 Series of nutraceuticals. Management has increasingly focused on leveraging these capabilities to expand its presence in the large U.S. consumer wellness market, where direct sales and subscriptions offer the opportunity to establish stronger customer relationships and generate more predictable revenue.

The company's October 13 announcement provides encouraging evidence of the success of this strategy. Cosmos reported that U.S. direct-to-consumer sales reached a record of more than \$92,000 on October 11, while sales during the preceding 30 days totaled approximately \$902,000. Perhaps more importantly, average daily sales exceeded \$60,000 during the most recent 10-day period, approximately double the \$30,000 daily average recorded over the full 30 days. This acceleration is evidence to us that the company's investment in brand awareness, digital marketing, and its online sales platform is beginning to produce meaningful results.

At the latest 10-day sales pace, Cosmos would generate approximately \$21.9 million in annualized U.S. direct-to-consumer sales, approaching management's previously announced objective of more than \$23 million in annual U.S. product revenue within 12 to 18 months. Although this annualized figure is an illustration rather than a revenue forecast, we believe the fact that the company is already approaching its stated target on a short-term run-rate basis is an encouraging indication of the potential of the U.S. strategy. Sustaining that momentum would make the U.S. market an increasingly important contributor to the company's overall growth.

The October 14 announcement adds another important data point to this growth story by demonstrating the rapid adoption of the company's subscription business. Cosmos reported reaching 6,287 active U.S. subscriptions, substantially all of which were added since mid-September, despite the subscription model having been introduced only in July. Of the 10,881 online checkout orders tracked by its subscription management platform, 60.5% included a subscription, with adoption exceeding 75% in recent days. These figures indicate that customers are increasingly choosing recurring purchases rather than relying solely on individual transactions.

Equally encouraging to us is the size of these subscriptions. Management reported that the company's active subscriptions represented 12,408 subscription lines and 14,793 product units, averaging approximately 2.4 units per subscription. At standard renewal prices, the company's active subscriptions

carried an aggregate monthly value of approximately \$920,000. This represents a potentially meaningful recurring revenue opportunity for a business that is still in the early stages of developing its U.S. subscription platform. We want to note that this figure is not recognized monthly revenue or a guaranteed revenue stream; actual results will depend on renewals, cancellations, and customer retention but we believe it illustrates the commercial potential of the subscriber base already established.

We see the strategic significance of these developments as moving beyond the immediate sales figures. By selling directly to consumers, Cosmos gains greater control over pricing, marketing, and customer engagement while reducing its dependence on traditional distribution channels. Subscription relationships can increase customer lifetime value, improve revenue visibility, and create opportunities to introduce additional products to existing customers. As subscription volumes increase, the company may also benefit from operating leverage, spreading technology, marketing infrastructure, and administrative costs across a growing revenue base.

These developments also reinforce the vision of CEO Greg Siokas and his management team. Rather than relying exclusively on its established pharmaceutical distribution and manufacturing operations, Cosmos is using those businesses as a foundation for a broader, technology-enabled consumer healthcare platform. The U.S. market provides an opportunity to demonstrate the model's effectiveness before potentially expanding it across additional proprietary brands and international markets. Management has also outlined plans for a more personalized subscription experience incorporating nutrition consultations and artificial intelligence, potentially strengthening customer engagement and encouraging repeat purchases.

Importantly, the company's U.S. progress is occurring alongside broader operational growth. Cosmos recently reported preliminary revenue of \$54.3 million for the first nine months of 2026, representing a 19% increase over the comparable 2025 period, and reaffirmed its expectation that full-year revenue will exceed \$90 million. The rapidly expanding U.S. business provides another potential source of growth as management works toward that objective.

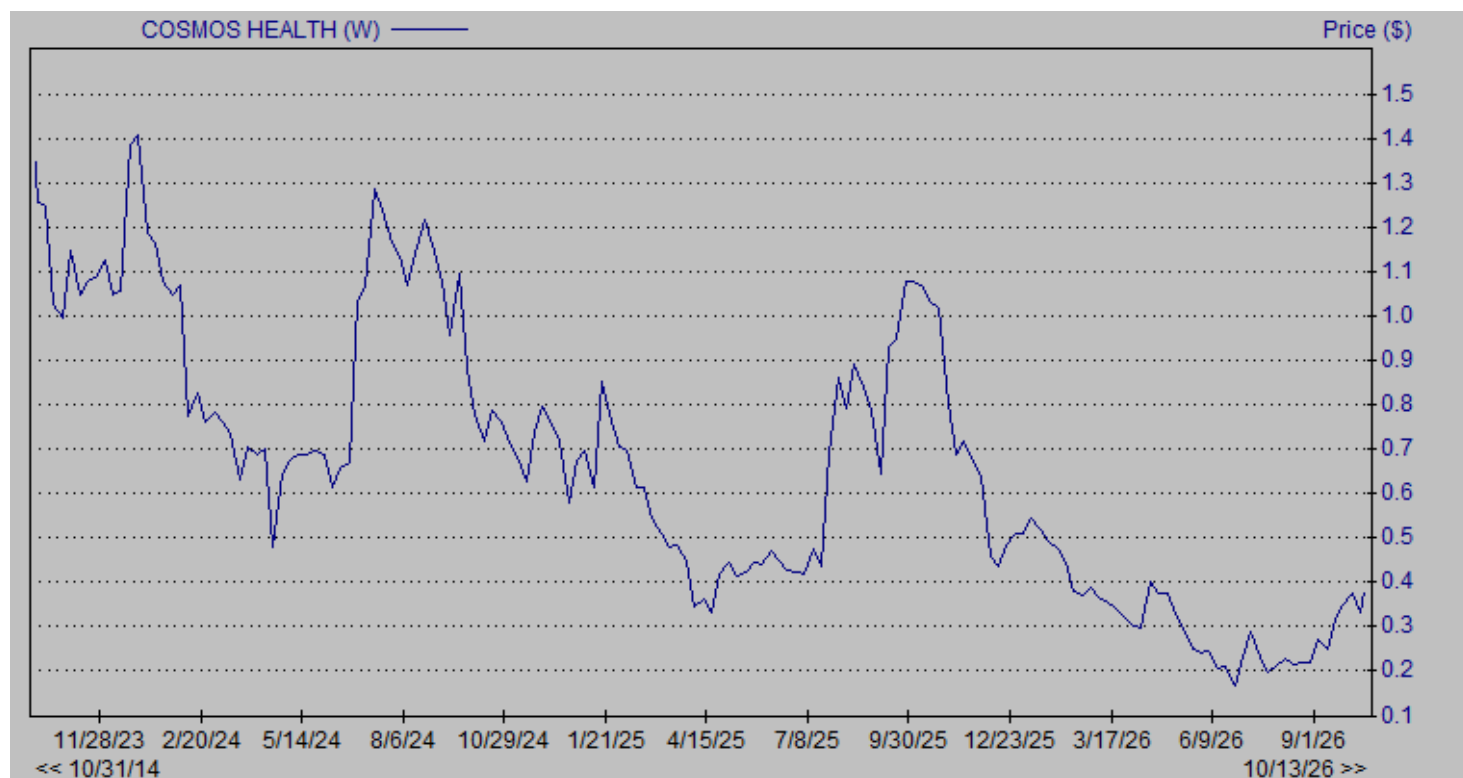
For investors in COSM, the October 13 and 14 announcements should be especially encouraging because they provide measurable evidence that management's expansion strategy is progressing beyond product launches and long-term projections into tangible commercial activity. The acceleration in direct-to-consumer sales demonstrates growing demand, while the rapid increase in subscriptions suggests an opportunity to turn initial purchases into recurring customer relationships.

Although the subscription platform remains relatively young and its longer-term retention rates and profitability have yet to be established, the early results are very promising. Cosmos continues to demonstrate to us that its proprietary product portfolio, manufacturing capabilities, and digital distribution strategy can work together to support a more scalable business model. With accelerating U.S. sales, increasing subscription adoption, and opportunities to extend the platform across brands and markets, the latest announcements strengthen the positive investment case and provide additional evidence that management's vision for building a larger, more diversified, and potentially higher-margin global healthcare company is beginning to take shape and we urge investors to take a look at COSM at the beginning stages of this acceleration in growth.

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	17,277,602	44,925,215	
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	13,476,530	33,693,911	
Gross Profit	4,311,323	2,049,799	1,163,814	2,602,618	2,079,344	1,381,171	1,511,662	3,801,072	11,231,304	
Operating Expenses										
General and administrative	(1,733,237)	(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	(291,880)	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)	(3,655,950)	3,510,345	
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)	(6,086,522)	(3,655,950)	3,510,345	
Deemed Dividends	(6,195,024)	0	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)	(3,655,950)	3,510,345	
Basic and diluted loss per share	\$ (1.17)	\$ (0.03)	\$ (0.10)	\$ (0.17)	\$ (0.33)	\$ (0.06)	\$ (0.10)	\$ (0.06)	\$ 0.06	
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	23,461,348	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	6,690,615	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	6,885,052	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	23,577,540	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	14,158,625	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	(11,402,275)	(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	25,957,712	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	57,197,944	61,835,560	69,492,758	65,477,518	62,369,011	61,461,954	62,973,252	66,809,430	

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