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Zacks Small-Cap Research

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Cosmos Health (COSM-NASDAQ)

COSM: US Business Growth Continues

COSM is a growing healthcare company that has a broad revenue base and an expanding pharmaceutical business. Using DCF analysis, we value COSM at $9.00 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 an exciting update on its US ecommerce business and initiated a reverse stock split.

Current Price (11/13/26)	$3.30
Valuation	**$9.00**

SUMMARY DATA

52-Week High	**$14.60**
52-Week Low	**$3.30**
One-Year Return (%)	**-71.43**
Beta	**4.73**
Average Daily Volume (sh)	**230,452**
Shares Outstanding (mil)	**2.9**
Market Capitalization ($mil)	**$10**
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	-1.24 E	-1.80 E	-3.20 E
2027	0.00 E	0.01 E	0.10 E	0.20 E	0.31 E

*numbers reflect 2026 reverse stock spit

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UPDATE

Cosmos Health (COSM) continues to demonstrate encouraging progress in its transformation into a more diversified, higher-growth global healthcare company. Its latest verified business announcement provides additional evidence of the rapid expansion of its U.S. direct-to-consumer subscription business, an initiative that could materially improve the company's revenue mix, profitability, and long-term financial performance. At the same time, Cosmos has implemented a 1-for-20 reverse stock split, a corporate action that could help support its Nasdaq listing and provide a more stable foundation for pursuing its growth strategy.

Although reverse stock splits often create uncertainty for investors, the important distinction for Cosmos that we want to make is that the corporate restructuring is occurring alongside measurable improvements in its underlying business. The company's expanding U.S. subscription operations, established pharmaceutical distribution network, growing contract manufacturing business, and international proprietary brands provide multiple avenues for future revenue growth.

Cosmos Health is a vertically integrated healthcare company with operations spanning pharmaceutical distribution, contract manufacturing, branded nutritional supplements, and digital healthcare. Its CosmoFarm distribution business serves more than 1,500 pharmacies, while Cana Laboratories provides pharmaceutical manufacturing capabilities. The company also markets proprietary healthcare products internationally and has increasingly emphasized direct-to-consumer e-commerce as a means of establishing higher-margin, recurring revenue streams.

U.S. Subscription Growth Provides an Important New Revenue Engine

The latest announcement highlights the remarkable early growth of Cosmos' U.S. subscription platform, which launched in July and began scaling aggressively in mid-September.

As of October 31, Cosmos reported 12,532 active U.S. subscriptions, representing a net increase of 11,544 during October alone. These subscriptions represented approximately 29,500 product units and generated $1.83 million in monthly subscription value, equivalent to approximately $22 million on an annualized basis.

This is a very encouraging development to us because it demonstrates how quickly Cosmos has been able to establish a recurring customer base in the United States. Rather than depending entirely on individual purchases, the subscription model creates ongoing relationships in which customers receive products regularly, potentially improving revenue visibility, customer lifetime value, and the efficiency of future marketing expenditures.

Actual U.S. e-commerce sales during October totaled approximately $1.67 million, including $1.02 million attributable to subscriptions, meaning recurring purchases accounted for roughly 61% of monthly online sales. The company also reported approximately 19,100 orders from 234,500 online store sessions, demonstrating meaningful consumer engagement with its digital platform.

Importantly, the $22 million annualized subscription value represents the current subscription base valued at standard renewal pricing rather than revenue already earned or guaranteed future sales. Actual recurring revenue will depend on customer retention, successful renewals, and other operating factors. Nevertheless, the rapid accumulation of subscriptions provides encouraging evidence that Cosmos' direct-to-consumer strategy is gaining traction.

We believe this changing revenue mix could become an important driver of operating leverage. As Cosmos develops a larger subscription base, the costs associated with digital infrastructure, fulfillment, marketing, and administration may be distributed across a growing volume of customer orders. If customer retention remains strong and acquisition costs are controlled, incremental subscription revenue could contribute disproportionately to operating profitability.

Reverse Stock Split Could Help Support the Company's Next Phase

Effective November 13, Cosmos implemented a 1-for-20 reverse stock split, consolidating every 20 existing common shares into one post-split share.

From our perspective, the action will help Cosmos address Nasdaq's minimum bid price requirements, support continued exchange listing, and potentially make its shares more accessible to investors whose investment guidelines discourage ownership of very low-priced securities.

Maintaining its Nasdaq listing is especially important for a company pursuing expansion, as exchange visibility can support liquidity, institutional awareness, and access to capital markets.

Broader Growth Strategy Reinforces the Investment Opportunity

The positive developments in U.S. e-commerce are part of a broader effort by management to build a diversified healthcare business with multiple complementary revenue sources.

Cosmos previously announced preliminary revenue of approximately $54.3 million for the first nine months of 2026, representing 19% growth over the prior-year period. Management has reaffirmed its expectation that full-year revenue will surpass $90 million, implying approximately 38% annual growth and a particularly strong fourth quarter.

Meanwhile, Cana Laboratories has built a contract manufacturing pipeline exceeding 32.7 million units, while CosmoFarm continues expanding pharmaceutical distribution volumes. The company's branded products are marketed in more than 40 countries, providing international diversification alongside its rapidly growing U.S. operations.

Management has also established longer-term financial targets, including $200.6 million in annual revenue and $44.2 million in adjusted EBITDA by 2029. These ambitious projections depend on successful execution and should not be interpreted as assured outcomes. Nevertheless, they illustrate management's intention to transition Cosmos toward a significantly larger and more profitable operating structure.

Perhaps the most attractive element of this strategy in our view is the combination of established distribution and manufacturing capabilities with a rapidly expanding direct-to-consumer business. The existing operations provide product development, production, sourcing, and distribution infrastructure, while the e-commerce platform creates opportunities for higher-margin sales and recurring customer relationships.

Investment Outlook

Cosmos Health enters the final months of 2026 with encouraging operating momentum and several potential catalysts for continued growth. The rapid development of its U.S. subscription business is particularly meaningful because it provides evidence that management's strategy of increasing exposure to higher-margin, recurring revenue opportunities is beginning to produce tangible results.

The reverse stock split should be viewed primarily as a capital markets and listing-related measure rather than a reflection of deteriorating operating fundamentals. While the transaction introduces certain

shareholder considerations, including the potential for volatility and future dilution, it also occurs at a time when the company is reporting expanding sales, strong subscription growth, and ambitious plans for further development.

The company's ability to convert its expanding subscription base into sustained revenue, positive cash flow, and improving earnings margins will ultimately determine the success of this transformation. Customer retention, marketing efficiency, and the achievement of management's fourth-quarter financial targets will be particularly important indicators.

For investors, we believe the compelling aspect of Cosmos Health is the growing potential disconnect between the challenges reflected in its recent share-price history and the improvements taking place in its underlying business. A rapidly expanding U.S. subscription platform, established pharmaceutical operations, global distribution capabilities, and a strategy emphasizing higher-margin revenue provide opportunities for substantial operating improvement.

If Cosmos continues delivering on its growth objectives as we expect while maintaining financial discipline and limiting shareholder dilution, the company's improving business fundamentals could eventually support a meaningful reassessment of its investment value.

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	(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)	(3,655,950)	3,510,345
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)	(3,655,950)	3,510,345
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)	(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)	$ (1.24)	$ 1.80
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	2,946,160	1,946,160
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-PRE SPLIT



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