

Zacks Small-Cap Research

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M. Marin
312-265-9211
mmarin@zacks.com

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

Health in Tech Inc.

(HIT-NASDAQ)

HIT: Leveraging AI-Backed Technology to Generate Efficiencies & Gain Market Share Amid Broader Industry Digital Transition; Initiating Coverage

Health in Tech operates an online marketplace designed to make it easier for small businesses to obtain affordable self-funded benefits plans and stop loss insurance. As the industry shift to digital continues, HIT provides end-to-end SaaS tools for a range of solutions, including self-funded benefits, which traditionally have been designed primarily for large corporations.

Current Price (3/25/25) \$0.77
Valuation \$2.00

OUTLOOK

Leveraging AI-backed technology, HIT can shorten the time required to process insurance underwritings dramatically. Bindable quotes for small employers can be generated in ~2 minutes, compared to up to 2 weeks under the traditional underwriting process. Following a recent business unit realignment, HIT expects to continue to scale its business and expand its distribution channels to target medium sized businesses, which represents a sizable potential market opportunity that HIT believes is under-served. In fact, at ~ \$5.7m, Jan.-Feb. '25 revenue represents 50+% growth vs. the same period of 2024 & exceeds full quarter 1Q24 revenue.

SUMMARY DATA

52-Week High \$7.46
52-Week Low \$0.64
One-Year Return (%) N/A
Beta N/A
Average Daily Volume (sh) 3,677,858

Shares Outstanding (mil) 54
Market Capitalization (\$mil) \$45
Short Interest Ratio (days) N/A
Institutional Ownership (%) N/A
Insider Ownership (%) N/A

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 2025 Estimate N/A

P/E using 2026 Estimate N/A

Risk Level High
Type of Stock Small-Growth

ZACKS ESTIMATES

Revenue (in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	4 A	5 A	5 A	5 A	19 A
2024	5 A	5 A	4 A	5 A	19 A
2025	7 E	6 E	5 E	5 E	23 E

EPS or Loss Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	0.01 A	0.01 A	0.01 A	0.02 A	0.05 A
2024	0.01 A	0.01 A	0.01 A	-0.01 A	0.01 A
2025	0.02 E	0.02 E	0.01 E	0.01 E	0.06 E

Quarters might not sum due to rounding & share counts

Disclosures on page 18

KEY POINTS

- Insurance technology company Health in Tech operates an online marketplace designed to make it easier for small business – a market segment HIT believes is underserved – to obtain affordable self-funded benefits plans and stop loss insurance. As the overall insurance industry shift to digital continues, HIT provides end-to-end SaaS tools for a range of healthcare insurance solutions, including self-funded benefits, which traditionally have been designed primarily for large corporations.
- Leveraging its AI-backed technology, HIT can shorten the time required to process underwritings to a fraction of the time compared to the legacy manual underwriting process. Bindable quotes for small employers with fewer than 150 employees can often be generated in about two minutes, compared to up to two weeks for the traditional underwriting process.
- In 2024, the company realigned certain business operations, an action that temporarily interrupted underwriting activities. Going forward, HIT expects to continue to scale its business and intends to expand its distribution channels to target medium sized businesses.
- HIT's target SMB (small and medium-business) segment represents a sizable potential market opportunity. According to the SBA, small businesses with up to 500 employees comprised 99.9% of all U.S. businesses in 2022 and represented an estimated roughly 45% of U.S. GDP. Nevertheless, SMBs often have less access to affordable health insurance plans compared to those available to larger employers.
- HIT management has extensive industry experience. CEO Tim Johnson has served in that role since HIT was founded in 2014. He has more than 30 years of experience with business development and has founded multiple companies in the medical insurance sector before.

COMPANY OVERVIEW

Simplifying the insurance underwriting process...

Florida-headquartered Health in Tech (HIT-NASDAQ) is an insurance technology company operating an online marketplace platform designed to facilitate and improve the insurance underwriting process for healthcare insurance carriers, licensed brokers, third-party administrators (TPAs) and others. In turn, this is expected to make it easier for the clients they serve to obtain insurance plans that are appropriate for their organizations. The company's target market is comprised primarily of small- to medium businesses (SMBs), which HIT believes is a segment that is underserved by the broader insurance industry. Moreover, the complexity of navigating the insurance process often drives up costs unnecessarily and makes it difficult for customers – particularly smaller businesses – to find policies that are appropriate for their needs and risk profiles.

HIT provides enterprise SaaS (Software-as-a-Service) solutions for online processing and sales of insurance and benefit plans. Its third party AI-backed technology is designed to simplify the underwriting process and make it more transparent so that customers can make informed decisions regarding what plans work best for their organizations. Licensed brokers registered on the platform can log in to review offerings and select policy plans, upload the required data to obtain a bindable quote on what the plan will cost and then sell the plan to small businesses. Generally, the primary target market of small- to medium businesses cannot afford to underwrite insurance independently.

Moreover, HIT also offers plans that can be customized to meet the specific needs of SMB customers, as its technology platform offers a growing suite of solutions designed to meet the needs of a diverse client base. Moreover, the company believes it offers a wider range of insurance products and options for the small employers' self-funded benefits plans compared to what competitors offer. Through recent initiatives to expand its suite of product offerings, the company has added new carriers and make it easier for customers to find plans that are right for them.

...and completing underwritings in a fraction of the time...

Leveraging its technology platform, Health in Tech also can shorten the time required to process insurance underwritings. In fact, HIT's marketplace enables insurance companies to complete the underwriting process in a fraction of the time compared to traditional underwriting processed manually. By leveraging its technology to streamline the underwriting sales cycle, the company believes it can deliver and close deals for small business in about two minutes. By comparison, the company's competitors can often take up to two weeks to process and close underwritings, according to a Frost & Sullivan report. HIT can thereby leverage its technology platform to shorten the sales cycle compared to the traditional process that relies more heavily on manual processing.



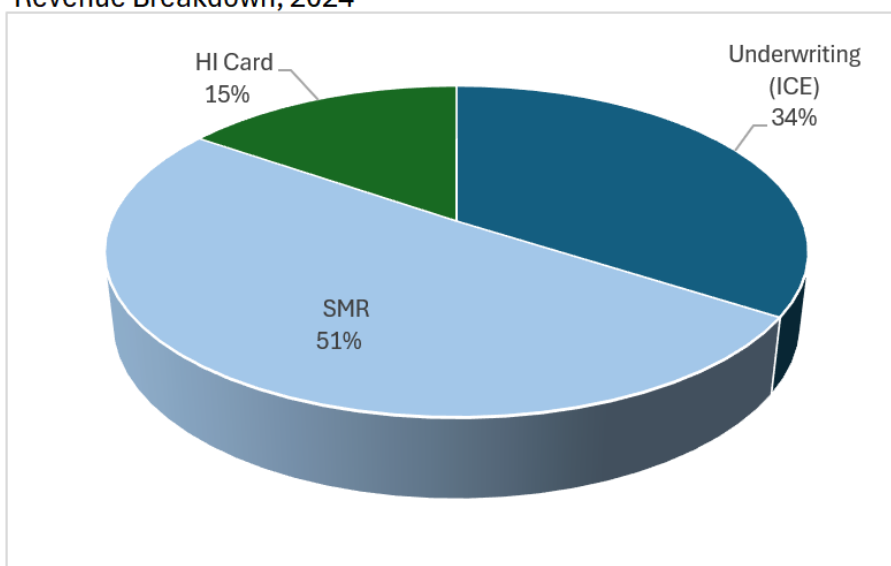
Source: [Company presentation](#)

HIT provides a broad and growing array of healthcare insurance products and software solutions. The company's platform is modular and therefore HIT expects to be able to scale the platform as it grows its customer base, as it expects it will. The company offers SMBs tools to create and support self-funded benefits plans.

Through its proprietary technology platform, HIT offers customizable solutions. Beyond policy underwriting and sales, the HIT marketplace offers customization of health benefits plans, vendors, claims, and network services. Brokers can select customized plans that suit their customers.

HIT delivers its services primarily through Stone Mountain Risk (SMR), International Captive Exchange (ICE), HI Card. HIT revenue is categorized in two segments: revenue from the underwriting model (ICE) and revenue from fees, which encompasses SMR and HI Card. In 2024, In 2024, SMR contributed 51% of total revenue, ICE contributed 34% and HI Card accounted for 15%, as illustrated below.

Revenue Breakdown, 2024



Source: Zacks from Company Data

As of December 31, 2024, the total policies sold by third-party agents using HIT's services neared \$172 million. This represented a decline from nearly \$191 million at year-end 2023, which the company attributes largely to its decision to realign certain business operations, which management notes temporarily interrupted its ability to process sales through the HIT marketplace. Going forward, HIT expects to continue to scale its business and intends to expand its distribution channel to target medium sized business employers. HIT believes the infrastructure it has established following the changes it implemented in 2024 and early 2025, including a recent management realignment, position the company for strong growth in 2025 and beyond. In fact, revenue in January-February 2025 came in at roughly \$5.7 million, according to HIT, which represents 50+% growth compared to the same period of 2024. Notably, this figure exceeded the full quarter revenue registered in 1Q24.

HIT PLATFORMS AND SERVICES

HIT offers a variety of tools on its platform in order to provide end-to-end solutions to support insurance underwriting. Its strategy is to expand the suite of products and software solutions it can offer the healthcare insurance industry. In addition, the company's strategy includes driving growth by continuing to add TPAs, MGUs, and brokers to its platforms. HIT also expects to launch new complementary products to expand its portfolio of solutions and offerings.

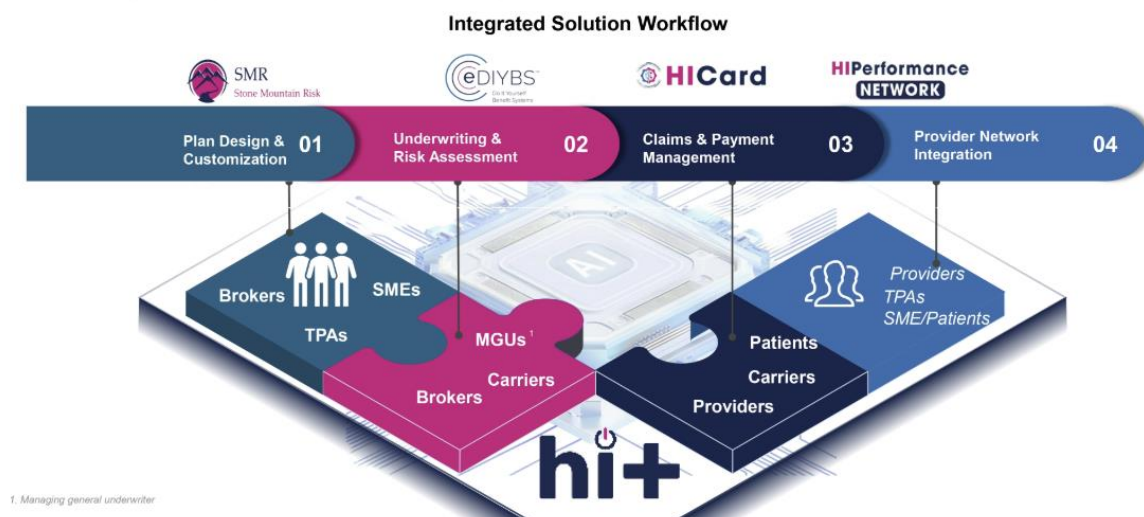
The company's founder, Tim Johnson, established SMR in December 2014 and SMR is now a wholly owned HIT subsidiary. He established HI Card LLC, which is also a wholly owned subsidiary of HIT, in March of 2017. HIT intends to continue investing in its technology to keep the platform scalable and customizable.

SMR

The company's SMR program designs self-funded benefits programs, primarily for small businesses. The technology can offer customized plan to meet employers' specific needs for self-funded benefits plans. SMR designs health plans - SMR works together with TPAs and licensed brokers to design health plans that are customized to meet the specific needs of the employers. It selects networks, manages the vendors and sets up the benefits plans on its marketplace. Features on HIT's marketplace include benefits structures, coverage options, and provider networks.

By logging into HIT's marketplace, licensed brokers can choose self-funded benefits plans to sell to small businesses. The company's offerings encompass reference-based pricing, group insurance captives, community health plans, and association health programs.

- A **primary exchange** aimed to make healthcare plans competitive through direct contracts, eliminating intermediaries.
- An **AI empowered platform** that underwrites and produce bindable insurance policies for about two minutes.



Source: [Company presentation](#)

ICE

ICE is a managing general underwriter (MGUs - which is an insurance agent or broker that underwrites and manages insurance programs for an insurer carrier). ICE MGUs specialize in underwriting and providing administrative functions for stop loss carriers, with risk criteria based on risk guidelines that the carriers provide. The company's strategy is to obtain competitive rates for low-risk small employers with comparatively healthy employees. By comparison, management believes that larger carriers generally provide less customized solutions and command standard premiums that are similar for the majority of their insured policyholders. ICE leverages HIT's web-based SaaS quoting platform, eDIYBS (Enhance Do It Yourself Benefit System – see below), to facilitate the policy underwriting process.

HI Card

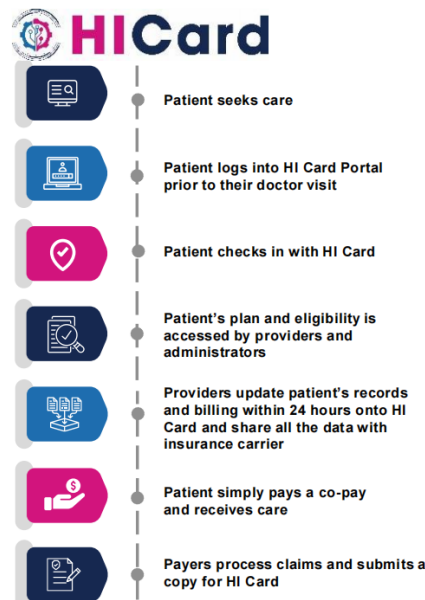
HI Card simplifies healthcare management by providing a platform that offers end-to-end solutions to streamline the management of medical records and claims and aggregate health-related information in a single secure and regulatory compliant platform where all health-related information is aggregated. The company believes it's platform supplies a venue where medical professionals can help employers assess and determine health solutions that are cost effective.

The company's platform facilitates secure and quick access to crucial health data for healthcare providers. Moreover, the platform offers users, which includes patients, healthcare providers, brokers and TPAs, among others, 24/7 access in one online location.

HI Card has developed a community health plan by partnering with hospitals. HI Card allows users to obtain health information, ranging from claims status and plan particulars to directories of in-network doctors. Such data includes health insurance plan specifics and policy holders' medical records and personal identification details.

The available data can be obtained by logging into the platform at their convenience. HIT also expects to lower the overall cost its users incur. The company targets offering substantially lower corporate health insurance premiums by leveraging its technology to automate the processes that traditionally have been performed manually.

- HI Card simplifies healthcare management with a unified platform for medical records and claims, offering 24/7 access to patients, providers, brokers, and TPAs.
- By partnering with hospitals nationwide, HI Card reduces corporate health insurance premiums through automation and self-funding mechanisms, cutting administrative costs and enhancing benefits.
- The platform provides secure, instant access to health data, plan details, claims, and directories, all with a single login.



Source: [Company presentation](#)

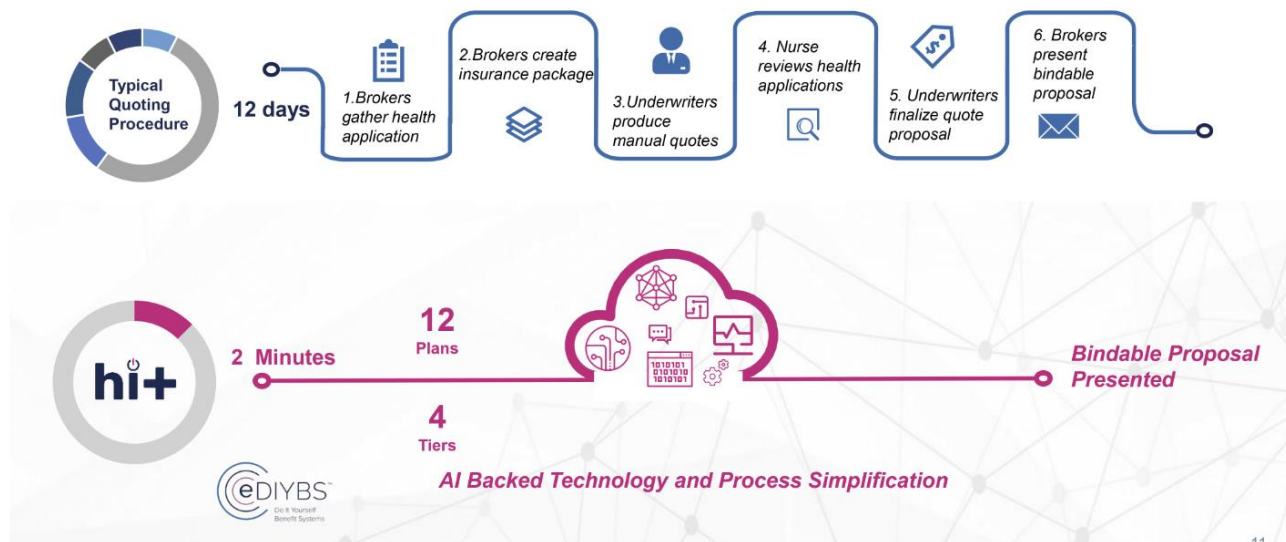
HI Card also provides clients with HIT's HI Performance Network (HPN), which encompasses a series of hospital facilities and providers that deliver Medicare-based reimbursement pricing. HPN provides direct Medicare contacts in 50 states with 10,489 hospitals, and 1,306,625 providers (as of December 31, 2024).

eDIYBS Solution

HIT's AI-backed eDIYBS platform is a healthcare underwriting and broker quoting system that simplifies and automates the manual quoting and plan development process. The company believes eDIYBS can mitigate the complexity and time that is generally associated with completing these functions manually. It offers a broad range of solutions to facilitate healthcare insurance underwriting and management. The eDIYBS quoting platform can be used to quote health insurance for small to medium sized employers. eDIYBS simplifies the underwriting process by integrating AI-backed solutions and using machine learning (ML). By comparison, the company believes the traditional underwriting process is generally highly manual and that the underwriter generally reviews health insurance applications for each employee manually in order to complete the process and provide healthcare insurance.

The company's platform allows licensed brokers to upload specific documents to eDIYBS in order to generate bindable quotes. Once third party vendors input data related to prospective policyholders into the company's eDIYBS platform, an internal risk scoring model generates a risk score using ML tools and calculates premiums within insurance underwriting guidelines and carriers' risk acceptance threshold.

In most cases, this streamlined approach reduces processing time to approximately two minutes for small business, compared to the traditional manual quoting model that involves sending multiple documents to underwriters for manual review, which can take several days to generate bindable quotes based on feedback received from brokers who engaged HIT for services. As noted, the company can leverage its technology to shorten processing time. **Approximately 80% of bindable quotes** are provided solely using AI without further manual review, as illustrated below. The company also believes its AI/ML enabled technology completes the process more efficiently and with fewer errors compared to manual processes.



Source: [Company presentation](#)

HIT's eDIYBS platform is free-to-use, which offers a pay upon success fee model coupled with efficiencies that HIT expects will attract more agencies to use its platforms. It also monitors and manages claims activities and also facilitates reinsurance reporting and monthly reinsurance filings.



Source: [Company presentation](#)

Strategy is to grow network and distribution channels and protect IP

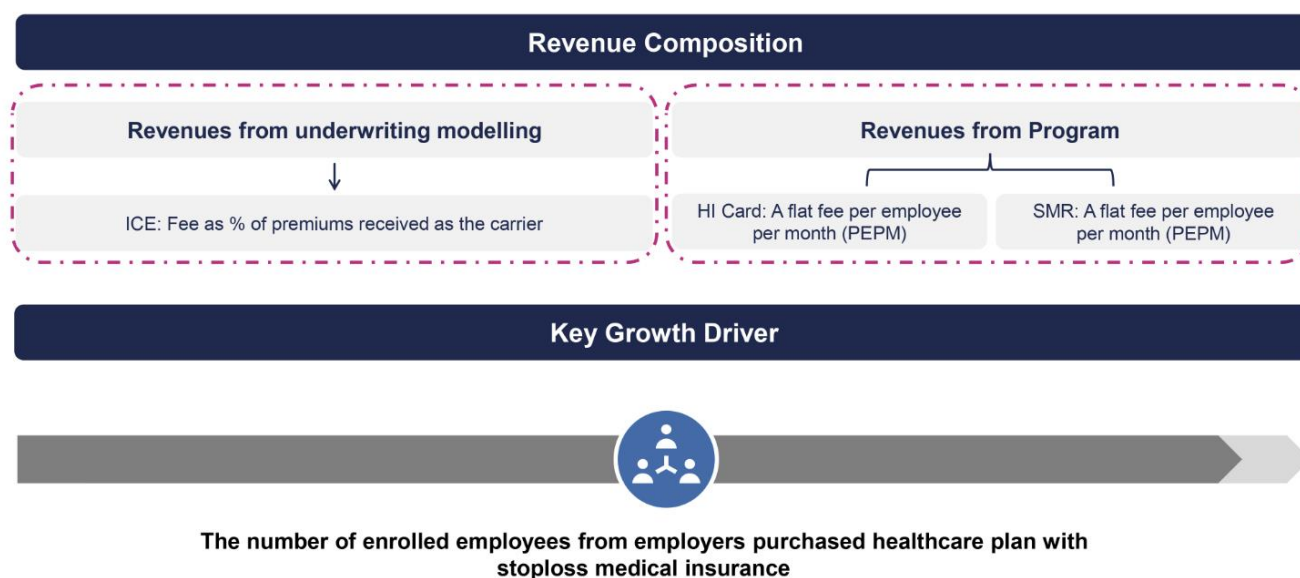
As of December 31, 2024, the company had clients in 41 states. Its services and platforms were actively used by more than 600 brokers, TPAs, and third-party agencies. To protect its intellectual property, the company has three registered trademarks, one patent, and one pending patent application. The company's patent covers its HI Card system which is used to store, process and access data. In addition, HIT has one patent application pending for DIYBS.

SMALL BUSINESSES REPRESENT SIZABLE POTENTIAL MARKET OPPORTUNITY

Growth driver: Number of Enrolled Employees in Medical Health Plans the company Bills

HIT's primary customers are small and medium businesses, as noted. These organizations generally employ from five to 150 employees. The company's service fee is billed on a monthly basis per enrolled employee (EE), with fees ranging from \$2 to \$35 based on which services the small business has opted for. The number of EEs insured via its platform is therefore considered a critical indicator of growth and market penetration.

Revenue Composition and Key Growth Driver



Source: [Company presentation](#)

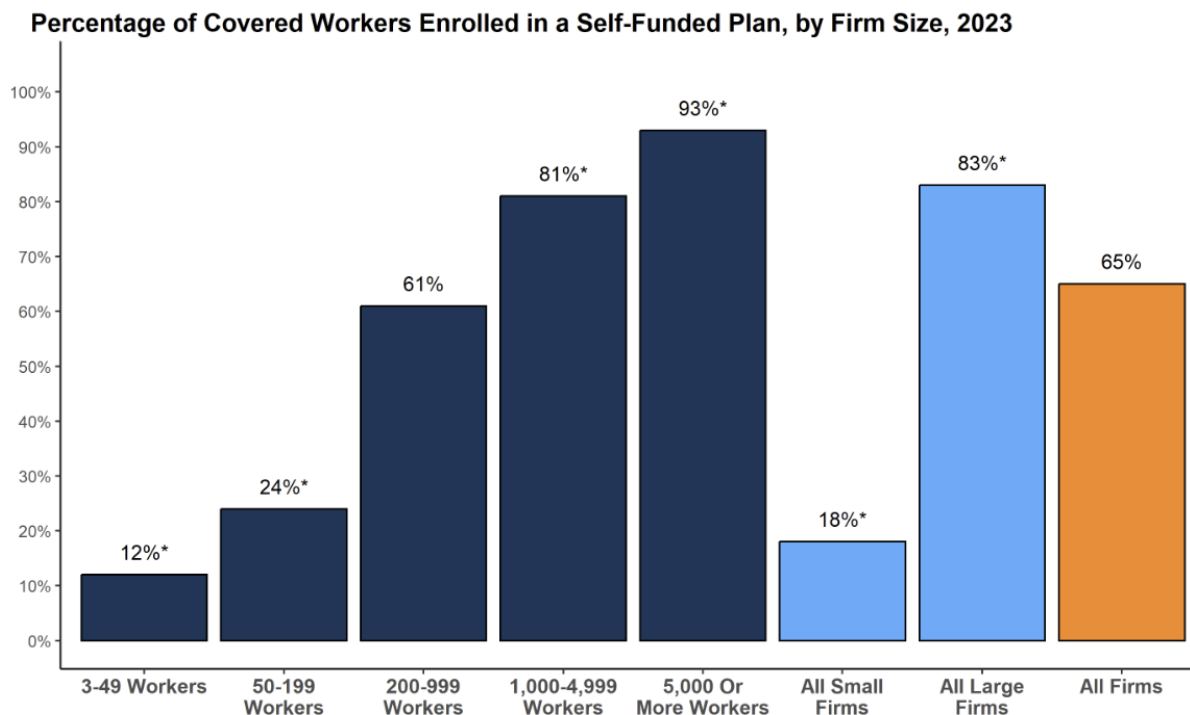
HIT believes its target market, consisting primarily of small to medium businesses as noted, represents a sizable potential market opportunity. The majority of U.S. firms are characterized as small- to medium-business. Specifically, according to the U.S. Small Business Association (SBA), in 2022, small businesses with 500 or fewer employees made up 99.9% of all U.S. businesses and 99.7% of firms with paid employees. An estimated roughly 45% of U.S. GDP is tied to small businesses and over 61.7 million Americans are employed by small businesses, according to the U.S. Bureau of Economic Analysis. In 2023, small businesses produced an estimated \$188.8 billion of annual medical insurance premium.

Despite their sizable representation of the total employer base, the company believes that small businesses are underserved by the health insurance sector and generally have less access to affordable, competitively priced plans compared to those available to larger employers. Moreover, small businesses also generally are only offered higher year-over-year premium increases compared to large businesses.

Health insurance is an important benefit for employers to offer in order to attract and retain personnel. However, roughly 47% of small businesses, defined as businesses with fewer than 200 employees, did not offer health insurance to their staff in 2023, according to Kaiser Family Foundation (KFF). They cited cost as among the largest challenges preventing them from providing this feature. Health in Tech's strategy is to fill the need for SMBs to obtain and offer health insurance.

Self-funded benefits plans have traditionally been out of reach for small/medium businesses

Moreover, until relatively recently, self-funded benefits plans have generally been designed primarily for large corporations. In addition, the company believes that many TPAs, brokers and MGUs avoid selling stop loss insurance for self-funded benefits plans, reflecting the complexity of navigating and difficulty of closing the sales process. The company offers SMBs tools to create and support self-funded benefits plans and believes its solutions can help smaller businesses avoid many of the challenges in order to access cost effective health care plans. Earlier this year, the company formed a partnership with MARPAI and Vitable DPC to offer competitive quotes in enhanced self-funded solutions, which HIT expects will facilitate its ability to offer competitively priced self-funded health plans.



Source: [KKF](#) Employer Health Benefits Survey, 2023

According to KKF,

“Many firms, particularly larger firms, choose to pay for some or all of the health services of their workers directly from their own funds rather than by purchasing health insurance for them. This is called self-funding...Federal law (the Employee Retirement Income Security Act of 1974, or ERISA) exempts self-funded plans established by private employers (but not public employers) from most state insurance laws, including reserve requirements, mandated benefits, premium taxes, and many consumer protection regulations...Self-funding is common among larger firms because they can spread the risk of costly claims over a large number of workers and dependents. Some employers which sponsor self-funded plans purchase stoploss coverage to limit their liabilities.

In recent years, a complex funding option, often called level-funding, has become more widely available to small employers...Thirty-eight percent of covered workers in small firms (3-199 workers) are in a level-funded plan in 2023.”

Health in Tech’s health insurance marketplace enables insurance companies to provide information on various policy options for self-funded benefits plans, including stop-loss policies. According to HIT, generally, reflecting lower administrative and operating costs, self-funded benefits plans and stop loss insurance policies can equate to substantial cost savings for businesses. Self-insured businesses can also keep unused claim fund dollars.

The target addressable market is sizable. According to the Centers for Medicare & Medicaid Services' National Health Expenditure Data, U.S. health care spending was about \$4.5 trillion in 2022. Moreover, the U.S. spends 2X as much on health per capita compared to the average of peer nations.¹ Several studies have concluded that high prices are a major driver of this “excess” spending², according to the [Commonwealth Fund](#), making the need to find affordable healthcare insurance solutions that much more important for small businesses. In fact, “The [high cost](#) of medical care in the U.S. is one of the greatest challenges the country faces and it affects everything from the economy to individual behavior,” according to [Harvard Magazine](#).

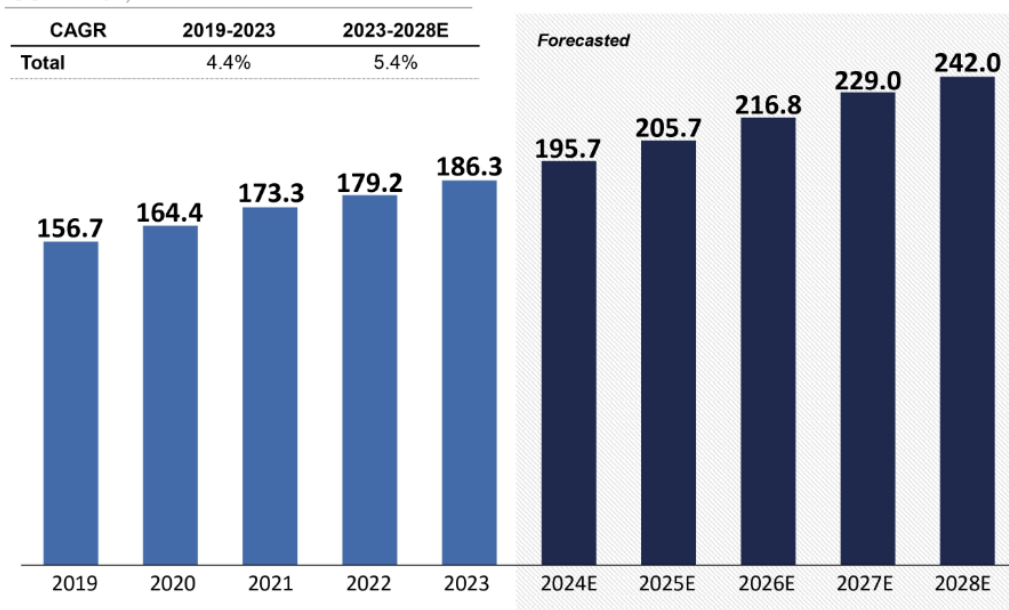


Source: [Company presentation](#)

The company believes its proprietary technology platform is highly scalable to support a growing customer base, as more and more SMBs seek affordable and risk appropriate healthcare insurance solutions for the employees. HIT specifically seeks to make self-funded solutions more affordable for this market segment, as well. The small business self-funded health insurance market has experienced significant growth and that trajectory is expected to continue.

According to the March 2023 [Annual Report](#) on Self-Insured Group Health Plans, there were some 37,900 Self-insured Plans in 2020, up from 30,200 in 2019. Sponsors of self-insured plans generally pay covered health expenses directly using their general assets or from a specifically designated trust, as the plans incur claims. Generally, self-insurance is more commonly offered by larger organizations partially because the health expenses of larger group health plans are more predictable, making it easier for larger plan sponsors to identify and manage their risk profiles. By comparison, sponsors of fully insured plans generally pay premiums to insurers that, in turn, assume the responsibility of paying claims.

Annual Medical Insurance Premium of Small Businesses
USD Billion, 2019-2028E



Source: [Company presentation](#)

Healthcare cost increases outpacing inflation

At the same time, as trade publications widely report, access to healthcare and healthcare costs have been a challenge for individuals and employers. Moreover, the cost of healthcare has outpaced inflation in recent years, with healthcare spending growing at a faster pace than the overall economy, according to the Centers for Medicare & Medicaid Services' National Health Expenditure Data. Their data notes that U.S. health care spending grew 4.1% in 2022, reaching \$4.5 trillion or \$13,493 per person, and represented 17.3% of 2022 GDP. The Kaiser Family Foundation ([KFF](#)) notes that "Inflation in medical care prices and overall health spending typically outpaces inflation in the rest of the economy." KFF adds that "since 2021, medical prices have grown at a similar rate as in past years," based on Bureau of Labor Statistics (BLS) data, which likely reflects inflation in certain components of the economy.

GROWTH STRATEGY

Emerging expansion strategy

The company believes it is well-positioned to execute its growth strategy and monetize its platforms by offering fee-based services for products that it can white label for multiple clients. Health in Tech intends to add additional TPAs, MGUs, and brokers to its platforms and believes its free-to-use eDIYBS platform, which offers a fee based model if/when it is used by a broker, TPA or other, can gain traction and attract more agencies to use its platforms. As it moves forward, HIT intends to ramp up marketing activities to help expand its customer base while simultaneously launching new complementary products to expand its product suite.

In addition to a senior management team that has substantial collective industry experience in both the healthcare and insurance areas, the company believes its strengths include its ability to upgrade and innovate its technology and the products it offers backed by its AI/ML-enabled technology capabilities. In turn, HIT expects it can deliver efficiency, availability, and security features to its customer base. Moreover, the company expects its platforms can help broaden the number of employers which have access to self-funded benefits plans and stop loss insurance policies by making the process more

efficient and cost effective. The company also expects to lower total medical expenses for business clients by aggregating critical data and records in one online location, providing easy secure access and leveraging AL/ML to seek medical professionals to improve access to comprehensive healthcare.

To enhance financial flexibility, the company has improved its liquidity with its recent IPO and had \$7.8 million in cash at year-end 2024, up from \$2.4 million at year-end 2023. The company also reduced its total liabilities and simplified its capital structure. In August 2023, HIT converted series A convertible preferred shares for \$2 million that it had issued to an institutional investor to common shares.

INDUSTRY BACKDROP

Tailwind of Strong Global Industry Growth

The insurance industry generally – including the healthcare niche in which Health in Tech operates – has not kept pace with the trends toward digitalization that other industries have recorded. According to McKinsey, the insurance sector “is on the verge of a tech-driven disruption that will fundamentally change how insurance products are created, distributed, and used....”

McKinsey believes the industry is poised for a “digital revolution,” driven primarily by changing demographics and consumer expectations as baby boomers retire and millennials become the largest demographic, shifting carriers’ customer bases towards those who rely on digital interactions with service providers. At the same time, digitization of payments and claims processes are expected to yield cost savings and operating efficiencies.

Forbes notes that AI has made significant progress in the insurance industry, driven primarily by “insurtechs” that are leveraging AI and data analytics, as Health in Tech does. At the same time, the insurance industry is expected to lose many experienced workers as industry incumbents near retirement age. As noted in a 2021 report from the U.S. Chamber of Commerce, “According to the U.S. Bureau of Labor Statistics, the number of insurance professionals aged 55 and older has increased 74% in the last ten years, leading the BLS to estimate that over the next 15 years, 50% of the current insurance workforce will retire, leaving more than 400,000 open positions unfilled.”

RECENT FINANCIAL HIGHLIGHTS

Revenue growth reflects recent expansion initiatives

HIT generates most of its revenue from service fees and underwriting fees from customers that buy self-funded benefits plans and stop loss insurance through a network of brokers, TPAs, MGUs, carriers, and other third-party agents who use its platforms. The company’s recent revenue growth reflects recent expansion initiatives. For instance, in 2023, revenue more than doubled year-over-year to \$19.2 million.

Growth slowed in 2024, primarily reflecting changes in the model that the company implemented proactively as part of its strategy to drive future growth and efficiencies. Revenues grew about 1.8% year-over-year in 2024 to \$19.5 million, up slightly from \$19.2 million. Nevertheless, HIT hit several milestones in 2024. In addition to completing its IPO, HIT entered into several agreements and partnerships to expand service offerings and improve its platform. The company also invested in its IT infrastructure, which also meant that it temporarily slowed growth in order to position itself for long-term growth. Specifically, in 3Q24, HIT developed new healthcare plan products and also entered into a partnership with a new carrier. At that time, the company also began developing AI-assisted underwriting solutions for mid-sized businesses that employ more than 150 people, a strategy designed to expand HIT’s target addressable market. Beta-testing of these products for mid-sized employers commence in 4Q2024.

With the above noted beta testing and slowdown in processing, revenues from underwriting modeling contracted by 19.2% in 2024, compared to 2023. This temporary decline was primarily due to the increased offering of A-rated insurance policies, which management notes led to lower underwriting fees. Conversely, fee revenues advanced by 17.5%, primarily reflecting higher program fee payments for better medical network coverage and enhanced health benefits from businesses that purchased A-rated insurance policies. These factors more than offset the decline in underwriting revenues.

MANAGEMENT

The company believes its management team has significant experience and expertise in both the insurance and technology sectors, with many HIT executives having held senior positions at large insurance healthcare companies, including AIG, CB, HealthSmart, Lucent Health, and Fidelity Life, among others. Overall, Health in Tech's senior management team has an aggregate 30+ years of industry experience.

HIT also recently implemented a management realignment. The company has named several executives to its management team in order to drive product innovation. The company appointed Chris Kurtenbach as COO. It named a new Chief Growth Officer, Dustin Plantholt and appointed a new Chief Information Security Officer, Jenni Guerrica.

Chief Executive Officer and Director

Tim Johnson has served as the company's CEO and a member of its board since it was founded in 2014. He has more than 30 years of experience and has founded multiple companies in medical insurance sector prior to Health in Tech. For instance, in addition to being a founder of Health in Tech, he owned Roscommon Insurance Company and Roscommon Captive Management LLC self-insurance carrier business, which were sold to an unrelated party in May 2023. He also established International Captive Exchange, LLC, which was merged with DIYBS in March 2022. He established Stone Mountain Risk and HI Card, which are wholly owned by HIT. The company's CEO controls more than 50% of the voting power of the company's shares, including 50+% of the class A shares and 77% of the B shares, making HIT a controlled company.

Chief Financial Officer and Director

Julia Qian Chief Financial Officer and Director Ms. Qian has served as the company's CFO since September 2022 and as a member of the company's board of directors since April 2024. Prior to joining Health in Tech, she was a Managing Director at The Blueshirt Group investor relations firm from December 2018 to September 2022. Prior to that, she held senior roles with Citi Group from April 2012 to November 2018, including Senior VP of US retail banking and distribution, Strategy lead of Global Consumer Bank and Regional director of secured lending Asia. In all, she has more than 20 years of experience in global financial services, capital markets and Fortune 100 companies.

Chief Strategy Officer

Jonathan Del Lockett joined the company as National Sales Director in June 2019 and served as its COO from January 2022 until recently when he was named Chief Strategy Officer. He is responsible for expanding and strengthening the company's capabilities, including sales and support systems in collaboration with the CEO. Prior to joining HIT, he owned and operated Sawgrass Benefit Consultant and was President and Director of Operations at Claim Doc, Inc. where he was also a member of the board.

Chief Operating Officer

The company appointed Chris Kurtenbach as COO earlier this month. He was the company's Senior Vice President of Operations previously from November 2024 to March 2025. As COO, he now is responsible for claims, enrollment, underwriting, data analytics, and operational efficiency. Mr. Kurtenbach has more than 30 years of experience in operations, customer service, and process improvement across several industries, including having served as VP of Service and Operations at BCS Financial Corporation, which offers a wide range of insurance and financial solutions for Blue Cross and Blue Shield organizations and commercial partners nationally from October 2017 to November 2024. Prior to that, he was Senior VP at LifeWatch, an ambulatory cardiac monitoring service, from May 2016 to August 2017, and VP of Operation and VP of Business and Product Operations at AIM Specialty Health (now Carelon Medical Benefits Management Inc.), a medical benefits management service, from June 2012 to May 2016.

VALUATION

We believe there is a substantial opportunity within the healthcare insurance sector as the overall sector transition to digital continues. HIT is optimistic about its growth plans and strategy. We are encouraged by the revenue arc HIT has recorded at this early stage in 2025.

We believe it is difficult to compare HIT shares to those of other publicly traded companies. HIT does not underwrite insurance, but facilitates the underwriting process using its technology platform. Companies such as Lemonade (LMND-nr) leverage technology to underwrite policies, albeit not in the area of healthcare insurance. There does not seem to be a direct comprehensive competitor but using the overall insurance sector as a general benchmark, on a price-to-sales (P/S) basis, these players trade at multiples that range from under 2x to more than 5x revenue. We would also expect HIT to enjoy better growth rates than many companies at this point in its development.

We assign a 95% risk adjustment confidence multiple to our 2025 forecast. If revenue ramps faster than we anticipate, our confidence multiple might prove conservative. At this point, we believe using the P/S multiple at the high end of the range and applying the above-noted confidence factor is appropriate. On this basis, we derive a near-term valuation of about \$2.00 per HIT share. If the company delivers milestones earlier than anticipated, it could impact these multiples and adjustments.

If HIT can deliver on its growth initiatives, in success we would anticipate share price appreciation over time. Any delay or failure in successful execution of the strategy could represent a potential risk to The company's valuation and cause the share price to decline. The company believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon.

RECENT NEWS

- On March 17, 2025, HIT announced Fourth Quarter and Full Year 2024 Financial Results.
- Health In Tech expanded its executive team on March 17, 2025, to drive growth and innovation.
- On January 27, 2025, HIT announced plans to attend the 2025 HCAA Executive Forum with Self-Funding Solutions.
- Health In Tech announced a collaboration with MARPAI and Vitable DPC to offer competitive quotes in enhanced self-funded solutions on January 22, 2025.
- Health In Tech closed its Initial Public Offering on December 24, 2024.

RISKS

We believe risks to Health in Tech achieving its goals, and to The company's valuation, include the following, among other risks.

- HIT might not gain market share in new areas as quickly as the company expects, which could lead to slower than anticipated revenue ramp.
- The company could incur unanticipated costs associated with its initiatives.
- Competition could increase.
- The company might need to raise capital to support its strategy that might be dilutive to current shareholders.
- Insiders hold a controlling interest in the company's voting rights, making HIT a controlled company. The interests of insiders might differ from those of other shareholders.
- The company faces technology risk. Its platform is new generation but competitors might launch newer technology capabilities that would require HIT to further upgrade.

FINANCIAL MODEL

Health in Tech

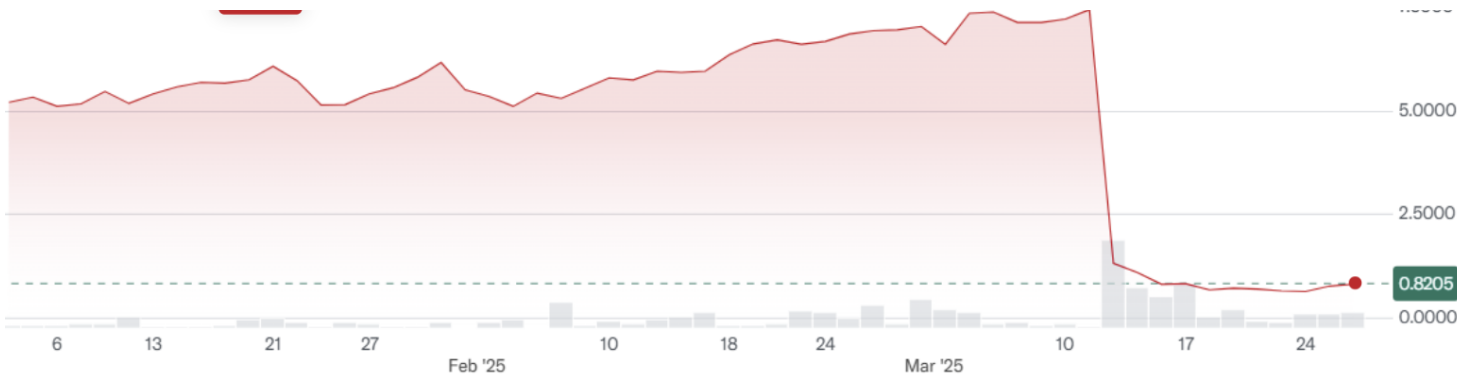
Health in Tech Income Statement and Projections (\$)

	2023	1Q24*	2Q24	3Q24	4Q24*	2024	1Q25E	2Q25E	3Q25E	4Q25E	2025E
Revenue underwriting modeling (ICE)	\$8,226,852	\$1,784,635	\$1,639,105	\$1,528,451	\$1,697,080	\$6,649,271	\$2,427,104	\$1,966,926	\$1,834,141	\$1,731,022	\$7,959,192
Revenues from fees:											
SMR	8,085,596	2,532,922	2,595,545	2,250,549	2,470,284	9,849,300	3,343,457	3,114,654	2,520,615	2,519,690	11,498,416
HI Card	2,839,054	807,374	767,840	679,921	737,200	2,992,335	1,098,029	921,408	761,512	751,944	3,532,892
Total fee revenues	10,924,650	3,340,296	3,363,385	2,930,470	3,207,484	12,841,635	4,441,486	4,036,062	3,282,126	3,271,634	15,031,308
Total revenues	\$19,151,502	\$5,124,931	\$5,002,490	\$4,458,921	\$4,904,564	\$19,490,906	\$6,868,589	\$6,002,988	\$5,116,268	\$5,002,655	\$22,990,500
Cost of revenues	2,303,911	989,911	974,727	979,628	1,107,173	4,051,439	1,442,404	1,260,627	972,091	1,050,558	4,725,680
Gross profit	16,847,591	4,135,020	4,027,763	3,479,293	3,797,391	15,439,467	5,426,186	4,742,361	4,144,177	3,952,098	18,264,820
Operating expenses											
Sales and marketing expenses	3,380,375	1,043,208	974,522	508,467	632,060	3,158,257	625,925	629,054	632,200	644,701	2,531,880
G&A expenses	8,079,329	1,999,194	1,816,679	1,813,520	2,848,014	8,477,407	1,879,242	1,853,013	1,849,790	1,868,288	7,450,334
R&D	2,004,796	760,196	701,626	718,424	633,653	2,813,899	813,410	715,659	732,792	646,326	2,908,187
Total operating expenses	13,464,500	3,802,598	3,492,827	3,040,411	4,113,727	14,449,563	3,318,577	3,197,726	3,214,783	3,159,316	12,890,401
Other income (expense):											
Interest income	40,857	24,312	31,339	38,460	28,774	122,885					
Interest expenses	(2,052)	(165,000)	(165,000)	(165,000)	-	(495,000)					
Other income / (expense) net	-	-	-	94,397	176,814	271,211	-	-	-	-	-
Total other income (expense)	38,805	(140,688)	(133,661)	(32,143)	205,588	(100,904)	(143,502)	(144,219)	(144,940)	(145,665)	(578,326)
Pretax income	3,421,896	191,734	401,275	406,739	(110,748)	889,000	1,964,107	1,400,416	784,454	647,117	4,796,093
Taxes	(945,236)	(91,198)	(63,268)	(30,653)	(33,404)	(218,523)	(524,417)	(350,104)	(196,113)	(161,779)	(1,232,413)
Net income continuing operations	2,476,660	100,536	338,007	376,086	(144,152)	670,477	1,439,690	1,050,312	588,340	485,338	3,563,680
Discontinued operations	1,481,254	-	-	-	-	-	-	-	-	-	-
Net income per share											
Continuing operations	\$0.05	\$0.01	\$0.01	\$0.01	(\$0.01)	\$0.01	\$0.02	\$0.02	\$0.01	\$0.01	\$0.06
Discontinued operations	\$0.03	-	-	-	-	-	-	-	-	-	-
Avg shares out FD	47,837,566	47,837,566	47,837,566	51,769,358	52,716,018	53,662,677	53,662,677	53,662,677	53,662,677	53,662,677	53,662,677

Source: Company reports, Zacks

*Implied

HISTORICAL STOCK PRICE



Source: Yahoo Finance

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