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Zacks Small-Cap Research

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Health in Tech Inc. (HIT-NASDAQ)

HIT: Strong 3Q & Outlook, With New Solutions Recently Introduced, Others Being Developed

HIT's 3Q25 revenue grew 90% y/y to $8.5m. Cumulative revenue of $25.8m in the first 9mos of 2025 exceeds total full year 2024 revenue of $19.5m. Revenue growth is highly correlated with the number of enrolled employees (EEs) insured via its platform. The number of EEs reached 25,248, up from 24,839 at the end of the prior quarter and up more than 40% compared to 3Q24.

Current Price (11/11/25)	$ 2.15
Valuation	**$4.50**

OUTLOOK

HIT recently introduced a key expansion of its Do-It-Yourself Benefit System (eDIYBS) to extend capabilities to employers with 150 or more & is extremely encouraged about the prospects. HIT also is testing a 3-year rate hold solution - expected to launch in 1Q26 - that it expects to boost customer retention and provide additional offerings for its distribution partners, and with JV partner AlphaTON Capital plans to jointly develop a blockchain-enabled healthcare insurance claims processing platform, HITChain, to address inefficiency and fraud in the domestic healthcare: claims processing space, lower administrative costs and improve transparency.

SUMMARY DATA

52-Week High	**$7.59**
52-Week Low	**$0.51**
One-Year Return (%)	**N/A**
Beta	**N/A**
Average Daily Volume (sh)	**471,895**
Shares Outstanding (mil)	**59**
Market Capitalization ($mil)	**$124**
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	8 A	9 A	9 A	7 E	32 E
2026					41 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	0.01 A	0.01 A	0.01 A	-0.01 E	0.01 E
2026					0.00 E

Quarters might not sum due to rounding & share counts

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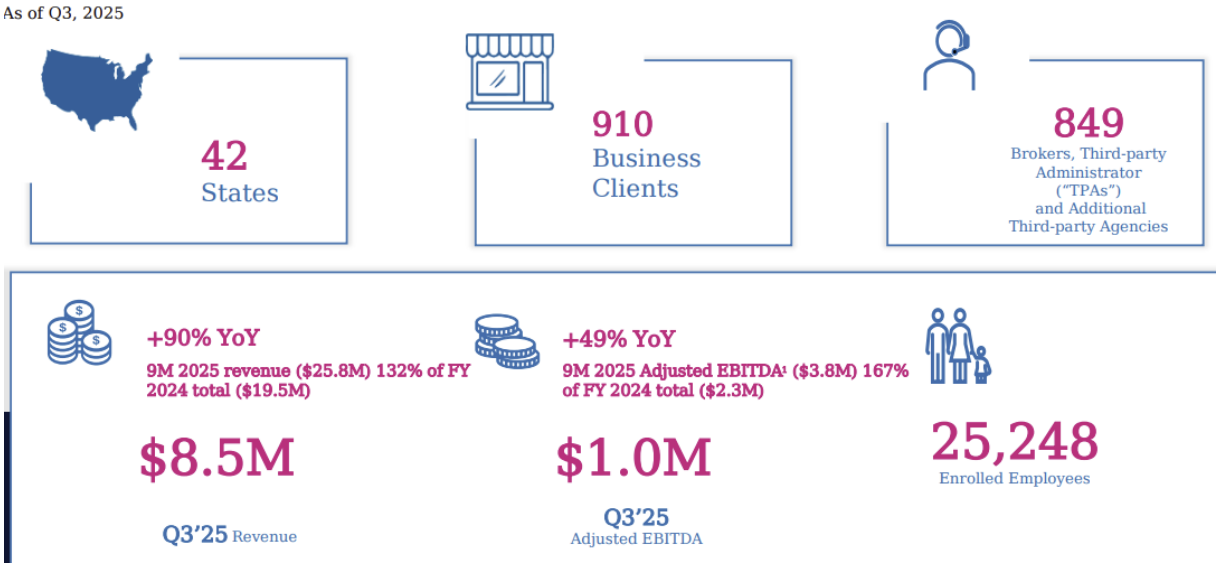
STRONG 3Q25 HIGHLIGHTS

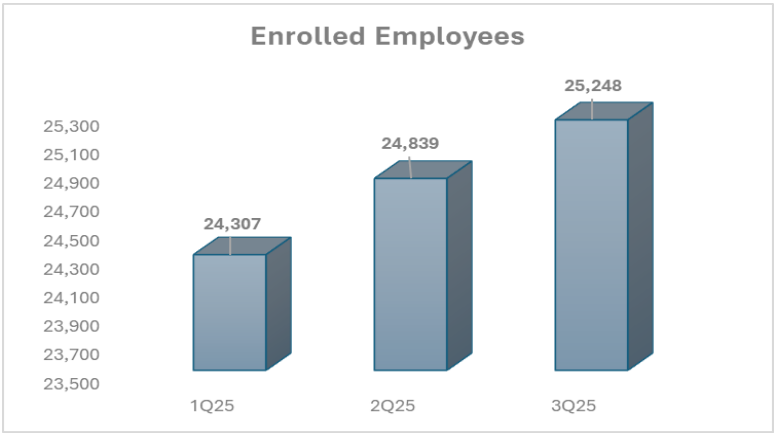
Growing traction and adoption…

Health in Tech (HIT-NASDAQ), an insurance marketplace leveraging AI technology to introduce innovations within the self-funded healthcare insurance market and facilitate employers' ability to obtain affordable health insurance, reported 3Q25 results this week that we believe illustrate the company's strong momentum. We believe the company's 3Q25 results reflect its growing traction as HIT continues to engage with new and existing customers, extend its target market and expand its reach, as it broadens its solutions offerings.



Source: Company presentation

Revenue grew an impressive 90% year-over-year to $8.5 million, compared to $4.5 million in 3Q24 and ahead of our roughly $7.0 million forecast. Cumulative revenue of $25.8 million in the first nine months of 2025 exceeds total full year 2024 revenue of $19.5 million. Revenue growth is highly correlated with the number of enrolled employees (EEs) insured via its platform.



Source: Zacks from company presentations

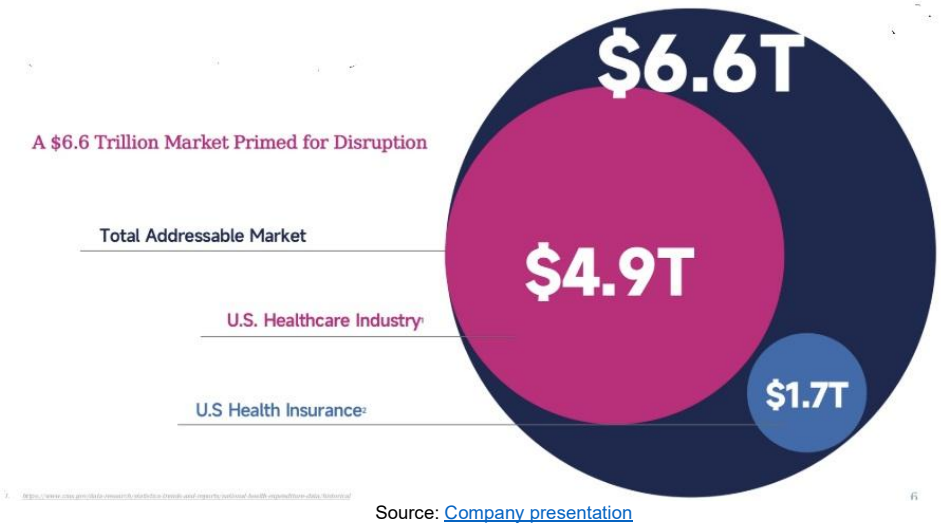
The number of EEs insured via its platform therefore is considered a critical indicator of growth and market penetration. The company bills service fees per EE on a monthly basis. In 3Q25, the company's platform had 25,248 EEs billed for various services, up from 24,839 at the end of the prior quarter and up more than 40% compared to 3Q24. The company believes the increase in billed EEs reflects that HIT is expanding its market reach and seeing strong adoption across its growing network.

The company is benefitting from its strategy to expand its network and reach. For example, HIT's distribution network expanded to 849 partners, up 57% year-over-year, reflecting the company's strategy to extend the network beyond traditional broker channels, according to management, including partnerships with Third-party Administrators (TPAs), regional healthcare benefit providers and service platforms supporting small businesses. Highlights of new business affiliates includes Verdegard Administrators -- an integrated TPA that is owned by a leading pharmacy benefit manager, Unified Health Plans -- a broad provider network across Kansas, Hilb Group, which ranks among the top 25 U.S. insurance brokers, and Baily Insurance, a partner in Fusion Health Plans, which provides cost-effective tech-enabled solutions, is another expected positive for HIT.

EXPANDING OFFERINGS WITH NEW SOLUTIONS

New solutions & tools recently introduced and others under development, including solutions for larger employers, expand HIT's target addressable market

As noted, HIT is leveraging its technology platform to introduce innovations and has recently introduced a key expansion of its Do-It-Yourself Benefit System (eDIYBS) to extend eDIYBS capabilities to the mid- and large-employer market and reduce quoting timelines significantly. With this upgrade, brokers who work with employers with 150 or more employees can upload claims files easily and HIT's AI technology capabilities processes the data quickly to generate bindable quotes for large employers in as short a time as two weeks compared to what the company cites as the industry standard timeline that can frequently take up to three months. The company indicated that it is extremely encouraged by the trends it is seeing regarding large-employer underwriting within eDIYBS.



Source: Company presentation

Concurrently, HIT continues to expand its offerings and reach for SMEs (the small and medium-sized enterprises), its legacy target addressable market (TAM). The majority of U.S. firms fall into this category, according to the U.S. Small Business Association (SBA). The company believes the HIT platform can also make it easier for larger organizations to obtain insurance plans that are appropriate for their organizations. Reflecting interest it has generated to-date, HIT is optimistic about the prospects for its AI-powered solutions for businesses of all sizes.

On the higher 3Q25 revenue, pretax income was $0.6 million compared to $0.4 million in 3Q24. The industry is entering what historically has been its peak enrollment period but historical industry patterns could be disrupted by the uncertainty surrounding healthcare access, given the political backdrop. The company indicated that it would not be surprised if there had been some demand pull forward in 3Q25 although HIT anticipates strong growth in 2026, particularly as it introduces new enhancements such as the above noted large-employer underwriting within eDIYBS, a planned 3-year rate hold for large-employers and, longer term, blockchain secured claims capabilities.

Shutdown & focus on healthcare access focuses attention around securing affordable healthcare

The government shutdown and current focus on affordable healthcare access comes as the company continues to offer solutions to lower costs and complexities around securing affordable healthcare. According to the Centers for Medicare & Medicaid Services' National Health Expenditure Data, U.S. health care spending was about $4.5 trillion in 2022, with the U.S. spending 2X as much on health per capita compared to the average of peer nations, according to the Commonwealth Fund.

Planned 3-year rate hold solution

HIT is testing a 3-year rate hold to offer employers with 150 employees or more the benefit of predictable costs over a 3-year period. HIT expects to offset the impact of holding rates flat over a 3-year period with the efficiency of its technology enhanced administrative processes. The company expects this solution to boost customer retention and provide additional offerings for its TPAs and other distribution partners. HIT expects to launch the 3-year rate hold solution in 1Q26.

Blockchain secured claims processing capabilities.

HIT recently signed a non-binding strategic Letter of Intent (LOI) with digital asset treasury and blockchain infrastructure company AlphaTON Capital Corp. to combine their respective insurance expertise and blockchain infrastructure and security protocols to jointly develop a blockchain-enabled healthcare insurance claims processing platform built on The Open Network, HITChain. The JV partners expect HITChain to address inefficiency and fraud in the domestic healthcare: claims processing space, lower administrative costs and improve transparency.

The company has indicated that processing claims for large employers and insurers can often take months and cost billions of dollars, with U.S. healthcare claims administration equating to more than $300 billion annually in costs, delays, and disputes, according to HIT. HITChain would be designed to reduce the processing timeline, minimize errors and produce transparency. The company has indicated that the development of HITChain is in early stages at this point. To raise awareness of its expanding capabilities, the company is showcasing HITChain and other solutions at various forums.

VALUATION

As noted, we believe the government shutdown and growing focus on healthcare access creates a positive tailwind around securing affordable healthcare, while concurrently the company continues to expand and strengthen its platform and offering suite.

There does not seem to be a direct comprehensive competitor for HIT, which does not underwrite insurance and assume risk, but facilitates the underwriting process using its technology platform. However, 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.

Reflecting HIT's anticipated strong growth prospects, we use a P/S multiple premium relative to the above noted range. We assign a roughly 95% risk adjustment confidence multiple to our 2025 revenue forecast. On this basis, we derive a near-term valuation of about $4.50 per HIT share compared to $3.25 earlier. If revenue ramps faster than we anticipate, our confidence multiple might prove conservative. 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. We 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 November 11, 2025, HIT announced that it would showcase HITChain at the Web Summit in Lisbon.
- HIT announced 3Q25 results on November 10, 2025.
- On November 4, 2025 & October 23, 2025, HIT announced its participation in various Davos 2026 panels.
- On September 30, 2025, HIT and AlphaTON Capital signed an LOI to develop HITChain.
- On September 22, 2025, HIT upgraded its eDIYBS platform and showcased the enhanced eDIYBS platform at SIIA on October 9, 2025.
- HIT announced a new Advisory Board and new advisor on April 30, 2025.
- On April 14, 2025, HIT announced 1Q25 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.

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.
- General economic and policy uncertainty might impact HIT more than we anticipate.

FINANCIAL MODEL

Health in Tech

Health in Tech Income Statement and Projections ($)

	1Q24	2Q24	3Q24	4Q24*	2024	1Q25A	2Q25A	3Q25A	4Q25E	2025E	2026E
Revenue underwriting modeling (ICE)	$1,784,635	$1,639,105	$1,528,451	$1,697,080	$6,649,271	$2,351,984	$2,090,576	$1,389,604	$1,905,202	$8,464,654	$8,633,947
Revenues from fees:											
SMR	2,532,922	2,595,545	2,250,549	2,470,284	9,849,300	5,663,000	$7,223,273	7,100,489	$5,322,856	23,142,174	32,306,475
HI Card	807,374	767,840	679,921	737,200	2,992,335	-	-	-	-	-	-
Total fee revenues	3,340,296	3,363,385	2,930,470	3,207,484	12,841,635	5,663,000	7,223,273	7,100,489	5,322,856	23,142,174	32,306,475
Total revenues	**$5,124,931**	**$5,002,490**	**$4,458,921**	**$4,904,564**	**$19,490,906**	**$8,014,984**	**$9,313,849**	**$8,490,093**	**$7,228,058**	**$31,606,828**	**$40,940,421**
Cost of revenues	989,911	974,727	979,628	1,107,173	4,051,439	2,659,585	3,003,979	3,346,277	2,963,504	10,826,648	18,627,892
Gross profit	4,135,020	4,027,763	3,479,293	3,797,391	15,439,467	5,355,399	6,309,870	5,143,816	4,264,554	20,780,180	22,312,530
Operating expenses											
Sales and marketing expenses	1,043,208	974,522	508,467	632,060	3,158,257	1,090,255	1,226,738	962,567	868,923	4,081,713	4,428,659
G&A expenses	1,999,194	1,816,679	1,813,520	2,848,014	8,477,407	3,246,765	3,775,453	3,451,907	3,521,786	14,064,029	15,611,073
R&D	760,196	701,626	718,424	633,653	2,813,899	537,721	582,609	235,819	571,394	2,257,460	2,607,366
Total operating expenses	3,802,598	3,492,827	3,040,411	4,113,727	14,449,563	4,874,741	5,584,800	4,650,293	4,962,103	20,403,203	22,647,098
Other income (expense):											
Interest income	24,312	31,339	38,460	28,774	122,885	85,366	108,198	111,699			
Interest expenses	(165,000)	(165,000)	(165,000)	-	(495,000)			-		-	
Other income / (expense) net	-	-	94,397	176,814	271,211	118,399	-	(5,000)	-	-	-
Total other income (expense)	(140,688)	(133,661)	(32,143)	205,588	(100,904)	203,765	108,198	106,699	145,244	603,917	615,996
Pretax income	191,734	401,275	406,739	(110,748)	889,000	684,423	833,268	600,222	(552,305)	980,894	281,428
Taxes	(91,198)	(63,268)	(30,653)	(33,404)	(218,523)	(185,831)	(202,637)	(148,046)	149,122	(243,176)	(67,543)
Net income continuing operations	100,536	338,007	376,086	(144,152)	670,477	498,592	630,631	452,176	(403,182)	737,718	213,885
Discontinued operations	-										
	-										
Net income per share											
Continuing operations	$0.00	$0.01	$0.01	($0.00)	$0.01	$0.01	$0.01	$0.01	($0.01)	$0.01	$0.00
Discontinued operations	-	-	-	-	-						
Avg shares out FD	51,769,358	51,769,358	51,769,358	52,716,018	53,662,677	56,996,936	55,632,357	58,774,334	58,775,334	56,759,346	58,777,334

Source: Company reports, Zacks *Implied

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HISTORICAL STOCK PRICE



Source: Yahoo Finance

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