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Zacks Small-Cap Research

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Health in Tech Inc. (HIT-NASDAQ)

HIT: Strengthening its Executive Team & Relationships to Support Growth, as Initiatives Continue

The focus on affordable healthcare access as costs rise creates a positive tailwind, we believe, for the company's growing portfolio of solutions. According to KFF, annual premiums for employer-sponsored family health coverage increased 6% y/y in 2025. HIT continues to offer solutions to lower costs and complexities around securing affordable healthcare.

Current Price (2/20/26)	$1.19
Valuation	**$4.50**

OUTLOOK

As employers seek affordable self-funded benefits plans and stop loss insurance, HIT recently expanded its stop-loss self-funded healthcare plan offerings to deliver 100+ customized stop-loss healthcare programs & also formed a strategic collaboration with Benefit Re, which has a 3-year 85% employer retention rate. Although self-funded benefits plans have traditionally generally been too costly or risky for small/medium businesses, HIT's technology is designed to make it easier for businesses of all sizes to offer these plans.

SUMMARY DATA

52-Week High	**$7.59**
52-Week Low	**$0.51**
One-Year Return (%)	**N/A**
Beta	**N/A**
Average Daily Volume (sh)	**367,801**
Shares Outstanding (mil)	**59**
Market Capitalization ($mil)	**$66**
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

Disclosures on page 9

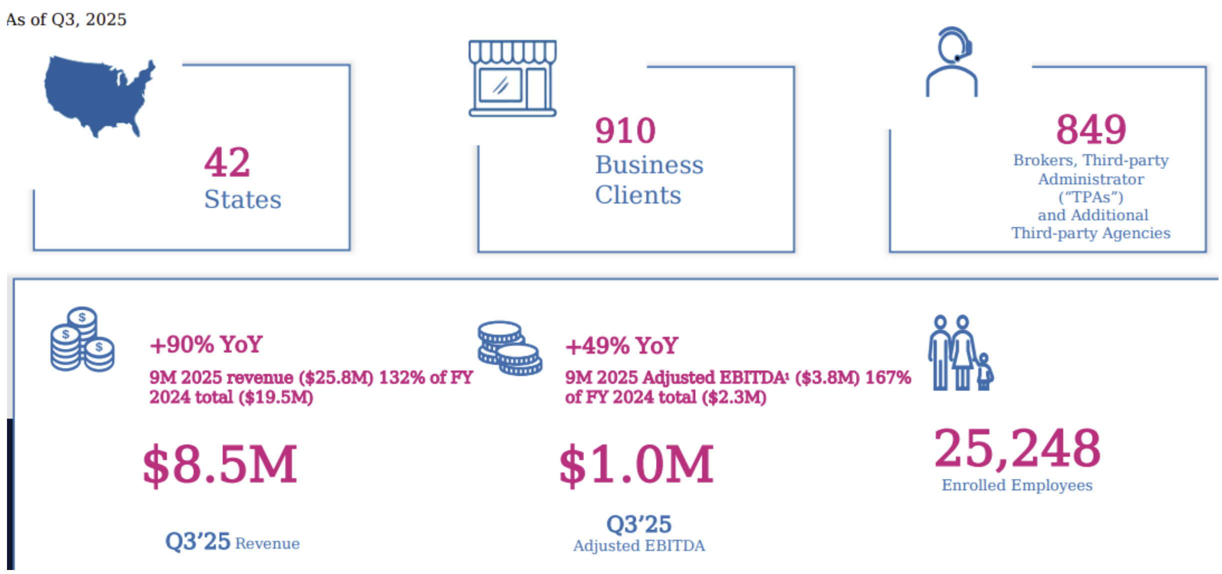
EXPANDING TEAM AND RELATIONSHIPS TO ACCELERATE ANTICIPATED GROWTH

Rising healthcare costs underscore need to secure affordable healthcare coverage

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, is optimistic about the traction it is seeing as it continues to engage with new and existing customers, extend its target market as it broadens its solutions offerings and expands its reach as it adds brokers and forms new relationships. HIT's AI-backed platform enables the company to offer a growing number or solutions for employers and provide tools to manage rising healthcare costs.

The focus on affordable healthcare access as costs rise creates a positive tailwind, we believe, for the company's growing portfolio of solutions. HIT continues to offer solutions to lower costs and complexities around securing affordable healthcare. According to the Commonwealth Fund, U.S. per capita health care spending is about 2X that of peer nations on average and costs continue to rise. According to the KFF Employer Health Benefits Survey, 2025, annual premiums for employer-sponsored family health coverage increased 6% year-over-year in 2025.

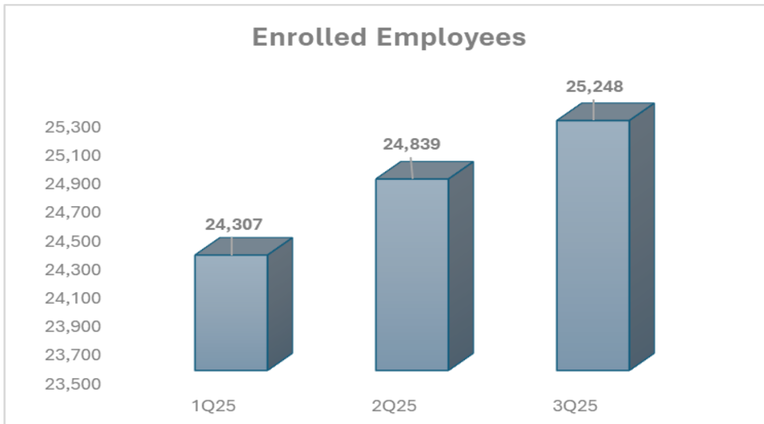
HIT is leveraging its technology platform to introduce innovations and expand the range of affordable solutions it offers. In addition, last month HIT named Zain Hasan as Chief Growth Officer to help accelerate its revenue growth. He has more than 15 years of experience in the employee benefits and insurance industry and joined Health In Tech in September 2025 and will be responsible for revenue generation and performance across sales, distributions, partnerships, and revenue operations in his new role as Chief Growth Officer.



Source: Company presentation

Even before the appointment of Mr. Hasan, the company had been expanding its network and reach and we expect this initiative to accelerate with a new Chief Growth Officer in place. Specifically, HIT's 3Q25 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 Benefit Re (see below), 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.

As HIT expands its network and adds the number of enrolled employees (EEs) insured via its platform, revenue growth is highly correlated with EE expansion. 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. Notably, HIT's 3Q25 revenue grew 90% year-over-year to $8.5 million and cumulative revenue of $25.8 million in the first 9mos of 2025 exceeded total full year 2024 revenue of $19.5 million. The company believes the increase in billed EEs reflects that HIT is expanding its market reach and seeing strong adoption across its growing network.



Source: Zacks from company presentations

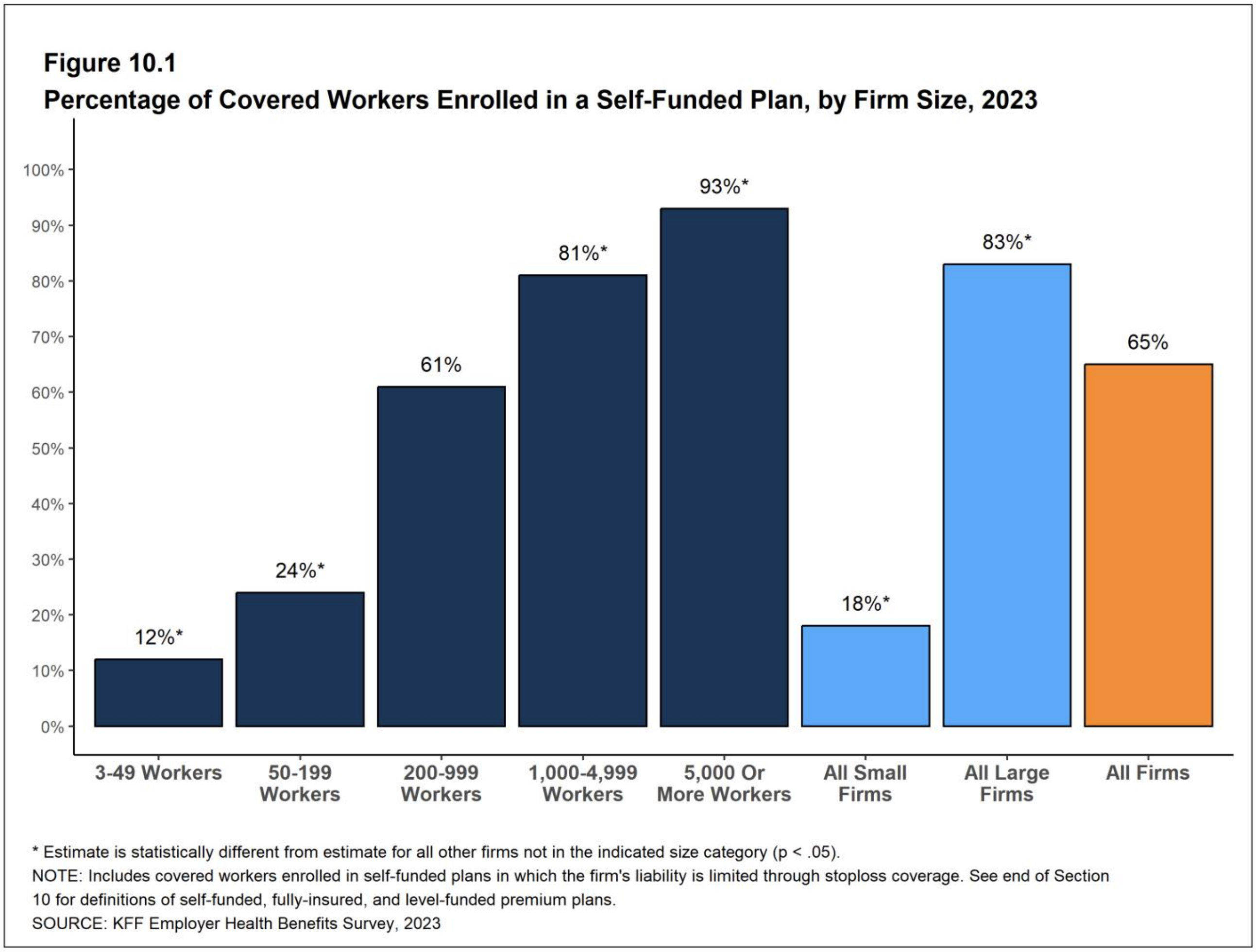
HIT expanding target addressable market & introducing new solutions, including for larger employers

While the company indicated that it is extremely encouraged by the traction it is seeing among large-employers, 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.

The self-funded healthcare landscape

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. Self-funded benefits plans have traditionally been out of reach for small/medium businesses. until relatively recently, self-funded benefits plans have generally been designed primarily for large corporations.

The company also 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. Last 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.



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… Self-funding is common among larger firms because they can spread the risk of costly claims over a large number of workers and dependents.” Many employers that sponsor self-funded plans also have stop-loss coverage in order to limit their liabilities, according to industry sources.

The company’s technology can offer customized plan to meet employers’ specific needs for self-funded benefits plans. HIT recently expanded its stop-loss self-funded healthcare plan offerings to deliver 100+ pre-configured, customized stop-loss healthcare programs. This increases the offerings and options brokers can provide to employers, including the flexibility to further customize plans when employers require specific changes, and supports shorter sales cycles, and scalable distribution.

The company also formed a strategic collaboration with Benefit Re, a fast-growing insurance carrier providing both healthcare and property & casualty (P&C) insurance, to enhance brokers' ability to offer healthcare solutions for employers and improve speed-to-market and scalability across its distribution network. According to HIT, Benefit Re has a 3-year 85% employer retention rate, reflecting its alignment between internal pricing discipline and risk management with employers’ long-term needs. The company views this relationship as creating opportunities for it to expand into the P&C category down the road.

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

Despite the company's innovations, expanded offerings and operating performance, HIT shares have come under pressure, reflecting - we believe - fluctuating focus and discussion around healthcare by regulators and media, among other external factors. Nevertheless, we believe the growing focus on healthcare access and costs creates a positive tailwind around securing affordable healthcare, as noted, 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. If revenue ramps faster/slower 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 January 13, 2026, Health In Tech announced Zain Hasan as Chief Growth Officer.
- On January 12, 2026, HIT unveiled Davos 2026 Independent InsurTech Summit Agenda, in which it participated.
- Health In Tech announced a collaboration with Benefit Re to introduce 100+ customized stop-loss self-funded plans on January 7, 2026.
- On December 2, 2025, Health In Tech announced the voluntary extension of its lock-up period.
- 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.
- Health In Tech expanded its executive team on March 17, 2025, to drive growth and innovation.

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

HISTORICAL STOCK PRICE

Source: Yahoo Finance

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