April 1, 2026

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

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

scr.zacks.com
101 N. Wacker Drive, Chicago, IL 60606

Health in Tech Inc. (HIT-NASDAQ)

HIT: Laying the Groundwork for Strong YE 2026 & Acceleration into 2027

HIT's 2025 revenue grew 71% y/y to $33.3m. We believe this momentum reflects that HIT continues to engage with new and existing customers, extend its target market & broaden its offerings. A significant enhancement is the recent extension into larger employer segments of the market. While this initiative is still in early stages, HIT sees substantial opportunities for it.

Current Price (3/30/26)	$1.30
Valuation	**$4.55**

OUTLOOK

HIT anticipates strong growth in 2026 and provided revenue guidance of $45m-$50m, a ~35%-50% y/y anticipated advance. The company is focused on scaling and accelerating adoption of its platform and plans to boost spending in 1H26 to enhance and market the platform. We expect growth to accelerate in the back half of 2026 into 2027. We also expect substantial operating leverage as HIT continues to scale its AI-driven platform. The company is optimistic about its underwriting prospects in larger employer segments of the market, as well as a 3-year rate stabilization program expected to launch in 1H 2026.

SUMMARY DATA

52-Week High	**$4.02**
52-Week Low	**$0.51**
One-Year Return (%)	**110**
Beta	**N/A**
Average Daily Volume (sh)	**387,088**
Shares Outstanding (mil)	**64**
Market Capitalization ($mil)	**$83**
Short Interest Ratio (days)	**1.2**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**72**
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**

Risk Level	**Avg**
Type of Stock	**Small-Growth**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	5 A	5 A	4 A	5 A	19 A
2025	8 A	9 A	9 A	8 A	33 A
2026	7 E	7 E	15 E	16 E	46 E
2027					78 E

EPS or Loss Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
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 A	0.02 A
2026	-0.04 E	-0.03 E	0.03 E	0.04 E	0.00 E
2027					0.17 E

Quarters might not sum due to rounding & share counts

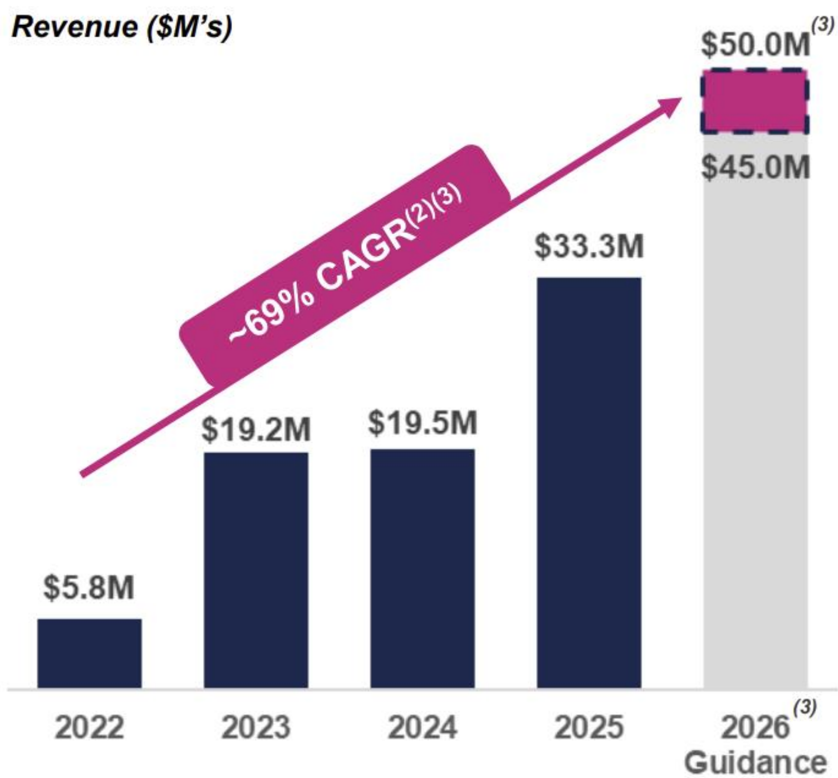
Disclosures on page 11

LAYING THE GROUNDWORK FOR STRONG YE 2026 ACCELERATING INTO 2027

Strong growth in 2025; 1H26 investments expected to set the stage for accelerating growth beginning in 2H26

Health in Tech (HIT-NASDAQ), an AI-enabled InsurTech platform, announced 4Q25 and 2025 results last week. Revenue grew by an impressive 53% year-over-year to $7.5 million in 4Q25 and 71% year-over-year to $33.3 million in full year 2025. We believe this growth reflects the strong momentum the company's platform is experiencing as HIT continues to engage with new and existing customers, extend its target market and expand its reach, as it broadens its solutions offerings

Revenue growth is highly correlated with the number of enrolled employees (EEs) insured via its platform. At YE 2025, the company's platform had 22,515 EEs billed for various services, up 23% from the end of the prior year. The company, which bills service fees per EE on a monthly basis, believes the increase in billed EEs reflects that HIT is expanding its market reach and seeing strong adoption across its growing network. On the higher 2025 revenue and reflecting the operating leverage in HIT's model, net income was $1.3 million, or $0.02 per share, compared to $0.7 million, or $0.01 per share, in 2024.



Source: Company presentation

Substantial operating leverage in HIT model as platform scales

HIT anticipates strong growth in 2026 and provided a guidance range for expected revenue of $45 million to $50 million. This represents roughly 35%-50% year-over-year anticipated revenue growth. We are raising our 2026 revenue forecast to $46 million, up from $41 million earlier. It would not surprise us if this proved conservative. The company is focused on scaling and accelerating adoption of its platform and plans to boost spending in 1H26 to enhance and market the platform. A significant enhancement that is expected to boost growth is the recent extension of HIT's underwriting capabilities into larger employer segments of the market. It is still early in this initiative. Reflecting the relatively longer sales cycle for larger organizations (see below), we expect growth to accelerate in the back half of 2026 into 2027. We also expect substantial operating leverage as HIT continues to scale its AI-driven platform.

There are about 1.1 million insurance brokers in the U.S., according to management, and the self-funded healthcare market is estimated at about $0.9 trillion. Thus, HIT believes that the total addressable market opportunity is significant and that it has substantial opportunity for further growth and market penetration.

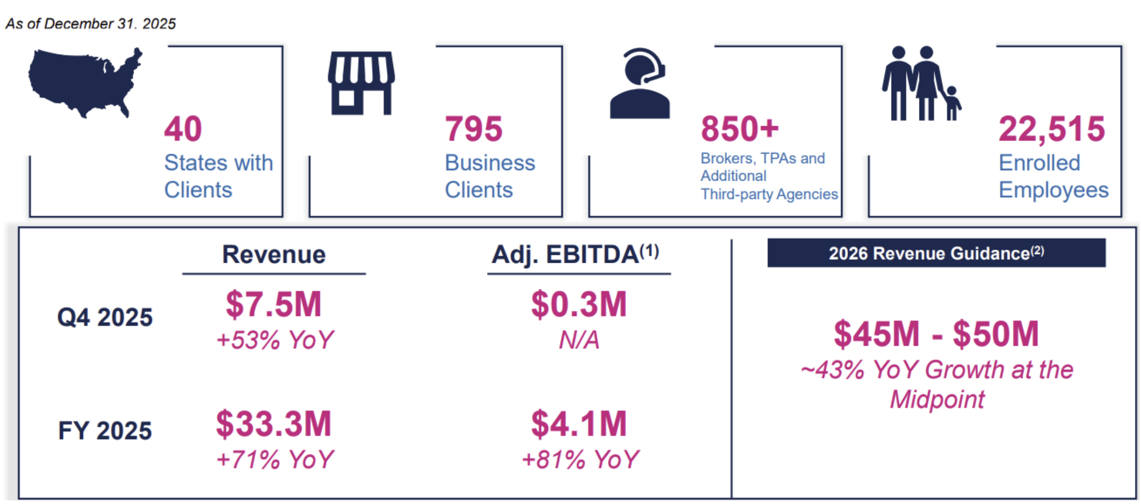
Importantly, the company continues to introduce new enhancements such as the above noted large-employer underwriting within eDIYBS, a planned 3-year rate hold for large employers that HIT is preparing to launch commercially. The company expect to complete market testing of the 3-year rate stabilization program in 1H 2026. It is designed to provide cost stability and predictability for employers. HIT also intends to begin beta testing a new data-driven solution that integrates physiological data and claims data to produce insights that management teams can leverage to inform their insurance decision making processes. As HIT adds new features, combining AI-driven automation and underwriting support with human quality control, and as revenue is anticipated to grow, the company expects to further increase its operating leverage. Longer term, the company also intends to leverage blockchain secured claims capabilities.

HIT believes platform is disrupting the healthcare insurance market…

Management believes the platform is disrupting the healthcare insurance market, reflecting its ability to shorten the timeline to research and obtain affordable insurance in efficiently online. By comparison, the underwriting process traditionally has been conducted in a manual, time-intensive way, particularly – according to HIT – in the large employer segment. Its AI-driven platform facilitates development and deployment of insurance capabilities within about one to two quarters compared to the traditional insurance cycle, in which new product and service deployments can often take one to two years to implement, according to the company. HIT believes its ability to shorten and accelerate the development cycle creates a significant competitive advantage.

… as HIT continues to offer solutions to lower costs & complexities around securing affordable healthcare

Thus, HIT 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 and 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 national 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.



Source: [Company presentation]

Financial flexibility to support growth initiatives enhanced

The company had a cash balance of $7.7 million at December 31, 2025 to support its growth initiatives and generated $3.1 million of positive operating cash flow in 2025, while reducing Accounts receivable DSOs to 14 days from 29 in 2024. This week the company closed a private investment in public equity (PIPE) financing, issuing 5.6 million shares and raising gross proceeds of about $7.0 million. Institutional investors participated. The funds are earmarked to expand sales distribution, develop new technology and new products, with spending expected to be 1H weighted in 2026 to set the stage for accelerating growth beginning in 2H 2026.

… reflecting ability to shorten timeline to obtain affordable insurance efficiently

HIT's distribution network expanded to 858 partners, up 34% year-over-year. The company's strategy is to extend the network beyond traditional broker channels, including partnerships with Third-party Administrators (TPAs), regional healthcare benefit providers and service platforms supporting business organizations.

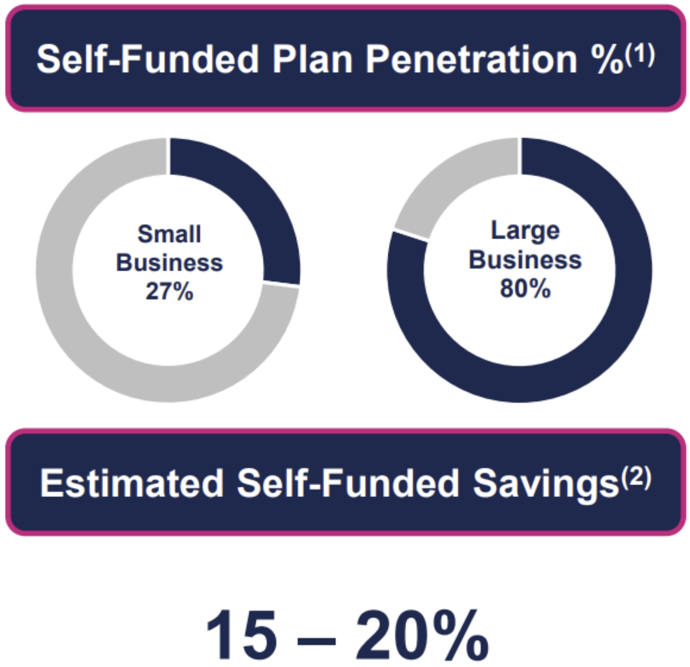
Encouraged by early interest from large-employers

HIT's legacy target addressable market (TAM) is primarily comprised of SMEs (the small and medium-sized enterprises). The majority of U.S. firms fall into this category, according to the U.S. Small Business Association (SBA). However, HIT is optimistic about the prospects for its AI-powered solutions for businesses of all sizes. The company believes the HIT platform can also make it easier for larger organizations to obtain insurance plans that are appropriate for their organizations. The sales cycle for larger organizations is relatively long, with annual contracts generally closing in July and at year end so it is still somewhat early in the process. However, reflecting interest it has generated to-date, the company is encouraged about its opportunities in the large-employer segment, as HIT concurrently continues to expand its offerings and reach for the SME market.

Self-Funded Healthcare Plans (SFPs) provide cost and flexibility benefits

<u>The self-funded healthcare landscape</u>

Health in Tech's online marketplace is designed to make it easier for 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. Based on data from the KFF 2025 Employer Health Benefit Survey ([1] below), the company estimates that SFP penetration among small businesses is about 27% compared to 80% for larger organizations.



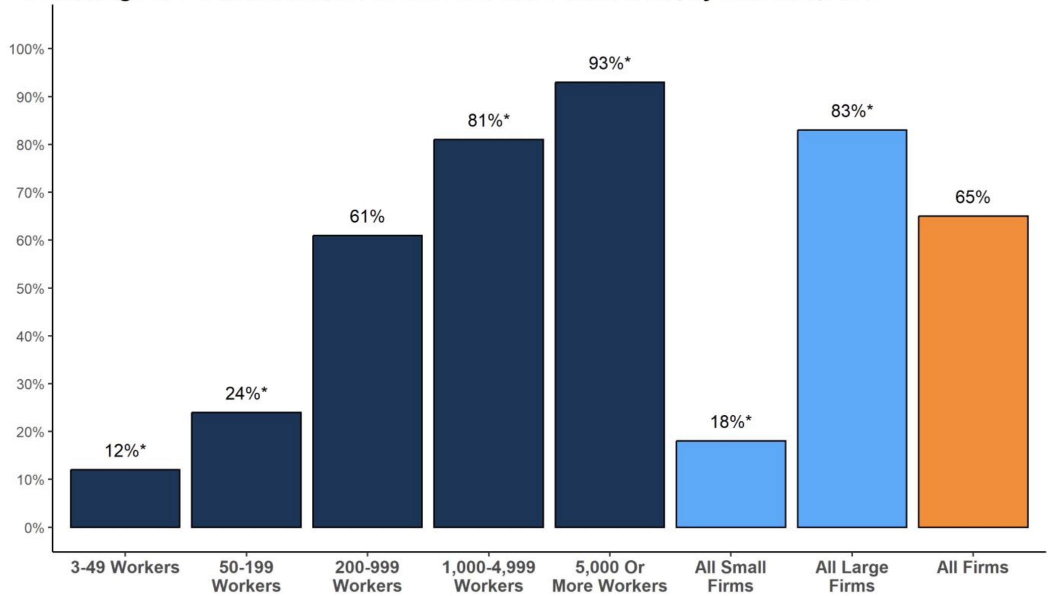
Source: Company presentation (2) Intercept Health

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. The company also believes its ability to bundle SFPs with stop-loss insurance features is an attractive enhancement.

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.

Figure 10.1
Percentage of Covered Workers Enrolled in a Self-Funded Plan, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category (p < .05).
NOTE: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage. See end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans.
SOURCE: KFF Employer Health Benefits Survey, 2023

The company recently 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.

Separately, 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 development of HITChain is in early stages at this point.

VALUATION

We believe the growing focus on healthcare access and costs creates a positive tailwind around securing affordable healthcare and the company continues to expand and strengthen its platform and offering suite. We are optimistic about the company's opportunities.

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 75% risk adjustment confidence multiple to our 2026 revenue forecast. On this basis, we derive a near-term valuation of about $4.55 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

- Health In Tech Announces Closing of $7.0 Million Private Placement on March 27, 2026.
- HIT announced 4Q25 results on March 25, 2026.
- On March 17, 2026, HIT and Amazon Web Service advanced tier service partner Ciklum announced a strategic collaboration to accelerate the development of the AI-driven InsurTech platform.
- On February 24, 2026, Health In Tech appointed former SAP and IBM executive Sri Rajagopalan as Chief Technology Officer.
- 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.
- 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.

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.
- HIT might need to raise capital to support its strategy that might be dilutive to 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

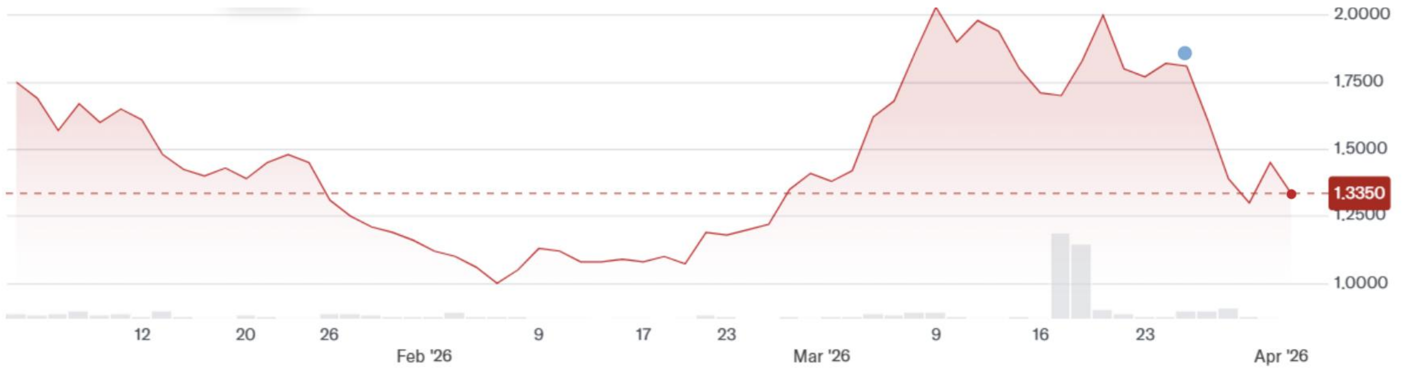
Health in Tech

Health in Tech Income Statement and Projections ($)

	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26E	2Q26E	3Q26E	4Q26E	2026E	2027E
Revenue underwriting modeling (ICE)	$2,351,984	$2,090,576	$1,389,604	$1,032,381	$6,864,545	$2,375,504	$1,881,518	$1,862,069	$1,548,572	$7,667,663	$11,884,878
Revenues from fees:											
SMR	5,663,000	$7,223,273	7,100,489	6,476,204	26,462,966	4,983,440	5,417,455	13,561,934	14,765,745	38,728,574	65,838,576
HI Card	-	-	-	-	-	-	-	-	-	-	-
Total fee revenues	5,663,000	7,223,273	7,100,489	6,476,204	26,462,966	4,983,440	5,417,455	13,561,934	14,765,745	38,728,574	65,838,576
Total revenues	**$8,014,984**	**$9,313,849**	**$8,490,093**	**$7,508,585**	**$33,327,511**	**$7,358,944**	**$7,298,973**	**$15,424,003**	**$16,314,317**	**$46,396,237**	**$77,723,453**
Cost of revenues	2,659,585	3,003,979	3,346,277	3,379,942	12,389,783	3,532,293	3,503,507	7,403,522	7,830,872	22,270,194	36,141,406
Gross profit	5,355,399	6,309,870	5,143,816	4,128,643	20,937,728	3,826,651	3,795,466	8,020,482	8,483,445	24,126,043	41,582,048
Operating expenses											
Sales and marketing expenses	1,090,255	1,226,738	962,567	906,206	4,185,766	2,801,955	2,745,916	1,289,840	1,302,738	8,140,450	9,524,326
G&A expenses	3,246,765	3,775,453	3,451,907	3,180,137	13,654,262	3,896,118	3,857,157	3,866,136	3,904,797	15,524,208	17,076,629
R&D	537,721	582,609	235,819	213,113	1,569,262	583,427	588,435	315,997	319,157	1,807,017	1,987,719
Total operating expenses	4,874,741	5,584,800	4,650,293	4,299,456	19,409,290	7,281,501	7,191,508	5,471,973	5,526,693	25,471,675	28,588,674
Other income (expense):											
Interest income	85,366	108,198	111,699	104,659	409,922						
Interest expenses			-		-						
Other income / (expense) net	118,399	-	(5,000)	(377,587)	(264,188)	-	-	-	-	-	-
Total other income (expense)	203,765	108,198	106,699	(272,928)	145,734	221,085	259,675	142,977	144,406	768,143	783,506
Pretax income	684,423	833,268	600,222	(443,741)	1,674,172	(3,233,765)	(3,136,367)	2,691,485	3,101,158	(577,488)	13,776,880
Taxes	(185,831)	(202,637)	(148,046)	141,184	(395,330)	679,091	690,001	(592,127)	(682,255)	94,710	(3,030,914)
Net income continuing operations	498,592	630,631	452,176	(302,557)	1,278,842	(2,554,674)	(2,446,366)	2,099,359	2,418,903	(482,778)	10,745,966
Discontinued operations											
Net income per share											
Continuing operations	$0.01	$0.01	$0.01	($0.01)	$0.02	($0.04)	($0.03)	$0.03	$0.04	$0.00	$0.17
Discontinued operations											
Avg shares out FD	56,996,936	55,632,357	58,774,334	58,635,562	57,509,797	64,238,562	64,238,687	64,238,812	64,238,937	64,238,750	64,738,750

Source: Company reports, Zacks

HISTORICAL STOCK PRICE



Source: Yahoo Finance

DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, M. Marin, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.
Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.
SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.