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Zacks Small-Cap Research

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Healthcare Triangle, Inc. (HCTI-NASDAQ)

HCTI: Share Issuance for Future Growth and Current Stability

HCTI is a health tech company offering valuable solutions to many players in the health care arena.

We value HCTI at $3.15 per share based on a discounted cash flow model.

Current Price (7/28/26)	$1.63
Valuation	**$3.15**

OUTLOOK

Healthcare Triangle, Inc. (HCTI) operates at the intersection of healthcare delivery and cloud-based data infrastructure, positioning itself as a specialized provider of digital transformation solutions tailored to the highly regulated healthcare industry. The company's core business centers on helping hospitals, life sciences firms, and payers migrate, manage, and optimize their data and applications in the cloud.

The company announced a share issuance in relation to previous transactions that we believe will help propel the company to accelerate revenue growth and increase market share.

SUMMARY DATA

52-Week High	**$760.48**
52-Week Low	**$1.62**
One-Year Return (%)	**-99.79**
Beta	**1.08**
Average Daily Volume (sh)	**126.376**
Shares Outstanding (mil)	**14**
Market Capitalization ($mil)	**$23**
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	**Above-Average**
Type of Stock	**Small-Value**
Industry	**Health Info. Services**

ZACKS ESTIMATES

Revenues
(in thousands of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	4,109 A	2,984 A	2,413 A	2,190 A	11,696 A
2025	3,704 A	3,558 A	3,489 A	3,140 A	13,891 A
2026	9,855 A	10,348 E	10,865 E	11,408 E	42,476 E
2027					45,634 E

Earnings/Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-$104.07 A	-$70.72 A	-$54.89 A	-$59.14 A	-$281.58 A
2025	-$43.00 A	-$0.58 A	-$0.43 A	-$0.07 A	-$44.58 E
2026	-$6.81 A	-$3.43 E	-$0.24 E	-$0.21 E	-$10.96 E
2027					-$0.78 E

Quarterly revenues/EPS may not equal annual revenues/EPS due to rounding and reverse share split.

Outlook

Healthcare Triangle (NASDAQ: HCTI) has taken another meaningful step in our view in advancing its long-term growth strategy through a series of recently announced transactions that are designed to complete and strengthen several strategic acquisitions while simplifying its capital structure. Although the recently announced share issuances increase the company's outstanding equity, they are directly tied to assets and technologies that we believe can significantly expand Healthcare Triangle's capabilities in artificial intelligence, digital healthcare, and cloud-based healthcare solutions, positioning the company for future revenue growth.

Healthcare Triangle provides digital transformation solutions for healthcare providers, hospitals, pharmaceutical companies, and life sciences organizations. Its platform combines cloud infrastructure, cybersecurity, managed services, data analytics, and artificial intelligence to help customers modernize operations while meeting the industry's increasingly complex regulatory and security requirements. As healthcare organizations continue migrating to cloud-based environments and adopting AI-driven technologies, the company operates in markets expected to experience strong long-term demand.

The company's recent equity restructuring is notable because much of the newly issued stock is connected to strategic acquisitions rather than being used solely to raise operating capital. One of the more significant transactions involves the issuance of approximately 2.8 million common shares to resolve consideration previously issued to SecureKloud Technologies. The exchange effectively addresses complications created by prior reverse stock splits that substantially reduced the economic value of earlier convertible preferred securities. By replacing those securities with common stock, Healthcare Triangle simplifies its capital structure while resolving legacy obligations that had become inefficient after the reverse split.

Equally important is the company's acquisition of Teyamé 360 S.L. and Datono Mediación S.L., which significantly expands Healthcare Triangle's artificial intelligence and patient engagement capabilities. The transaction, valued at up to $50 million including performance-based consideration, combines cash, restricted common stock, and convertible preferred stock. The company is issuing approximately 9.7 million shares in connection with the transaction. The acquired businesses provide AI-powered healthcare engagement technologies that complement Healthcare Triangle's existing cloud and managed services offerings. We expect these businesses to broaden the company's addressable market while creating opportunities to cross-sell solutions to existing healthcare customers and accelerate recurring revenue growth. The earnout structure also aligns much of the consideration with future operating performance, helping connect shareholder dilution with the achievement of measurable business milestones.

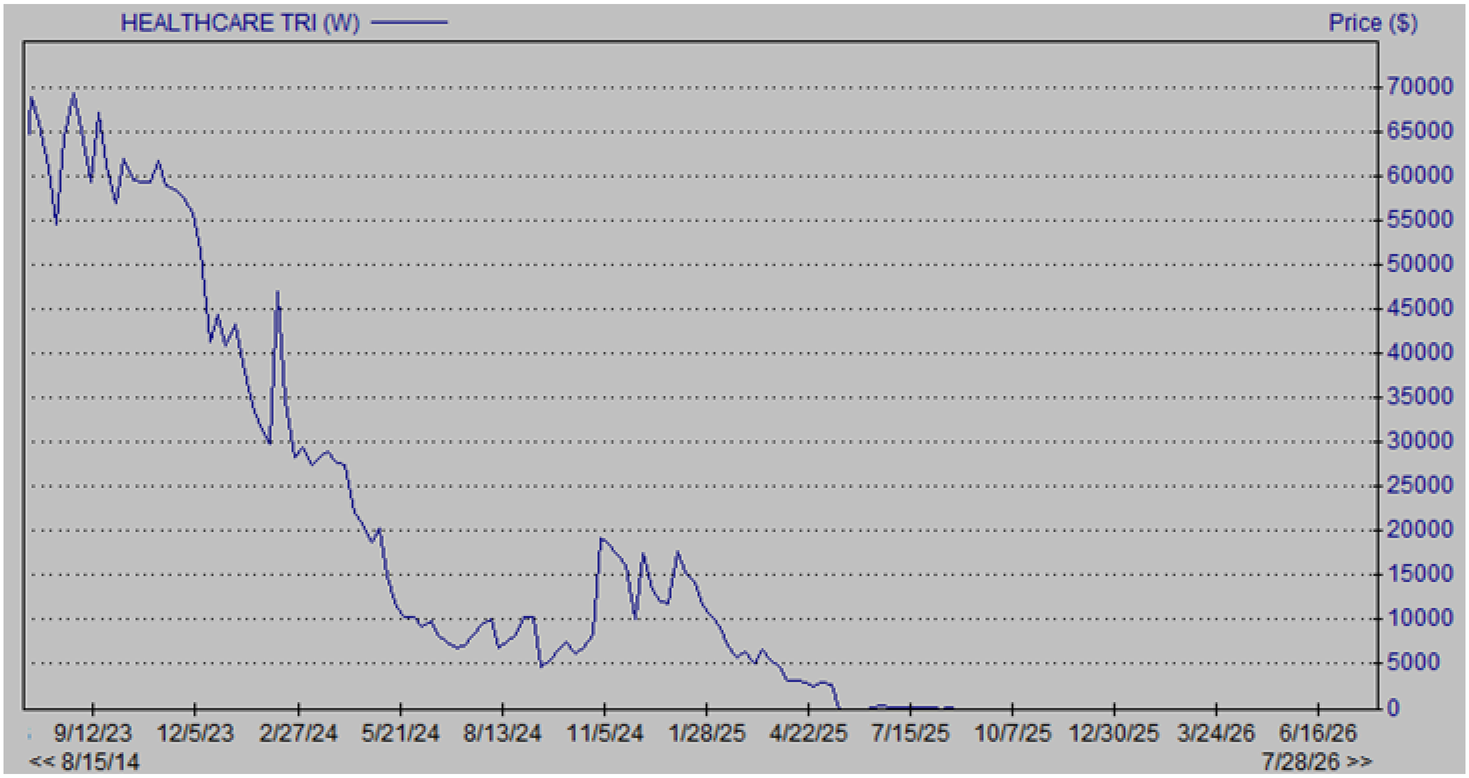
We believe the share issuances should be viewed within the broader context of value creation rather than simple dilution. Strategic acquisitions often require equity financing, particularly for growth-oriented technology companies, and Healthcare Triangle is using its shares to acquire operating businesses and intellectual property that have the potential to generate future cash flow and expand its competitive positioning. If management successfully integrates these businesses and realizes anticipated synergies, the long-term value created could outweigh the near-term increase in the share count.

Healthcare Triangle is evolving beyond its traditional cloud consulting roots into a broader AI-enabled healthcare technology platform. The addition of new AI assets, expanded digital engagement capabilities, and a streamlined capital structure provide several potential catalysts for future growth. As healthcare providers continue increasing investments in digital transformation, cybersecurity, cloud migration, and artificial intelligence, Healthcare Triangle has the opportunity to leverage its expanded technology portfolio across multiple high-growth segments and we believe investors with a higher risk tolerance should take a look at HCTI.

Income Statement and Balance Sheet

Healthcare Triangle Income Statement and Balance Sheet									
(in thousands of $)									
	1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026E	3Q2026E	4Q2026E	2027E
Revenues	3,704	3,558	3,489	3,140	9,855	10,348	10,865	11,408	45,634
Cost of Goods Sold	3,375	3,064	2,871	2,691	7,462	7,835	8,227	8,638	34,553
Gross Profit	329	494	618	449	2,393	2,513	2,638	2,770	11,081
Operating Expenses									
Bad Debt Expense	0	0	0	17	125	0	0	0	0
Research and development	144	55	59	278	85	102	122	147	588
Sales and marketing	373	616	1,022	1,073	1,779	1,832	1,887	1,944	7,776
General and administrative	1,198	1,182	2,085	2,872	3,217	3,249	3,282	3,314	13,258
Depreciation and amort.	12	0	63	642	810	794	778	762	3,049
Impairment Charge	0	0	(20)	0	0	0	0	0	0
Total Operating Expenses	1,727	1,853	3,209	4,882	6,016	5,977	6,069	6,168	24,671
Other income and (expenses)									
Interest expense	(413)	(21)	(46)	(87)	(85)	(85)	(85)	(85)	(340)
Other income, net	111	13	731	36	(2,656)	37	40	45	110
Total other (income) and expenses, net	(302)	(8)	685	(51)	(2,741)	(48)	(45)	(40)	(230)
Gain/(Loss) from before income taxes	(1,700)	(1,367)	(1,906)	(4,484)	(6,364)	(3,513)	(3,476)	(3,437)	(13,820)
Income Taxes	0	0	0	0	0	0	0	0	0
Net gain/(loss)	(1,700)	(1,367)	(1,906)	(4,484)	(6,364)	(3,513)	(3,476)	(3,437)	(13,820)
Basic and diluted loss per share	$ (43.00)	$ (0.58)	$ (0.43)	$ (0.07)	$ (6.84)	$ (3.43)	$ (0.24)	$ (0.21)	$ (0.78)
Basic and diluted wtd avg common shares	40	2,343	4,444	61,873	931	1,024	14,644	16,108	17,719
Assets									
Current Assets:									
Cash	6,826	3,228	1,629	7,625	4,315	4,747	5,221	5,743	6,318
Accounts Receivable	1,907	1,862	2,441	2,070	8,367	9,204	10,124	11,136	12,250
Due from affiliates	-	3,320	3,502	3,456	-	-	-	-	-
Other Current Assets	1,107	455	370	-	6,213	6,834	7,518	8,270	9,096
Total Current Assets	9,840	8,865	7,942	13,151	18,895	20,785	22,863	25,149	27,664
Furniture and Equipment, net	-	3	5	5	1,330	1,303	1,277	1,252	1,227
Due from affiliates	1,945	-	-	2,946	-	-	-	-	-
Goodwill and other intangibles, net	-	5,700	5,891	6,634	59,937	59,937	59,937	59,937	59,937
Total Assets	11,785	14,568	13,838	22,736	80,162	82,025	84,077	86,338	88,828
Liabilities and stockholder equity									
Current liabilities:									
Accounts Payable	1,618	2,074	1,308	744	3,288	3,617	3,978	4,376	4,814
Short-term borrowing	775	415	1,530	10,737	9,088	9,997	10,996	12,096	13,306
Other current liabilities	815	670	1,074	1,311	8,617	9,479	10,427	11,469	12,616
Total Current Liabilities	3,208	3,159	3,912	12,792	20,993	23,092	25,402	27,942	30,736
Long-term Liabilities:									
Convertible Notes	-	-	-	-	-	-	-	-	-
Contingent consideration	-	1,200	1,200	-	5,000	5,000	5,000	5,000	5,000
Other liabilities	-	-	-	-	1,472	-	-	-	-
Total long-term liabilities	-	1,200	1,200	-	6,472	5,000	5,000	5,000	5,000
Total liabilities	3,208	4,359	5,112	12,792	27,465	28,092	30,402	32,942	35,736
Total stockholders equity	8,577	10,209	8,726	9,944	52,697	53,933	53,676	53,396	53,092
Total liabilities and stockholder equity	11,785	14,568	13,838	22,736	80,162	82,025	84,077	86,338	88,828

HISTORICAL STOCK PRICE



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