

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2025

OR

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 001-42449

Health In Tech, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

701 S. Colorado Ave, Suite 1
Stuart, FL

(Address of principal executive offices)

87-3545722

(I.R.S. Employer
Identification No.)

34994

(Zip Code)

888-373-0333

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.001 per share	HIT	The Nasdaq Stock Market LLC

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☒

Accelerated filer ☐
Smaller reporting company ☒
Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Aggregate market value of voting stock held by non-affiliates of the registrant, based on the closing price of the shares of Class A common stock on the Nasdaq Stock Market on June 30, 2025 was \$12,720,915.

As of March 25, 2026, there were 48,258,276 shares of Class A common stock outstanding and 11,700,000 shares of Class B common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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CERTAIN TERMS AND DEFINITIONS

- “Broker” or “insurance broker” is an intermediary who sells, solicits or negotiates insurance policies on behalf of a client for compensation. A broker typically acts on behalf of a client by negotiating with multiple insurers.
- “Carrier” refers to an insurance company or insurer that provides stop loss insurance.
- “Community rating” is a method in health insurance to set uniform premiums for a defined group based on the collective risk profile rather than individual risk factors.
- “eDIYBS” refers to our Enhanced Do It Yourself Benefits System. Licensed brokers log in to this online platform to select vendors, networks, and stop loss insurance programs. The broker can design and sell the self-funded benefits plan to employers.
- “EE” refers to “enrolled employees” which are employees that have signed up and are covered under a company’s self-insured group health plan. Employees can usually enroll their dependents (spouses, children, and sometimes domestic partners) in the health plan which counts as a single EE for the purpose of this metric used in this Report.
- “Medically underwritten” refers to the process of assessing the health status and medical history of applicants to determine their eligibility, premiums, and coverage terms. This process helps the insurer evaluate the risk associated with insuring an individual or group.
- “MGU” refers to Managing General Underwriter and is an entity that performs underwriting and administrative functions on behalf of an insurance company. International Captive Exchange, LLC, a wholly-owned subsidiary of the Company (“ICE”) is an MGU. ICE is granted the authority by insurance carriers to underwrite policies, meaning ICE can assess risks, set premiums, and determine coverage terms within the guidelines provided by the carrier.
- “PEPM” refers to per enrolled employee (EE) per month. The term is used in reference to our service fee structure, which is billed to business customers on a per EE per month (PEPM) basis.
- “Self-funded benefits plan” or “self-insured group health plan” is an insurance plan in which the employer assumes the financial risk for providing health care benefits to its employees. In practical terms, self-insured employers pay for each out-of-pocket claim as they are incurred instead of paying a fixed premium to an insurance carrier, which is known as a fully-insured plan. Typically, a self-insured employer will set up a special trust fund to earmark money (corporate and employee contributions) to pay incurred claims.
- “Small employers” refer to the small businesses with total employees ranging from 10 to 100 employees.
- “Stop-loss insurance” (also known as excess insurance) is a product that provides protection for self-funded employers by serving as a reimbursement mechanism for catastrophic claims exceeding pre-determined levels.
- “Third-party administrator (TPA)” is a company that manages claims and administrative tasks for an employer’s self-funded employee benefits plan. TPAs are often the primary point of contact for employees.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report, including, without limitation, statements under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes,” “estimates,” “anticipates,” “expects,” “intends,” “plans,” “may,” “will,” “potential,” “projects,” “predicts,” “continue,” or “should,” or, in each case, their negative or other variations or comparable terminology.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions, including risks described in the section titled “Risk Factors” set forth in Part I, Item 1A of this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission (the “SEC”). It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Annual Report on Form 10-K may not occur, and actual results may differ materially and adversely from those anticipated or implied in the forward-looking statements. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements about:

- our financial performance;
- our ability to obtain funding for our operations, including funding necessary to enhance our current systems as well as the development of additional functionalities of our systems and to expand our service offerings;
- the success, cost and timing of our system offering development activities;
- our plans and ability to establish sales, marketing and distribution infrastructure to commercialize any drug candidates for which we obtain approval;
- our ability to attract and retain key personnel;
- our ability to hire and retain necessary qualified employees to expand our operations;
- our ability to attract new customers to utilize our platforms;
- our ability to develop new and enhance products and services to attract and retain customers, and to successfully monetize them;
- the impact of competition in our industry and innovation by our competitors;
- risks related to cybersecurity incidents or other network disruptions;
- risks related to the use of third-party artificial intelligence;
- our ability to stay abreast of and comply with new or modified laws and regulations that currently apply or become applicable to our business, including with respect to the insurance services industry and data privacy requirements;
- our ability to protect our intellectual property rights and maintain and build our brand;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our drug candidates and technology;
- the future trading prices of our Class A common stock; and
- potential claims relating to our intellectual property.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report on Form 10-K. You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we do not intend to update any of these forward-looking statements after the date of this Annual Report on Form 10-K or to conform these statements to actual results or revised expectations.

Because some of these risks and uncertainties cannot be predicted or quantified and may be beyond our control, you should read this Annual Report on Form 10-K with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

This Annual Report on Form 10-K contains estimates, projections and other information concerning our industry, our business and the markets for our products and services. We obtained the industry, market and similar data set forth in this report from our own internal estimates and research and from academic and industry research, publications, surveys and studies conducted by third parties, including governmental agencies. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. While we believe that the data we use from third parties are reliable, we have not separately verified these data. Further, while we believe our internal research is reliable, such research has not been verified by any third party. You are cautioned not to give undue weight to any such information, projections and estimates.

PART I

Item 1. Business.

Our Mission

To change the non-transparent \$5.3 trillion¹ healthcare industry with innovation that removes friction and complexities with vertical integration, process simplification, automation, and digitalization.

Overview

Health in Tech (“HIT”) is an AI-enabled insurance technology platform company, which offers a marketplace that improves processes in the healthcare industry through vertical integration, process simplification, and automation. By removing friction and complexities, we streamline the underwriting, sales and service process for insurance companies, licensed brokers, Managing General Underwriter (MGUs) and third-party administrators (“TPAs”).

Marketplace: We are a health insurance marketplace where insurance companies can list various stop-loss policy options for self-funded benefits plans. Licensed brokers registered on our platform can log in, upload certain required information, select policy plans, obtain a bindable quote and sell them to businesses. In most cases, our technology enables us to medically underwrite insurance policies and produce bindable quotes within about two minutes, allowing us to deliver an integrated and seamless sales cycle.

Customizable Solutions: Beyond policy underwriting and sales, our marketplace offers customization of health benefits plans, vendors, claims, and network services. Brokers can select customized plans that suit their customers.

Accessibility and Savings: We make self-funded benefits plans and stop loss insurance accessible online for businesses. We aim to deliver meaningful cost savings for low-risk employers with comparatively healthy employees through a digital medical underwriting process. We seek to deliver time savings for employers, brokers, TPAs, and carriers, by leveraging both external and internally developed technology.

HIT was founded on the belief that self-funded benefits plans and stop loss insurance should be simple and streamlined with significant transparency. With over 30 years of industry experience of our management team, we understand the complexities of the healthcare insurance market, and we know how to integrate the multifaceted aspects of the industry. Our solutions and technology platforms do exactly this through vertical integration, process simplification, automation, and digitalization.

Service Solutions

We offer a suite of service solutions designed to meet the diverse needs of our clients. Available for seamless integration or as standalone offerings, our services are delivered through the three wholly-owned subsidiaries (i) Stone Mountain Risk, LLC (“SMR”), (ii) International Captive Exchange, LLC (“ICE”), and (iii) HI Card LLC’s HI Card platform (“HI Card”). Collectively, these services embody the comprehensive value proposition of HIT. For the year ended December 31, 2025, the percentage of our total revenue attributed to each of SMR, ICE and HI Card was 79.4%, 20.6%, and 0.0%, respectively. Program services provided by SMR and MGU activities provided by ICE (including eDIYBS) are interdependent, as they cannot function effectively without being combined. Services provided by HI Card are optional add-on to our services, and it cannot be offered on a standalone basis. Brokers are not obligated to utilize our HI Card service.

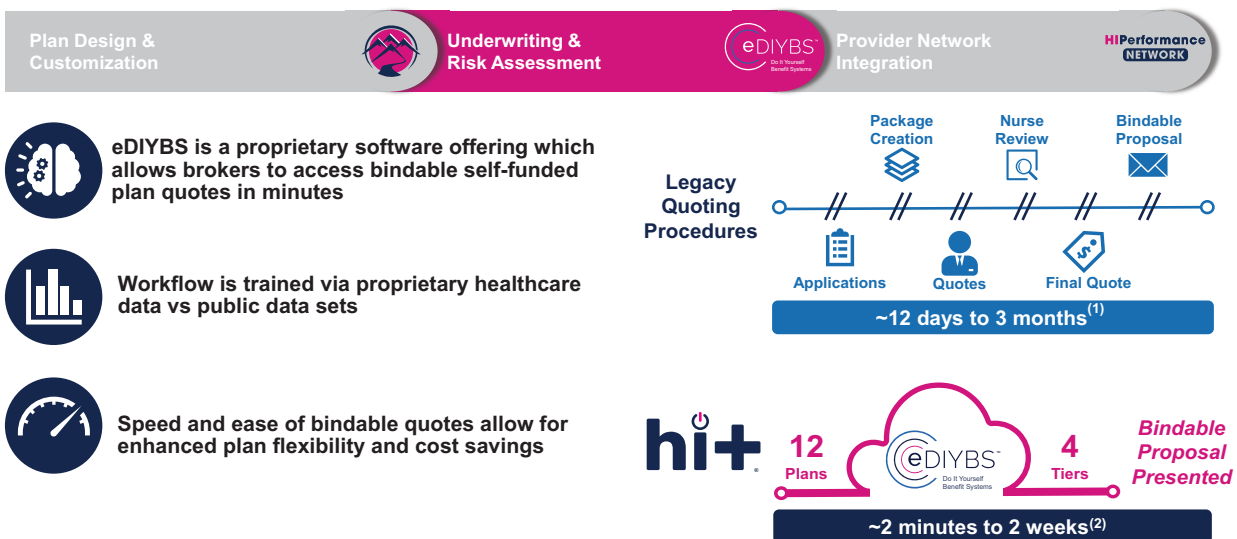
SMR: SMR is a program manager specializing in customized self-funded benefits plans for businesses. It designs health plans, selects networks, manages vendors, and sets up the benefits plan on the marketplace including benefits structures, coverage options, and provider networks. Licensed brokers can log in to the marketplace to select and sell self-funded benefits plans to businesses. Our offerings encompass reference-based pricing, group insurance captives, community health plans, and association health programs. SMR collaborates with TPAs and licensed brokers to design health plans that meet the specific needs of the employers.

¹ Centers for Medicare & Medicaid Services (CMS), National Health Expenditure Accounts (NHEA) Fact Sheet (2024).

ICE: ICE is an MGU, which specializes in underwriting and providing administrative functions on behalf of stop loss carriers. ICE assists with underwriting activities through its sophisticated web-based SaaS quoting platform, eDIYBS (Enhance Do It Yourself Benefit System). This platform not only monitors and manages claims activities but also facilitates reinsurance reporting and monthly reinsurance filings. Collaborating with TPAs, ICE empowers business groups to fund their own claims and lowers the risk pool of insured, mitigating the risk associated with high-dollar medical claims. ICE medically underwrites the employees. The aim of this strategic approach to self-funding is to achieve competitively lower rates for low-risk employers with comparatively healthy employees, as compared with the community rating of many fully insured large carriers where premiums are the same for everyone in the community.

The eDIYBS quoting platform can be used to quote health insurance for employers. By integrating AI-backed solutions using machine learning and a web-based Point of Sales (POS) system, eDIYBS drastically reduces friction and complexities in the underwriting process when compared to a manual underwriting process that involves the underwriter manually reviewing health applications completed by each employee seeking insurance. Our platform allows licensed brokers to upload specific data to eDIYBS to generate bindable quotes efficiently, reducing errors associated with human interaction and manual processes. In most cases, this streamlined approach reduces processing time to approximately two minutes for small employers, 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 we have received from brokers who engaged us for our services. Approximately 80% of bindable quotes are provided solely using AI without further manual review. According to brokers' feedback, depending on employer size, it otherwise can take anywhere from two weeks to three months to receive bindable quotes from other channels. The data used in our eDIYBS platform is provided by third party vendors that utilize machine learning tools, which are connected to our system by an application programming interface. We then feed the data to our internal risk scoring model to generate a risk score and to calculate premiums that are within insurance underwriting guidelines and carriers' risk acceptance threshold. Our internal proprietary system consistently improves results through machine learning tools and data feeds from third party vendors, and this process is governed by our internal governance policy on utilizing AI technology.

Bundle Self-Funded Health Plan + Stop-Loss Insurance



(1) About 12 days for employer groups of 10–100 employees & About 3 months for groups exceeding 100 employees
(2) About 2 minutes for employer groups of 10–100 employees About two weeks for groups exceeding 100 employees

HI Card: HI Card seeks to simplify healthcare management with a single standardized transaction and service platform, designed to streamline the management of medical records and claims through one platform using one login. All health-related information is aggregated through this single platform. The platform provides 24/7 access to its users, including patients, healthcare providers, brokers and TPAs, among others. By partnering with hospitals

across the nation, HI Card has developed a community health plan aimed at significantly reducing corporate health insurance premiums through an automated platform thus reducing administrative costs of processes that are traditionally done manually, while simultaneously enhancing benefit offerings through self-funding mechanisms. Additionally, the platform facilitates secure, immediate access to crucial health data for healthcare providers, encompassing health insurance plan specifics, medical records, and personal identification details. Moreover, HI Card empowers members to effortlessly obtain vital health information, ranging from claims status and plan particulars to directories of in-network doctors, all tailored for both themselves and their dependents, and all using one login.

HI Card also provides clients with HIT's HI Performance Network ("HPN"), a series of hospital facilities and providers that deliver Medicare-based reimbursement pricing. HI Performance Network (HPN) now provides direct Medicare contracts in 50 states with 1,317,732 providers that are licensed nationwide, including hospitals, as of December 31, 2025. In accordance with our internal practices and procedures, we evaluate our contracts with HPN providers on the basis of cost and to ensure they adhere to our standards. An assessment is done annually to determine which providers to keep in the HPN and therefore the number of HPN providers may fluctuate from year-to-year.

Although it is not part of HIT's core business, we will strategically invest our assets to maximize risk-adjusted returns to shareholders. We provided a three-year promissory note to Kang Youle Limited, an independent third party with access to a network of insurance sectors internationally. Furthermore, certain business customers elect for a discount on premiums payable to carriers. In exchange for such discount, carriers are entitled to collect and retain such business customers' claim fund balance amounts (such positive claim fund balance amounts, the "Deferred Administrative Surplus"). HIT as the platform company tracks and processes claims for carriers. Having all required information for collection on our platform, we signed an agreement to give us the sole collection rights. The initial purchase amount equals 53% of collection amount, and the final purchase amount equals 20% of collection amount. Given HIT in our role of providing services on a day-to-day basis for our customers, we negotiated such collection rights. We continue to evaluate business opportunities and may expand on these business opportunities based upon their success in the future.

Health in Tech — Power on Your Health Plan

We created HIT because traditional self-funding can be overly complicated for many participants, costing both time and money, especially for the small business community. According to the U.S. Small Business Association (SBA), in 2026, small businesses with 500 employees or fewer make up 99.9% of all U.S. businesses and represent 43.5% of GDP. However, small businesses are drastically underserved in their access to affordable, competitive health insurance. Compared to large businesses, small businesses face higher year-over-year premium increases and pay more on average for less coverage. According to the Kaiser Family Foundation ("KFF") in its KFF 2025 Employer Health Benefits Survey (which surveys employers with ten or more workers), 59% of small firms (10 – 199 workers) offer health benefits, implying that approximately 41% do not. Health insurance remains the most important benefit for small businesses to attract and retain talent when competing against larger corporations.

Self-funded benefits plans and stop loss insurance policies generally have lower administrative and operating costs, effective claim management, and can create large savings for businesses. Self-insured businesses can also keep unused claim fund dollars. However, self-funded benefits plans are usually only designed for large corporations due to program complexities. Many TPAs, brokers and managing general underwriters (MGUs) avoid selling stop loss insurance for self-funded benefits plans even when products are available, because the complicated manual sales process is not easy and may not reduce expenses.

We founded HIT to solve these problems and to provide small businesses with access to the high-quality, low-cost health care plans that are originally only available to large corporations. We seek to integrate all aspects of self-funded benefits plans and stop loss insurance for small businesses with 10-100 employees, and larger sized businesses with over 100 employees.

Leveraging AI-backed technology from our third-party service providers, our Enhanced Do It Yourself Benefit System (eDIYBS) is a rapid medical underwriting and broker quoting system. This technology simplifies and automates the manual quoting and plan development process, meaningfully reducing the complexity and time associated with these tasks. By removing friction and eliminating human factors, brokers can obtain a bindable proposal, a proposal containing all of the binding terms of coverage, that has 12 plans with four tier rates in about two minutes. We also developed the HI Performance Network (HPN), which delivers Medicare-based reimbursement pricing to a series of hospital facilities and providers. Our HPN now provides direct Medicare contracts in 50 states with 1,317,732 providers that are licensed nationwide, including hospitals, as of December 31, 2025.

Additionally, our web-based HI Card platform has a user-friendly interface designed to enable patients, TPAs, and businesses to access all of their benefits in one place. HI Card's secure, proprietary technology leverages existing systems to create a single, standardized transaction platform for providers, payers, and patients alike. With HI Card, each participant in the healthcare transaction has secure real-time access to the same vital patient information — from medical and drug histories to coverage eligibility and more.

As of December 31, 2025, we had clients in 40 states, with our services and platforms actively utilized by 583 brokers, 12 Third-Party Administrators (TPAs), and 263 additional third-party agencies. The self-funded benefits plans and stop loss insurance policies were sold to 795 business clients with 22,515 employees, and we managed to maintain profitability while experiencing growth with a year-over-year revenue increase of 71% from 2024 to 2025.

Challenges in the Healthcare Market for Small Businesses Drive Innovation

High healthcare costs and low value of health benefits for small businesses. Healthcare costs have consistently outpaced inflation in recent years, and healthcare spending typically grows faster than the economy. According to the Centers for Medicare & Medicaid Services' National Health Expenditure Data, U.S. health care spending grew 7.2% in 2024, reaching \$5.3 trillion, or \$15,474 per person. As a share of the nation's Gross Domestic Product ("GDP"), healthcare spending accounted for 18.0% in 2024.

Small businesses are underserved primarily due to a lack of insurance service solutions and lack of competition. Self-funded benefits plans and stop loss insurance services offered by our platform are medically underwritten through an automated process for a large majority of cases within the machine-learning algorithm. HIT aims to meaningfully reduce costs compared to fully funded insurance services through an automated platform for low risk and small employers with comparatively healthy employees, reducing processing times compared to a manual underwriting process that involves underwriters manually reviewing health applications completed by each employee. We seek to offer a high value proposition for businesses to manage down their healthcare costs.

Complicated insurance transaction procedures and manual processes can be inefficient, costly, and difficult to scale. Based on our experience and feedback from brokers, traditional manual underwriting and quoting workflows for self-funded benefits plans and associated stop-loss coverage may take approximately twelve days to three months depending on the size of groups as these processes often require multiple documents to be compiled, reviewed and submitted manually. By contrast, HIT has developed eDIYBS, a fast and user-friendly AI-backed system that is designed to shorten the sales cycle. In most cases, our platform can produce a medical plan proposal in approximately two minutes to two weeks, subject to the receipt of required underwriting information. Actual timelines may vary based on group-specific factors, data completeness, and underwriting requirements.

Lack of transparency in the healthcare industry has an adverse impact in building trust and inability to manage costs. There are substantial difficulties for consumers to determine the true cost of services before seeking care, and they often are unable to effectively compare costs when seeking the most suitable treatment. HIT provides personalized and secured access to healthcare data through its HI Card platform, which is available 24/7 with maximal transparency. Medical care specialists can facilitate and assist businesses in determining cost effective solutions without compromising quality. Healthcare providers can view patients' historical medical and the transactional information after obtaining the patient's permission. This makes diagnoses easier and more accurate.

Self-funded plans provide material benefits vs. fully insured plans. Complexity of successfully implementing self-funded plan has impacted market penetration, especially for small businesses with limited resources



Businesses want the cost and flexibility benefits provided by Self-Funded Healthcare Plans (“SFPs”)

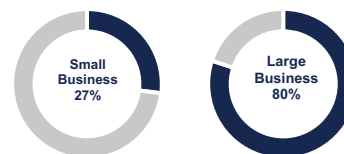


Complexity of SFPs have made implementation unrealistic for many business



Health in Techs AI Powered Solutions removes barriers, enabling SMBs to benefit from SFPs

Self-Funded Plan Penetration %⁽¹⁾



Estimated Self-Funded Savings⁽²⁾

15 – 20%



(1) KFF 2025 Employer Health Benefit Survey

(2) Intercept Health, “The Hidden Cost of Fully Insured Plans: Why Self-Funding is Usually Better for Employers.”

Massive and Growing Market Opportunities Across Employers of All Sizes

U.S. healthcare spending remains sizeable and continues to grow. According to the Centers for Medicare & Medicaid Services (“CMS”), U.S. health care spending reached approximately \$5.3² trillion in 2024, or \$15,474 per person, representing 18.0% of U.S. GDP.

Third-party market research estimates the U.S. group health insurance market totaled approximately \$1.41³ trillion in 2024. Employer-sponsored coverage represents a significant portion of this ecosystem, and self-funded arrangements are also widely adopted. According to the KFF 2025 Employer Health Benefits Survey, in 2024, 67% of covered workers were enrolled in a self-funded health plan, representing a \$0.9 trillion market, and the survey notes that employers sponsoring self-funded plans often purchase stop-loss coverage to limit liability.

We believe the employer market is also highly fragmented. According to the U.S. Small Business Administration Office of Advocacy, small businesses (generally firms with fewer than 500 employees) comprise 99.9%⁴ of U.S. firms and employ 62.3 million people.

Historically, our customer base has been concentrated among small employers seeking more affordable and flexible alternatives to traditional fully insured coverage. However, as our underwriting and automation capabilities have expanded, we are increasingly able to support employers across a broader range of sizes, including mid- and large-sized employers. As of December 31, 2025, the total policies sold by third-party agents using our services approached \$220 million with 22,515 business employee participants.

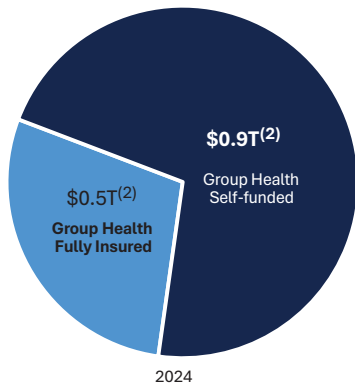
As a result, while small employers remain an important and substantial portion of our current customer base, we believe our addressable opportunity extends to employers of all sizes participating in self-funded and other alternative funding arrangements supported by stop-loss coverage.

2 Centers for Medicare & Medicaid Services (CMS), National Health Expenditure Accounts (NHEA) Fact Sheet (2024).

3 Grand View Research U.S. Group Health Insurance Market (2025 – 2030).

4 U.S. Small Business Administration Office of Advocacy posted on Feb 3, 2026

\$1.4T⁽¹⁾ Group Health Insurance Market



\$5.3T Healthcare Spending



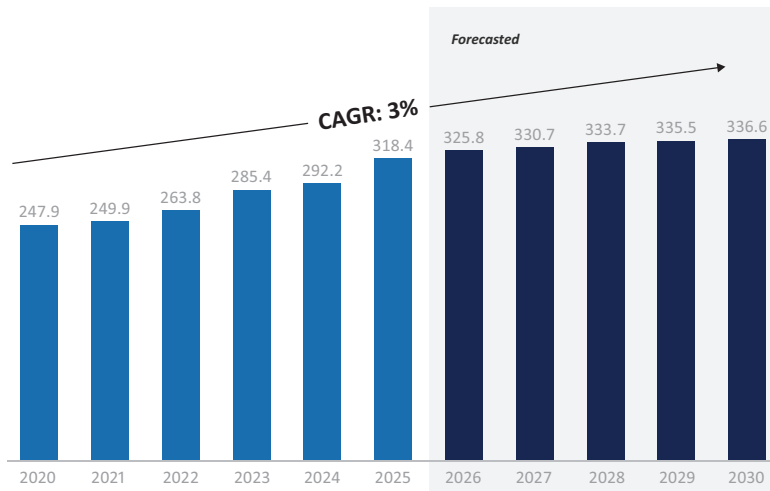
Projected CAGR: ~4.2%

Sources: (1) Grand View Research U.S. Group Health Insurance Market (2025 - 2030) (2) Estimated based on the \$1.4T U.S. group health insurance market and approximately 67% of covered workers enrolled in self-funded plans. (3) Centers for Medicare & Medicaid Services, (4) Health Affairs (5) As of December 31, 2025, third-party agents using our services sold approximately \$220 million of policies. Penetration is calculated as \$220 million ÷ ~\$0.9 trillion U.S. self-funded employer premium pool.

Key Takeaways

- **Primary Addressable Market:** The U.S. group health insurance market was valued at \$1.4 trillion in 2024, representing a significant core opportunity.
- **Strategic Segment Focus:** Within group health, Self-funded plans dominate at \$0.9 trillion (67% of the market). HIT is about 0.02%⁽⁵⁾ of \$0.9T self-funded group stop loss market, a significant opportunity.
- **Strong Sector Tailwinds:** Total U.S. healthcare spending is projected to scale from \$5.3 trillion (2024) to \$6.8 trillion by 2030.

United States Health Insurance Gross Written Premium USD Billion, 2020-2030E

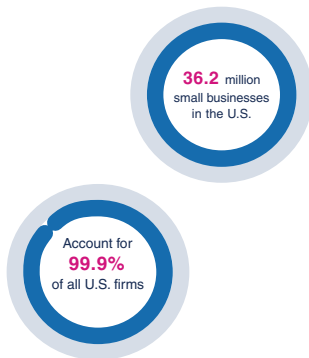


Source: Statista Market Insights

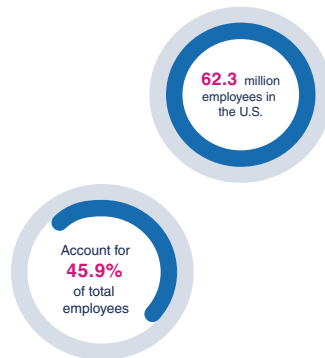
Key Takeaways

- U.S. health insurance gross written premium has shown steady growth, increasing from USD247.9 billion in 2020 to USD318.4 billion in 2025, representing a -5.1% CAGR over the period.
- The market is expected to continue expanding, reaching USD336.6 billion by 2030, implying a -3% CAGR from 2020 to 2030.
- Growth is driven by rising healthcare costs, increasing insurance coverage, and continued expansion of employer-sponsored health plans, supporting long-term demand in the U.S. health insurance market.

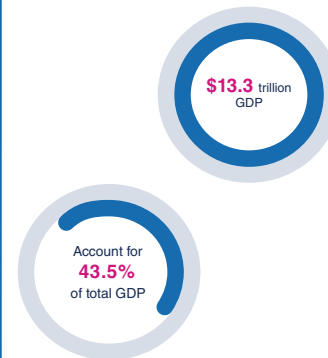
Number of Small Businesses



Total Employees of Small Businesses



GDP Contribution of Small Businesses



Source: U.S. Small Business Administration, Office of Advocacy posted on Feb 3, 2026

Our Strengths

Marketplace Innovator. Our AI-powered platforms using machine learning, eDIYBS and HI Card, aim to deliver efficiency, availability, and security features. Our eDIYBS platform empowers licensed brokers to sell stop loss insurance policy for self-funded benefits plans to employers. HIT seeks to make a difference in the growing healthcare market with a distinctive business model that: (a) strives to democratize access to self-funded benefits plans and stop loss insurance policies for business organizations, significantly broadening the client base; (b) leverages an AI machine learning technology to streamline and simplify the offering, underwriting, and closing processes for self-funded benefits plan and stop loss insurance programs; (c) enables TPAs and brokers to produce bindable proposals directly to business clients; (d) offers a mutually beneficial solution that assists business clients in reducing total medical expenses without sacrificing coverage quality; and (e) hopes to ensure a positive experience for both business clients and individual employees, in order to offer significant improvements in accessibility to comprehensive health networks in the future.

Our web-based HI Card platform has a user-friendly interface, including both web and mobile based features, are currently under continuous beta testing for a select group of customers. It is designed to enable patients, TPAs, and businesses to access all of their benefits in one place.

- **24/7 transparency** — patients can easily obtain their plan design and deductible accumulator information. Patients can also authorize medical information and share with doctors to save time.
- **Unlimited access to data** — brokers are empowered to manage customer information to improve efficiency, enable employers to better manage employee insurance information to save costs, assist patients, manage health care and medical data to make better decisions.
- **Reference-based pricing** — lower costs for patients, streamlined claims processing for payers, faster payment turnaround for providers.

Growing Distribution Channels

As of December 31, 2025, we had 583 brokers, 12 Third-Party Administrators (TPAs), and 263 additional third-party agencies in 40 states registered on our platforms and selling our services. We coordinate all aspects of programs and seek to provide our business customers with suitable and affordable insurance policies and health benefits plans in the market. We plan to leverage our online quoting tools and HI Card to add strategic partnerships with large insurance brokerage firms to the platform and continue to strengthen our distribution channels.

We are a health insurance marketplace where insurance companies can list various stop-loss policy options for self-funded benefits plans. Our customers are employers of all sizes that need health insurance plans. As a marketplace and platform company, we have contractual relationships with TPAs, carriers and employers. Our fees are earned from employers and carriers upon a broker or TPA successfully selling a stop loss policy for self-funded benefits plans.

Our proprietary technology enables us to medically underwrite insurance policies for carriers. We also offer customization of health benefits plans, vendors, claims, and network services. When licensed brokers log in to our platform, they upload a census, select policy, design plans, obtain a bindable quote and sell them to businesses. These offered services are interdependent, and cannot function effectively without being combined. Services provided by HI Card are optional add-on to our services, and it cannot be offered on a standalone basis. Brokers are not obligated to utilize our HI Card service. Customers use the HI Performance Network offering by HI Card, which is a series of hospital facilities and providers that deliver Medicare-based reimbursement pricing. The HI Performance Network now provides direct Medicare contracts in 50 states with 1,317,732 providers that are licensed nationwide, including hospitals, as of December 31, 2025. Except HI Card, which are optional add-on to our services, and cannot function on a standalone basis, customers using any of our platforms have access to other platforms. Customers can also choose other networks, if they prefer to use a preferred provider organization (PPO). We seek to obtain our customers by consistently improving our platforms and services, and by providing convenience, speed and cost efficiency.

Our Contractual Relationships

SMR and HI Card contract with TPAs, which are contracted and authorized by the business employers to enter into services contracts with SMR and HI Card on behalf of the business employers. We do not directly interact with our employer customers, and primarily rely on TPAs and brokers, to set up the health benefits plan programs based on requirements and preferences of the business employer. We are not a TPA. SMR and HI Card are not providing services to the TPAs, but instead, have contracts to collaborate with the TPAs. For example, SMR collaborates with TPAs to facilitate the administration of health benefit plans and stop-loss insurance policies to our customers, which are the business employers. The TPA will administer the purchased health benefits plan and manage the multiple service providers associated with the health benefits plan and stop-loss insurance policy. Such service providers are listed on the bindable quotes via the bindable sold case breakdown, which outlines the individual stop loss insurance and benefits service offerings selected by the business and the cost of each. SMR selects health care vendors and creates different plans. Once the business employer selects a plan, the platform will generate the sold case breakdown. Only the business employer can start or terminate the relationship with the SMR and HI Card. The TPA cannot start or terminate the relationship with the SMR or HI Card. As a third-party administrator, TPAs are contractually authorized and directed by the businesses to enter into agreements with other service providers like SMR on behalf of the businesses. This is because businesses may lack the expertise and resources to manage self-funded health benefits service providers. TPA's responsibilities include paying fees to contracted vendors on behalf of business employers, processing claims, managing enrollment through working with the underwriter, and administering self-funded health plans.

There is no contractual relationship between HIT and the brokers. HIT's platform provides credentialing for licensed brokers, allowing them to access our marketplace to select and sell self-funded benefits plans for the business employer at no cost. Brokers are paid by the businesses, with no contractual relationship between HIT and the brokers, only a credentialing process, and free access is provided.

ICE, acting as an underwriter for the carrier, contracts directly with carriers. Carriers provide stop-loss insurance policies for the self-funded health benefits plans, and have contracts with ICE and the businesses when a policy is sold. ICE, underwrites the policies and accepts insurance premiums from enrolled employees on behalf of the carrier.

Program services provided by SMR and MGU activities conducted by ICE (including eDIYBS) are interdependent and must be combined to function effectively. SMR selects health care vendors and creates different plans. The stop-loss insurance policy and self-funded health benefits plans together help businesses manage and limit the risk exposure of health benefits plans. HI Card services are an optional add-on and cannot be offered on a standalone basis.

Businesses pay fees based on the sold case breakdown. All the fees are collected by TPAs pursuant to the sold case breakdown and are passed through to the respective vendors. Self-funded health plans typically consist of 10 different vendors. Below is an outline of the flow of fees for our services.

- **SMR:** Once the aggregate monthly fees are collected by the TPA from a business employer, the TPA will then disburse the contracted fees to SMR based on the bindable sold case breakdown. The SMR's services fee per employee paid by the business employer per month ranges from \$2 to \$50 depending on selected services.
- **ICE:** ICE collects premiums from businesses on behalf of the carrier in accordance with the underwriting guidelines. After collecting ICE's underwriting fee and paying other acquisition costs on behalf of the carrier, the net premium is transferred to the carrier. Underwriting fee is 12% – 13% of premium.
- **HI Card:** Once the aggregate monthly fees are collected by the TPA from a business employer, the TPA will then disburse the contracted fees to HI Card based on the bindable sold case breakdown. The average fee per employee paid by the business employer for HI Card's services is about \$15 per month.

The contract term of a stop-loss health benefits plan is 12 months of coverage plus a six month run-out period, a period of time after the end of the plan year which allows employees to request a reimbursement for medical expenses that were incurred during the plan year. Fees and premium are paid monthly during the 12 month coverage period.

Monthly fees and premiums may vary based on enrollment changes (a change in the employee headcount). From time-to-time, a re-underwrite is required pursuant to the carrier's guidelines. In such cases, SMR and ICE provide ongoing services throughout the contract terms.

Dedicated Management Team with Extensive Industry Experience to Drive Success

Our management team has in-depth know-how in the insurance industry with significant experience in senior positions at large insurance healthcare businesses and entrepreneurship roles, including self-funded benefits plans, stop loss insurance, medical insurance companies, TPAs, MGUs, retail brokerages, and health plan consulting firms. With extensive industry experience, HIT is poised to continue innovating and simplifying the sales, communication, and underwriting processes within the insurance and healthcare sectors. Our technological advancements are a direct result of our deep understanding and extensive experience with various facets of insurance and healthcare interactions.

Proprietary Technology and Data Improve Efficiency and Transparency

Our frontend platform is a web-based portal, easily accessible, with limited requirements for brokers to upload the basic minimum data. The uploaded data on the eDIYBS portal is instantly analyzed by an AI-backed engine and our internal algorithm. Our proprietary underwriting algorithm leverages big-data analytics and nearly millions of internal and external data points to produce a health score for an individual employee as of December 31, 2025. Our digitally enabled approach to quoting has successfully reduced the need for human involvement in a significant part of the process. In most cases, this system enables the generation of bindable quotes for an employer with enrolled individuals within the carrier's accepted risk threshold in about two minutes. All bindable quotes are within the carrier's accepted risk threshold, which are developed and programmed by our proprietary system. Any quotes outside of the risk acceptance threshold will be declined by the system automatically. For individuals with health scores that surpass the carrier's risk tolerance, our system intelligently produces a contingent proposal. In such cases, brokers are guided to employ an electronic health application, enabling customers to supply additional information necessary to finalize the sale and generate a comprehensive proposal.

Our Growth Strategy

Build a Marketplace for All Employers and All Insurance Carriers. We are building a unified insurance marketplace designed to enable multiple insurance carriers to offer their products through a single platform. We intend to advance this marketplace by continuing to expand participation across carriers and distribution partners. We expect to focus initially on healthcare-related offerings and, over time, to broaden the marketplace into additional insurance verticals, including Property & Casualty ("P&C"), as we build the necessary product capabilities and carrier relationships.

Offer a Full Suite of Insurance Products for Employers of All Sizes. We intend to expand the breadth of products available to employers through our platform. Our current offering includes self-funded stop-loss medical insurance. Over time, we plan to expand into additional product categories, including P&C and workers' compensation, which we currently expect to pursue as future expansion opportunities. We believe offering a broader suite of products can increase the value of our platform to employers and distribution partners and support additional cross-sell opportunities.

Vertical Full Services Integration. We intend to deepen vertical full services integration across our ecosystem by expanding one-stop vendor management and administrative services. We also plan to continue growing sales distribution through broker agencies and to develop additional AI-enabled claims processing and reporting capabilities designed to improve operational efficiency and scalability.

Data Analytics Services. We plan to offer data analytics services to insurance carriers and provide insights intended to support cost containment and decision-making for employers and members. We believe these analytics capabilities can enhance the value proposition of our platform and support improved outcomes across underwriting, plan management, and ongoing administration.

Our Intellectual Property

We currently have seven registered trademarks, one pending trademark application, three patents, and one pending patent application. Our patents cover our HI Card system, which is used to store, process and access data. We have also registered the trademarks “HI Card,” “Health In Tech” and “HIT.” “SMR” and “eDIYBS.”

Use of Artificial Intelligence

Our eDIYBS platform is backed by third-party AI technology utilizing machine learning. Our customers’ sensitive, proprietary, or confidential information could be leaked, disclosed, or revealed as a result of or in connection with our vendors’ use of generative AI technologies. Any such information that we input into a third-party machine learning platform could be revealed to others, including if information is used to train the third party’s machine learning models. Additionally, where a machine learning model ingests personal information and makes connections using such data, those technologies may reveal other sensitive, proprietary, or confidential information generated by the model.

Moreover, machine learning models may create incomplete, inaccurate, or otherwise flawed outputs, some of which may appear correct. We use machine learning outputs from our vendors to make certain decisions. Specifically, we provide information we receive from our customers, which may include sensitive health information, to third party vendors who input that data into AI-backed models to determine a risk profile of each potential insurance plan member in order to quote the insurance plan. Unlike many of our competitors, which only provide initial quotes using AI-backed risk profiles, but that are finally bindable only after each employee to be insured completes a health application detailing the employee’s health history and other risks, and the health application is reviewed by the underwriter to price the self-insured program, we provide bindable quotes solely using our AI-backed eDIYBS platform within about two minutes, unless the eDIYBS platform raises certain unknown risk flags that require further manual review via a health application completed by the employee and manually reviewed by an underwriter. Approximately 80% of bindable quotes are provided solely using AI without further manual review. Providing bindable quotes solely using AI-backed technology can lead to errors in the actual risk profile of the employee pool being insured, leading to higher insurance costs than originally anticipated during the quoting process. The direct risk is borne by the insurance company providing the policy, however, if there is an increase in such errors, insurance companies may refuse to continue allowing our eDIYBS platform to provide bindable quotes, reducing the value of eDIYBS as compared to some of our competitors’ platforms, which may require greater usage of manual reviews of health applications, thereby increasing quoting times, and reducing usage of our eDIYBS platform by brokers, TPAs, MGUs and others. Additionally, there may be potential flaws in how the AI-backed models assesses risk profiles that could lead our eDIYBS platform to create higher risk profiles that bias certain individuals or classes of individuals and adversely impact their rights. Although any such biased outcomes are currently unknown to us, if any of these errors occur, we could face adverse consequences, including exposure to reputational and competitive harm, customer loss, or regulatory and legal liability.

We have implemented an Artificial Intelligence Governance Policy to establish a framework for the ethical and responsible use of AI technologies within our company, which aims to ensure that AI systems are used, developed, deployed, and managed in a manner that aligns with our organizational values, regulatory requirements, and industry best practices. This policy applies to all employees, contractors, and third parties involved in the use, development, deployment, management, and use of AI systems within our company. The policy requires that we provide regular training and awareness programs for our employees on AI technologies, ethical considerations, and compliance requirements, and to engage with customers, regulators, and the public, to gather feedback and ensure transparency in the use of AI systems. It also requires that the AI systems be designed and implemented to prevent bias and ensure fairness, and that we regularly audit our service providers to identify and mitigate any such biases. Any non-compliance with the policy by an employee or service provider may result in disciplinary action, up to and including termination of employment or contracts.

In compliance with the policy, we carefully select and conduct due diligence of third-party vendors, evaluating their reputation, track record, and compliance with industry standards and fairness. We establish clear contractual agreements that define the responsibilities and obligations of third parties concerning data security and privacy, including clauses for data breach notification and compliance with relevant regulations such as HIPAA. We conduct

regular security assessments and audits to identify any potential vulnerabilities and ensure third-party systems adhere to security and fairness standards. Additionally, we enforce data encryption both in transit and at rest, along with strict access control measures, limits data access to authorized personnel only.

We leverage continuous monitoring mechanisms which are vital for detecting and responding to security incidents involving third-party systems, supported by tools like Security Information and Event Management (SIEM) to track and analyze security events. In addition, we conduct risk assessments which helps evaluate the potential effects of third-party data processing on individual privacy and mitigate associated risks. Data acquired from our third party service providers is checked against our claims data and/or health applications regularly. Our underwriting team tests samples of groups of claims data on a routine basis to validate that the results from our third party service providers are performing as expected. Parameters are in place on every code call to our third party service provider to validate that the data returned is within our defined tolerances. Data outside of those tolerances are flagged for manual underwriting review. The Company does not currently use any form of AI within our eDIYBS application, and relies solely on third party service providers.

The agreement with the AI data service provider was entered into on January 26, 2022. The agreement provides services including predictive modeling solutions utilizing the service provider's software and decision engine that is hosted and managed by the service provider. The agreement is subject to a new work order which extends three years from October 1, 2024 to September 30, 2027. The Company will have the one time right to terminate the agreement for any reason at the end of the second year with 60 days prior written notice. Pursuant to the agreement, the Company agreed to pay the service provider on a per user basis based on the number of users, with a minimum monthly fee of \$60,000.

We have also developed a robust incident response plan, integrating third parties into the process, and ensuring their awareness of roles and responsibilities further strengthen security measures. We conduct regular training and awareness programs for employees and third-party personnel on data security and privacy best practices. Adopting the principle of data minimization ensures that only necessary data is shared with third parties, and unnecessary data is regularly reviewed and purged. Finally, we ensure compliance with legal and regulatory requirements by staying updated on changes in data protection laws which are crucial for reducing data exposure risks and maintaining secure AI operations.

Automated systems rely on vast amounts of data to find patterns or correlations, including AI technology that utilizes machine learning, and then apply those patterns to new data to perform tasks or make recommendations and predictions. While these tools can be useful, these tools also have the potential to produce outcomes that result in unlawful discrimination. Various federal agencies have issued statements on their agencies' response to AI risks related to civil rights and consumer protection law. The statements outlined ongoing work on AI issues and listed as categories of potential sources of discrimination in automated systems:

- Data and datasets, including datasets that are unrepresentative or incorporate historical bias.
- Model opacity and access.
- Design and use, including the context for use of automated systems.

Although we believe the current AI-related regulations are not a material risk to our business, there can be no assurances that interpretations of existing regulations or the implementation of new regulations will create material regulatory risk to us in the future.

Regulation

Our business operates in a heavily regulated industry. Various aspects of our business are, may become, or may be viewed by regulators from time to time as subject, directly or indirectly, to U.S. federal and state laws and regulations. We are affected by laws and regulations that apply to businesses in general and the insurance services industry, as well as to businesses operating on the internet and through mobile applications. This includes a continually expanding and evolving range of laws, regulations and standards that address information security, data protection, privacy and data collection, among other things. We are also subject to laws governing marketing and advertising activities conducted by telephone, email, mobile devices and the Internet.

We are an insurance technology company that provides a platform to facilitate self-insured private employer health plans. Self-insured private employer health plans generally fall under the jurisdiction of the Employee Retirement Income Security Act of 1974 (ERISA), a federal law enforced by the US Department of Labor and the Employee Benefits Security Administration, which limits the ability of states to regulate such plans to avoid duplicative or conflicting regulations which would make it more difficult for employer to offer health insurance to its employees. As a result of the ERISA preemption, we are able to offer our insurance technology platform throughout the states and make employer-sponsored health insurance plans accessible for businesses and deliver cost and time savings for employers, employees, members, brokers, Third-party Administrators (TPAs), and providers.

In addition, SMR is a licensed insurance agent in the State of South Carolina. As such, SMR is licensed to sell or broker insurance products in South Carolina should SMR choose to sell or broker any products. SMR has not sold or brokered any insurance products to date and may not do so in the future. Accordingly, except as noted for SMR in South Carolina, neither HIT nor any of its other subsidiaries acts in any of these roles that require a state insurance license in providing its insurance related services and products.

Because the laws and regulations governing insurance services, privacy, data security and marketing are constantly evolving and striving to keep pace with innovations in technology and media, it is possible that we may need to materially alter the way we conduct some parts of our business activities or be prohibited from conducting such activities altogether at some point in the future.

Our Leadership Team

We have assembled an experienced management team with deep insurance and technology experience. Our management team has in-depth know-how in the insurance sector through experience in senior positions in large insurance healthcare companies and entrepreneurship at self-funded benefits, stop loss insurance and medical insurance companies, TPAs, MGUs, retail brokerages, and health plan consulting firms. With extensive industry experience, we believe we can create solutions that simplify the sales process, digitalize and automate underwriting, and streamline the communication process. The technology we have constructed is based on the knowledge and experience of our management in insurance and healthcare sector. Members of our team bring experience from multiple insurance companies including AIG, CB, HealthSmart, Lucent Health, and Fidelity Life, among others.

Our Corporate Information

We were incorporated in Nevada in November 2021. We have our headquarters in Stuart, Florida, with many of our team members working remotely throughout the United States. Our principal executive office is located at 701 S. Colorado Ave, Suite 1, Stuart, FL 34994, and our phone number is 888-373-0333. In September 2013, our founder, Tim Johnson, established International Captive Exchange, LLC, an Iowa limited liability company, which as of November 2021 is our wholly-owned subsidiary. In March 2022, International Captive Exchange merged with DIYBS, LLC, an Iowa limited liability company, with International Captive Exchange surviving the merger. In December 2014, our founder, Tim Johnson, established Stone Mountain Risk, LLC, an Iowa limited liability company, which as of November 2021, is a wholly owned subsidiary of HIT. In March 2017, Mr. Johnson, established HI Card LLC, an Iowa limited liability company which as of November 2021, is a wholly owned subsidiary of HIT.

Our website address is www.healthintech.com. The information contained on our website is not a part of this Report, and you should not consider any information contained on, or that can be accessed through, our website as part of this Report or in deciding whether to purchase our Class A common stock.

Competition

The insurance services technology industry is characterized by a rapid evolution of technologies, significant competition and strong defense of intellectual property. While we believe that our platforms, technology, knowledge, experience, and resources provide us with unique competitive advantages, we expect to face competition from established insurance carriers and other companies that offer self-funded health plan solutions to employer groups.

Our competitors include insurance carriers that provide self-funded insurance products and related administrative services to employers, including UnitedHealth Group Incorporated (NYSE: UNH), The Cigna Group (NYSE: CI), CVS Health Corporation (NYSE: CVS), Elevance Health, Inc. (NYSE: ELV), and Humana Inc. (NYSE: HUM). These companies generally offer broad employer health benefit solutions, including access to provider networks, administrative services, and stop-loss or other risk-bearing insurance products.

We are not carriers that assume underwriting risk. Instead, our platform supports the underwriting and quoting process by applying carrier's underwriting criteria and workflow automation to facilitate the placement of self-funded health plan products. As a result, we compete primarily on the basis of speed, efficiency, technology integration, and ease of use, rather than by taking insurance risk onto our own balance sheet.

Many of the companies against which we may compete have significantly greater financial resources and expertise in research and development. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These early stage and more established competitors also compete with us in recruiting and retaining qualified insurance services and technology personnel and establishing new technology, as well as in acquiring technologies complementary to, or necessary for, our platforms.

Initial Public Offering

On December 24, 2024, we completed our Initial Public Offering of 2,300,000 shares of Class A Common Stock at a price of \$4.00 per share. The total gross proceeds received from the initial public offering was \$9.2 million before deducting underwriting discounts and commissions.

Implications of Being an Emerging Growth Company

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements, and registration statements; and
- exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

If some investors find our Class A Common Stock less attractive as a result of these exemptions, there may be a less active trading market for our Class A Common Stock and the price of our Class A Common Stock may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to take advantage of the benefits of this extended transition period.

We will remain an emerging growth company until the earlier of: (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual gross revenue of at least \$1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A Common Stock that is held by non-affiliates exceeds \$700 million as of the prior June 30, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period. References herein to emerging growth company will have the meaning associated with it in the JOBS Act.

Implications of Being a Smaller Reporting Company

Additionally, we are a “smaller reporting company” as defined in Rule 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value of our Class A Common Stock held by non-affiliates equals or exceeds \$250 million as of the end of that year’s second fiscal quarter, or (2) our annual revenues equaled or exceeded \$100 million during such completed fiscal year and the market value of our Class A Common Stock held by non-affiliates equals or exceeds \$700 million as of the end of that year’s second fiscal quarter.

Facilities

Our headquarters is in Stuart, Florida where we currently lease office space with approximately 4,900 square feet under a five year lease starting in November 2022, under which we currently pay approximately \$10,660 per month. We believe that this space is sufficient to meet our needs for the foreseeable future and that any additional space we may require will be available on commercially reasonable terms. Additionally, we intend to continue to maintain our business model designed to leverage virtual technology to minimize brick and mortar facilities while optimizing our ability to attract top talented employees that may reside in any geography.

Employees

As of December 31, 2025, we had a total of 87 full-time employees and 4 part-time employees. We believe that we maintain a satisfactory working relationship with our employees, and we have not experienced any significant labor disputes or any difficulty in recruiting staff for our operations. None of our employees is represented by a labor union.

Human Capital Resources

Employee Engagement, Talent Development & Benefits. We believe that our future success largely depends upon our continued ability to attract and retain highly skilled employees. We provide our employees with competitive salaries and bonuses, and intend to provide opportunities for equity ownership.

Diversity, Inclusion, and Culture. Much of our success is rooted in the diversity of our teams and our commitment to inclusion. We value diversity at all levels and continue to focus on extending our diversity and inclusion initiatives across our entire workforce. We believe that our business benefits from the different perspectives a diverse workforce brings, and we pride ourselves on having a strong, inclusive and positive culture based on our shared mission and values.

Item 1A. Risk Factors

Set forth below are the risk factors that we believe are material to our investors and a summary thereof. You should carefully consider the following risk factors, as well as the other information in this annual report on Form 10-K, and in our other public filings. The occurrence of any of these risks could harm our business, financial condition, results of operations and/or growth prospects or cause our actual results to differ materially from those contained in forward-looking statements we have made in this report and those we may make from time to time. You should consider all of the risk factors described in our public filings when evaluating our business.

SUMMARY OF RISK FACTORS

- Our success and ability to grow our business depend in part on retaining and expanding our network brokers, TPAs, MGUs, carriers, and other third-party agencies. If we fail to add to our network, or retain our current one, our business, revenue, operating results, and financial condition could be harmed.
- Our growth strategy includes, without limitation, the acquisition of additional clients in existing and new markets and states, introducing new services, products and plans, and monetizing our technology.
- Failure to accurately perform underwriting actuarial reviews and adjustments to our underwriting tools could result in an increase in the cost and pricing of health plans we are able to program in the future, which could negatively impact the reputation of our eDIYBS platform and our financial results.

- If the number of members utilizing our platforms or the number of products or services to which they subscribe decreases, our revenue will decrease.
- The insurance products and services we offer through our platform are subject to ongoing, complex, and evolving regulatory obligations, and to continued regulatory review, we could be asked to provide additional claim reports, data and monitoring funds for the insurer which result in significant additional expense and the diversion of our management's time and efforts. If we fail to assist the insurance company to comply with regulatory requirements, or are unable to meet performance standards, The insurance products could be taken off from our platform that could be severely impact our revenue income.
- Changes or developments in the health insurance markets in the United States, including passage and implementation of a law to create a single-payer or government-run health insurance program, could materially and adversely harm our business and operating results.
- If we fail to comply with applicable privacy, security, and data laws, regulations and standards, including with respect to third-party service providers that utilize sensitive personal information on our behalf, or applicable consumer protection laws, our business, reputation, results of operations, financial position, and cash flows could be materially and adversely affected.
- Our limited operating history makes it difficult to evaluate our current business performance, implementation of our business model, and our future prospects.
- We are subject to risks associated with outsourcing services and functions to third parties.
- If we are unable to integrate and manage our information systems effectively, our operations could be disrupted.
- From time to time, we may become involved in costly and time-consuming litigation and regulatory actions, which require significant attention from our management.
- We rely on the experience and expertise of our founder/Chief Executive Officer, senior management team, highly-specialized technology and insurance experts, key technical employees, and other highly skilled personnel.
- If we or our partners or other third parties with whom we collaborate sustain a cyber-attack or suffer privacy or data security breaches that disrupt our information systems or operations, or result in the dissemination of sensitive personal or confidential information, we could suffer increased costs, exposure to significant liability, adverse regulatory consequences, reputational harm, loss of business, and other serious negative consequences.
- Our Class A Common Stock price may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the price you purchased your shares.
- The dual class structure of our common stock has the effect of concentrating voting control with our Chief Executive Officer and Chief Financial Officer for the foreseeable future, which will limit the ability of our other investors to influence corporate matters, including the election of directors and the approval of any change of control transaction.
- We cannot predict the effect our dual class structure may have on the market of our Class A Common Stock.
- We do not intend to pay dividends on our Class A Common Stock for the foreseeable future.
- Future sales or availability of our Class A Common Stock or rights to purchase our Class A Common Stock, including pursuant to our equity incentive plans, or other equity securities or securities convertible into our Class A Common Stock, could result in additional dilution of the percentage ownership of our stockholders and could cause the stock price of our Class A Common Stock to decline.
- Our management team has limited experience managing a public company.

- The obligations associated with being a public company require significant resources and management attention, and we have and will continue to incur increased costs as a result of becoming a public company.
- As a public reporting company, we are subject to rules and regulations established from time to time by the SEC and PCAOB regarding our internal control over financial reporting. If we fail to establish and maintain effective internal control over financial reporting and disclosure controls and procedures, we may not be able to accurately report our financial results, or report them in a timely manner.
- Anti-takeover provisions in our governing documents and under Nevada law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, and depress the market price of our Class A Common Stock.
- An active trading market for our Class A Common Stock may not be sustained.
- If our operating and financial performance in any given period does not meet the guidance that we provide to the public, the market price of our Class A Common Stock may decline.
- We are a “controlled company” within the meaning of the Nasdaq listing rules, and we may follow certain exemptions from certain corporate governance requirements that could adversely affect our shareholders.

Risks Related to our Business and Industry

Our success and ability to grow our business depend in part on retaining and expanding our network of brokers, TPAs MGUs, and other third-party agents. If we fail to add to our network, or retain our current one, our business, revenue, operating results, and financial condition could be harmed.

While we generate our revenue primarily from employers and insurance carriers, we currently derive substantially all of our business through brokers, TPAs, and other third-party agents who provide referrals. As a result, the size of our network is critical to our success. We have experienced significant network growth since we commenced operations, and we believe we have the opportunity to continue grow our network by providing innovation in automation, great client experience, competitive pricing, access to quality providers, and competitive insurance coverage relative to other insurers in the same geographic and insurance markets.

Attracting new brokers, TPAs, carriers, MGUs and other third-party agencies depend, in large part, on our ability to continue to be perceived as providing continued advancement in automation, great client experience, competitive pricing, access to quality providers, and competitive insurance coverage relative to other insurers in the same geographic and insurance markets. Some of the other administrators of self-insured medical plans with which we compete have greater financial and other resources, offer a broader scope of services and may be able to price their services more competitively than ours. Additionally, our ability to attract new brokers and agents and retaining existing ones depends in part on the success of our marketing campaign to such agents. Many of our competitors also have relationships with more brokers, carriers, and other agents than we do or may be able to offer their services to larger clients and/or obtain better cost economics.

If we fail to remain competitive on system automation, client experience, and pricing, our ability to grow our business and generate revenue by attracting and retaining clients may be adversely affected. There are many other factors that could negatively affect our ability to grow our client base, including if:

- our competitors or new market entrants mimic our product offerings or our technology platform, causing current and potential clients to use our competitors’ products instead of our platforms;
- our digital platform experiences technical or other problems or disruptions that frustrate the client experience;
- we or our partners or other third parties with whom we collaborate sustain a cyber-attack or suffer privacy or data security breaches;
- we experience unfavorable shifts in client perception of our digital platform or other client service channels;

- we suffer reputational harm to our brand resulting from negative publicity, whether accurate or inaccurate;
- we are unable to maintain licenses and approvals to offer insurance in our current markets or to expand geographically in an economically sustainable manner;
- we fail to continue to offer new and competitive services;
- insurance brokers or others that we rely on to build our member base are unable to market our insurance services effectively, or if we fail to attract brokers to sell our insurance services, or lose important broker relationships to our competitors or otherwise; or
- our clients do not find sufficient value in our stop loss insurance policies for health benefits products.

Our inability to overcome these challenges could impair our ability to attract new clients and retain existing clients, and could have a material adverse effect on our business, prospects, operating results, and financial condition. Our business, prospects, financial condition, and results of operations may be harmed if we fail to execute our growth strategy.

Our growth strategy includes, without limitation, the acquisition of additional clients in existing and new markets and states, introducing new services and plans, and monetizing our technology.

We are expanding rapidly by partnering with additional TPAs, brokers, carriers, MGUs and other third-party agents to utilize our platform and provide referrals, and entering into new markets and introducing SaaS solutions in the markets in which we currently operate. As of December 31, 2025, we operated in 40 states. As our business grows, we may incur significant expenses prior to commencement of operations and the receipt of revenue in new markets or from new platforms. Further, even if we successfully attract clients in sufficient numbers to cover our costs, the new business could fail, which could not only result in financial harm, but also reputational harm to our brand. We may also experience delays in operational start dates. As we expand, if competitors seek to retain market share by reducing prices, we may be forced to negotiate with providers to reduce their prices on similar offerings in order to remain competitive, which could impact our financial condition and may require a change in our operating strategies. It is difficult to predict the full effect of pricing changes. Even if we successfully convince providers to reduce the pricing, our resulting membership base could be lower than anticipated and our growth could stall. As a result of these factors, entering new markets or introducing new stop loss insurance policies for self-funded benefits plans may decrease our profitability. In addition, we are continuously updating and developing new technology. However, if our technology is not effectively utilized, we may not be able to efficiently and cost-effectively operate our business.

As we expand our service offerings and enter new markets, we need to establish our reputation and brand with new clients, and to the extent we are not successful in creating positive impressions, our business in these newer markets could be adversely affected. There can also be no assurance that we will be able to maintain or enhance our reputation and brand in our existing markets, and failure to do so could materially adversely affect our business, results of operations, and financial condition.

We may also pursue opportunities to monetize our platforms in new ways, such as through white-labeling success fee-based service arrangements. We may not be able to introduce or perform these arrangements as well as expected or at all, and these arrangements may pose operational challenges, may not achieve timely profitability, may expose us to additional liability, or may limit our ability to offer services in certain insurance markets and geographic regions.

We expect that our growth strategy will continue to focus on opportunities in existing and new markets and states for the foreseeable future, which will require significant dedication of management attention and financial resources. If we are unable to effectively execute our growth strategy, our future growth will suffer, and our results of operations could be harmed.

We rely on the ability of our insurance carriers to service our clients.

Our reliance on insurance carriers to service the excess coverage needs of our clients exposes us to certain risks as we attempt to grow our business. Although we conduct due diligence on the insurance carriers that provide excess coverage to our customers, and seek to only partner with reliable, name brand insurance carriers, as we continue

to grow, the insurance carriers who service our clients may not budget sufficient resources to service our clients or may otherwise be unable to adequately service our clients by timely funding insurance claims as required. As a technology platform company, we are not obligated to make up any insurer's shortfalls. However, we may lose our clients or suffer reputational risk from issues resulting from carrier errors and insufficiencies. As a result, we may need to rely on multiple insurance carriers to service one client or may have to delay onboarding new clients until adequate replacement carriers can be engaged. Any delay or disruption in our ability to appropriately service our clients as a result of challenges with insurance carriers could significantly harm our reputation and affect our business, financial condition and results of operations.

We may not be able to maintain profitability in the future.

We expect to make significant investments to further market, develop, and expand our business, including by continuing to develop our technology platforms, acquiring more members, maintaining existing members and investing in partnerships, collaborations and acquisitions. In addition, we expect to continue to increase our headcount in the coming years. As a public company, we will also incur significant legal, accounting, compliance, and other expenses that we did not incur as a private company. We will continue to make such investments to grow our business. Despite these investments, we may not succeed in increasing our revenue on the timeline that we expect and ultimately could fail to realize profits in the future. Moreover, if our revenue declines, we may not be able to reduce costs in a timely manner because many of our costs are fixed, at least in the short-term. If we are unable to manage our costs effectively, this may limit our ability to optimize our business model, acquire new clients, and grow our revenues. Accordingly, despite our best efforts to do so, we may not achieve or maintain profitability, and we may continue to incur significant losses in the future.

Failure to accurately perform underwriting actuarial reviews and adjustments to our underwriting tools could result in an increase in the cost and pricing of health plans we are able to program in the future, which could negatively impact the reputation of our eDIYBS platform and our financial results.

Our profitability depends on our ability to maintain and engage brokers, TPAs, carriers, MGUs and other third-party agents to utilize our platforms. Any failure to accurately perform underwriting actuarial review, whether as a result of a failure by the algorithm or underlying data maintained in our eDIYBS system or through a manual review process for certain higher risk members, could result in excesses of costs to fund insurance claims above those anticipated through the quoting process. Although we are not party to any agreement that would require us to pay excess fees above estimated insurance costs, or any agreement that provides for indemnification of the carrier, such an occurrence could lead to reputation harm to our eDIYBS platform and increased premiums using our platform in the future, which could impact our financial position.

Failure of HI Card to properly function and provide an interface for medical claims for clients on our platform could negatively affect our clients and could lead to them terminating our services.

Our profitability depends on our ability to engage brokers, TPAs, carriers, MGUs and other third-party agencies to utilize our programs. In order to retain clients, our HI Card platform must adequately provide as an interface for clients to review medical claims. In the event that our platform does not function as anticipated, we could lose clients which would negatively impact our financial position.

If the number of members utilizing our platforms or the number of services to which they subscribe decreases, our revenue will decrease.

We base our fees on the number of individuals to whom we and the brokers, TPAs, carriers MGUs and other agents utilizing our platforms provide services or referrals, and the number of services subscribed to by such agents or utilized by their employees. Many factors may lead to a decrease in the number of individuals covered by our clients and the number of services subscribed to by our clients, including:

- layoffs by our clients or affecting our clients, in response to the COVID pandemic or otherwise;
- failure of our clients to adopt or maintain effective business practices;
- changes in the nature or operations of our clients;

- government regulations; and
- increased competition or other changes in the benefits marketplace.

If the number of individuals using our platforms decreases for any reason, our revenue will likely decrease. Failure to manage our continued growth effectively could increase our expenses, decrease our revenue, and prevent us from implementing our business strategy.

We have experienced growth in the past and anticipate future growth, which could put a strain on our business. To manage our anticipated future growth effectively, we must continue to maintain and enhance our IT infrastructure, financial and accounting systems, and controls. We also must attract, train, and retain a significant number of qualified sales and marketing personnel, customer support personnel, professional services personnel, software engineers, technical personnel, and management personnel. Failure to effectively manage our anticipated future growth could lead us to over-invest or under-invest in development and operations, result in weaknesses in our infrastructure, systems, or controls, give rise to operational mistakes, losses, loss of productivity or business opportunities, and result in loss of associates and reduced productivity of remaining associates. Our anticipated future growth could require significant capital expenditures and might divert financial resources from other projects such as the development of new services. If our management is unable to effectively manage our anticipated future growth, our expenses might increase more than expected, our revenue could decline or might grow more slowly than expected, and we might be unable to implement our business strategy. The quality of our services might suffer, which could negatively affect our reputation and harm our ability to retain and attract clients. We rely on the health of the U.S. health insurance industry and benefits of self-insurance plans.

We rely on the health of the U.S. health insurance industry and benefits of self-insurance plans.

Our services are heavily concentrated on self-insurance for small to mid-sized companies. As a result of our focus, we are dependent on the health of the insurance industry and are subject to risks related to the performance of the health insurance industry and, in particular, self-insurance plans. Any negative impact on the health insurance industry as a whole or upon self-insurance plans could cause a material adverse effect on our business and financial condition.

Changes or developments in the health insurance markets in the United States, including passage and implementation of a law to create a single-payer or government-run health insurance program, could materially and adversely harm our business and operating results.

Our platforms that utilize machine learning are within the private sector of the U.S. health insurance system, which is evolving quickly and subject to a changing regulatory environment, and our future financial performance will depend in part on growth in the market for private health insurance, as well as our ability to adapt to regulatory developments.

The healthcare regulatory landscape can change unpredictably and rapidly due to changes in political party legislative majorities or executive branch administrations at the state or federal level in the United States. Changes and developments in the health insurance system in the United States and the states in which we operate could also reduce demand for our services and harm our business.

As the regulatory and legislative environments within which we operate are evolving, we may not be able to ensure timely compliance with such changes due to limited resources. Furthermore, we may face challenges prioritizing the allocation of resources between implementing systems responsive to new legislative or regulatory requirements, focusing on growth-related operations and implementing management systems and controls related to being a public company.

In addition, changes to government policies not specifically targeted to the healthcare industry, such as a change in tax laws and the corporate tax rate or government spending cuts, could have significant impacts on our business, results of operations, financial condition and liquidity.

If we fail to comply with applicable privacy, security, and data laws, regulations and standards, including with respect to third-party service providers that utilize sensitive personal information on our behalf, or applicable consumer protection laws, our business, reputation, results of operations, financial position, and cash flows could be materially and adversely affected.

As part of our platforms' normal operations, we collect, process, and retain confidential health and other information about individuals. We are subject to various federal and state laws and rules regarding the collection, use, disclosure, storage, transmission, and destruction of confidential information about individuals. For example, we are subject to the Health Insurance Portability and Accountability Act of 1996, or HIPAA, which requires us to protect the privacy, security, and confidentiality of medical records and protected health information, or PHI, that we collect, disseminate, maintain, and use. HIPAA requires covered entities and business associates to maintain policies and procedures governing PHI that is used or disclosed, and to implement administrative, physical, and technical safeguards to protect PHI, including PHI maintained, used, and disclosed in electronic form. These safeguards include employee training, identifying business associates with whom covered entities need to enter into HIPAA-compliant contractual arrangements, and various other measures. Health insurers and other covered entities are also required to report impermissible uses or disclosures of PHI to affected individuals and the U.S. Department of Health and Human Services, or HHS, unless the covered entity demonstrates through a risk assessment that there is low probability the PHI has been compromised, and to notify the media in any states where 500 or more people are impacted by any unauthorized release or use of or access to PHI. Ongoing implementation and oversight of these measures involves significant time, effort, and expense. While we undertake substantial efforts to secure the PHI that we maintain, use, and disclose in electronic form, a cyber-attack or other intrusion that bypasses our information security systems causing an information security breach, loss of PHI, confidential client information, or other data subject to privacy laws or a material disruption of our operational systems could result in a material adverse impact on our business, along with potentially substantial fines and penalties.

HIPAA also established new enforcement mechanisms and enhanced penalties for failure to comply with specific standards relating to the privacy, security, and electronic transmission of PHI. If a person knowingly or intentionally obtains or discloses PHI in violation of HIPAA requirements, criminal penalties may also be imposed. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for HIPAA violations, its standards have been used as the basis for a duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI.

State laws may apply to our collection, use, handling, processing, destruction, disclosure, and storage of personal information as well. States have begun enacting more comprehensive privacy laws and regulations addressing consumer rights to data protection or transparency that may affect our privacy and security practices. We expect states to continue to enact legislation that provides consumers with new privacy rights and increases the privacy and security obligations of entities handling certain personal information of such consumers. Such legislation may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies.

The regulatory framework governing the processing of certain information, particularly financial and other personal information, is rapidly evolving and is likely to continue to be subject to uncertainty and varying interpretations. It is possible that these laws, regulations and standards may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our services and platform capabilities. We may face challenges in addressing current and evolving requirements and making necessary changes to our policies and practices, and may incur significant costs and expenses in our effort to do so. Any failure or perceived failure by us, or any third parties with which we do business, to comply with our privacy policies, changing consumer expectations, evolving laws, rules and regulations, industry standards, or contractual obligations to which we or such third parties are or may become subject, may result in actions or other claims against us by governmental entities or private actors, the expenditure of substantial costs, time and other resources or the incurrence of significant fines, penalties or other liabilities. In addition, any such action, particularly to the extent we were found to be guilty of violations or otherwise liable for damages, would damage our reputation and adversely affect our business, financial condition and results of operations.

Our limited operating history makes it difficult to evaluate our current business performance, implementation and growth of our business model, and our future prospects.

We developed our platforms backed by third-party technology utilizing machine learning, which encompasses our primary businesses going forward, in 2017 and 2021, the core platform eDIYBS was fully implemented in May 2023, and we have a limited operating history. Due to our limited operating history and the rapid growth, we have experienced since we began operations, there is greater uncertainty in estimating our operating results, and our historical results may not be indicative of, or comparable to, our future results. In addition, we have limited data to validate key aspects of our business model and to improve our systems to manage growth. As a relatively new entrant in the markets in which we operate, we have limited experience and are unable to predict whether we will be able to effectively and consistently provide solutions that are tailored to the budgets of businesses and to the health and other insurance needs of their employees. We cannot provide any assurance that the data we collect from our customers through application processes, and from data already held by our data analytics service providers, will provide useful measures for evaluating our business model. Moreover, we cannot provide any assurance that partnerships or joint ventures we may enter into in the future will perform as well as historical partnerships or expectations. Our inability to adequately assess our performance and growth could have a material adverse effect on our brand, reputation, business, financial condition, and results of operations.

We are subject to risks associated with outsourcing services and functions to third parties.

We contract with third-party vendors and service providers who provide services to us and our subsidiaries to help with our internal administrative functions, as well as third-party vendors and service providers who help us administer our services and plans. The partial or complete loss of a vendor or other third-party relationship could cause a material disruption to our business and make it difficult and costly to provide services that our regulators and members expect, which could have a material adverse effect on our financial condition, cash flows, and results of operations.

Some of these third-parties have direct access to our systems in order to provide their services to us and operate the majority of our communications, network, and computer hardware and software. For example, we currently offer our services through our website and online app using Amazon Web Services, Inc., or AWS, platforms for cloud computing, a provider of cloud infrastructure services. Our operations depend on protecting the virtual cloud infrastructure hosted in AWS by maintaining its configuration, architecture, and interconnection specifications, as well as the information stored in these cloud platforms and which third-party internet service providers transmit. In the event that our AWS service agreement is terminated or there is a lapse of service, interruption of internet service provider connectivity, or damage to such facilities, we could experience interruptions in meeting key service obligations to our clients and business partners, as well as delays and additional expense in arranging new facilities and services, which could harm our business, results of operations, and financial condition.

Our arrangements with third-party vendors and service providers may make our operations vulnerable if those third parties fail to satisfy their obligations to us, including their obligations to maintain and protect the security and confidentiality of our information and data, or the information and data relating to our clients. We are also at risk of a data security incident involving a vendor or third-party, which could result in a breakdown of such third-party's data protection processes or cyber-attackers gaining access to our infrastructure through the third-party. To the extent that a vendor or third-party suffers a data security incident that compromises its operations, we could incur significant costs and possible service interruption. In addition, we may have disagreements with our third-party vendors or service providers regarding relative responsibilities for any such failures or incidents under applicable business associate agreements or other applicable outsourcing agreements. Any contractual remedies and/or indemnification obligations we may have for vendor or service provider failures or incidents may not be adequate to fully compensate us for any losses suffered as a result of any vendor's failure to satisfy its obligations to us or under applicable law. Our vendor and service provider arrangements could be adversely impacted by changes in vendors' or service providers' operations or financial condition, or other matters outside of our control. Violations of, or noncompliance with, laws and/or regulations governing our business or noncompliance with contract terms by third-party vendors and service providers could increase our exposure to liability to our members, providers, or other third parties, or could result in sanctions and/or fines from the regulators that oversee our business. In turn, this could increase the costs associated with the operation of our business or have an adverse impact on our business and reputation. Moreover, if these vendor and service provider relationships were terminated for any reason, we may not be able to find alternative partners in a timely manner or on acceptable financial terms, and may incur significant

costs and/or experience significant disruption to our operations in connection with any such vendor or service provider transition. As a result, we may not be able to meet the full demands of our members or customers and, in turn, our business, financial condition, and results of operations may be harmed. In addition, we may not fully realize the anticipated economic and other benefits from our outsourcing projects or other relationships we enter into with third-party vendors and service providers, as a result of unanticipated delays in transitioning our operations to the third-party vendor or service provider, such third-party vendor or service provider's noncompliance with contract terms, unanticipated costs or expenses, or violations of laws and/or regulations, or otherwise. This could result in substantial costs or other operational or financial problems that could have a material adverse effect on our business, financial condition, cash flows, or results of operations.

If we are unable to integrate and manage our information systems effectively, our operations could be disrupted.

Our operations depend significantly on effective information systems. The information gathered and processed by our information systems, assists us in, among other things, providing quotes to our network of brokers, TPAs, carriers, MGUs and other agents, monitoring utilization and other cost factors, and processing claims. Our information systems and applications require continual maintenance, upgrading, and enhancement to meet our current and expected operational needs. If we underestimate the need to expand or experience difficulties with the transition to or from information systems or do not appropriately plan, integrate, maintain, enhance, or expand our information systems, we could suffer, among other things, operational disruptions, loss of existing clients and difficulty in attracting new clients, regulatory enforcement, and increases in administrative expenses. In addition, our ability to integrate and manage our information systems may be impaired as the result of events outside our control, including acts of nature, such as earthquakes or fires, or acts of terrorists. Also, we may from time to time obtain significant portions of our systems-related or other services or facilities from independent third parties, which may make our operations vulnerable if such third parties discontinue such services or fail to perform adequately.

From time to time, we may become involved in costly and time-consuming litigation and regulatory actions, which require significant attention from our management.

From time to time, we may be a defendant in lawsuits or the subject of regulatory actions, or could be subject to audits and investigations relating to our business, including, without limitation, claims of trademark and other intellectual property infringement, claims alleging bad faith, enforcement actions by state regulatory bodies alleging non-compliance with state law. We also may receive subpoenas and other requests for information from various federal and state agencies, regulatory authorities, state Attorneys General, committees, subcommittees, and members of the U.S. Congress and other state, federal, and international governmental authorities. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have a material adverse impact on our business and financial position, results of operations, and/or cash flows, and may affect our reputation and brand. In addition, regardless of the outcome of any litigation or regulatory proceedings, investigations, audits, or reviews, responding to such matters is costly and time consuming, and requires significant attention from our management, and could, therefore, harm our business and financial position, results of operations or cash flows. Insurance may not cover such claims, may not provide sufficient payments to cover all of the costs to resolve one or more such claims, and may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely affect our results of operations and cash flows, thereby harming our business. See “Item 3. Legal Proceedings.”

The regulations and contractual requirements applicable to us and other market participants are complex and subject to change, making it necessary for us to invest significant resources in complying with our regulatory and contractual requirements. Ongoing vigorous legal enforcement and the highly technical regulatory scheme for our clients and others with whom we do business mean that our compliance efforts in this area will continue to require significant resources, and we may not always be successful in ensuring appropriate compliance by our Company, employees, consultants, or vendors, for whose compliance or lack thereof we may be held responsible and liable. Regulatory audits, investigations, and reviews could result in changes to our business practices, and also could result in significant or material premium refunds, fines, penalties, civil liabilities, criminal liabilities, or other sanctions, if we are determined to be in violation of applicable laws or regulations. Any of these audits, reviews, or investigations could have a material adverse effect on our financial position, results of operations, or business, or could result in significant liabilities and negative publicity for our Company.

We rely on the experience and expertise of our Founder, senior management team, highly-specialized technology and insurance experts, key technical employees, and other highly skilled personnel.

Our success depends upon the continued service of Tim Johnson, our Founder, Chief Executive Officer and a member of our board of directors, the members of our senior management team, highly-specialized insurance experts, and key technical employees, as well as our ability to continue to attract and retain additional highly qualified personnel. Our future success depends on our continuing ability to identify, hire, develop, motivate, retain, and integrate highly skilled personnel for all areas of our business. If we are unable to attract the requisite personnel, our business, and prospects may be adversely affected. Each of our Founder, members of our senior management team, specialized technology and insurance experts, key technical personnel, and other employees could terminate their relationship with us at any time. The loss of our Founder or any other member of our senior management team, specialized technology and insurance experts, or key personnel might significantly delay or prevent the achievement of our strategic business objectives and could harm our business. In addition, much of our essential technology and infrastructure are custom-made for our business by our personnel. The loss of key technology personnel, including members of management, as well as our engineering and service development personnel, could disrupt our operations and harm our business. We also rely on a small number of highly-specialized insurance experts, the loss of any one of whom could have a disproportionate impact on our business. Competition in our industry for qualified employees is intense. Our compensation arrangements, such as our equity award programs, may not always be successful in attracting new employees, and retaining and motivating our existing employees. Moreover, if and when the stock options or other equity awards are substantially vested, employees under such equity arrangements may be more likely to leave, particularly when the underlying shares have seen a value appreciation.

We face significant competition for personnel. To attract top talent, we have to offer, and believe we will need to continue to offer, competitive compensation and benefits packages. We may also need to increase our employee compensation levels in response to competitor actions. If we are unable to hire new employees quickly enough to meet our needs, or otherwise fail to effectively manage our hiring needs or successfully integrate new hires, including our recently hired management team members, our efficiency, ability to meet forecasts and our employee morale, productivity, and retention could suffer, which in turn could have an adverse effect on our business, results of operations, and financial condition.

If we or our partners or other third parties with whom we collaborate sustain a cyber-attack or suffer privacy or data security breaches that disrupt our information systems or operations, or result in the dissemination of sensitive personal or confidential information, we could suffer increased costs, exposure to significant liability, adverse regulatory consequences, reputational harm, loss of business, and other serious negative consequences.

As part of our normal operations, we and our partners and other third parties with whom we collaborate routinely collect, process, store, and transmit large amounts of data, including PHI subject to HIPAA, as well as proprietary or confidential information relating to our business or third parties, including our members, providers, and vendors. Although we have developed systems and processes designed to protect the data we manage, prevent data loss and other security breaches, effectively respond to known and potential risks, and expect to continue to expend significant resources to bolster these protections, there can be no assurance that these security measures will provide absolute security or prevent breaches or attacks. We have experienced from time to time, and may experience in the future, breaches of our security measures, as well as those of our customers, partners, and third-party service providers, due to human error, malfeasance, insider threats, system errors vulnerabilities, or other irregularities. To date, we have not experienced any material impact as a result of such cybersecurity events. Certain threat actors may be supported by significant financial and technological resources, making them even more sophisticated and difficult to detect. As a result, our costs and the resources we devote to protecting against these advanced threats and their consequences may continue to increase over time.

Our information technology systems and safety control systems, or those of our third-party service providers, are subject to a growing number of threats from computer programmers, hackers, and other adversaries that may be able to penetrate our network security and misappropriate our confidential information or that of third parties, create system disruptions, or cause damage, security issues, or shutdowns. Because the techniques used to circumvent, gain access to, or sabotage security systems, can be highly sophisticated and change frequently, they often are not recognized until launched against a target, and may originate from less regulated and remote areas around the world. We may be unable to anticipate these techniques or implement adequate preventive measures, resulting in potential data loss and damage to our systems. Our systems are also subject to compromise from internal threats such as

improper action by employees, including malicious insiders, or by vendors, counterparties, and other third parties with otherwise legitimate access to our systems. Our policies, employee training (including phishing prevention training), procedures, and technical safeguards may not prevent all improper access to our network or proprietary or confidential information by employees, vendors, counterparties, or other third parties.

Any compromise or perceived compromise of the security of our systems or the systems of one or more of our vendors or service providers could damage our reputation and brand, cause the termination of relationships with our members, result in disruption or interruption to our business operations, marketing partners and carriers, reduce demand for our services, result in improper disclosure of data and violations of applicable privacy and other laws, cause us to incur significant remediation costs, and divert the attention of management from the operation of our business, and subject us to significant liability and expense, as well as regulatory action fines, penalties and lawsuits, which would harm our business, operating results, and financial condition. Although we maintain insurance covering certain security and privacy damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all liability and, in any event, insurance coverage would not address the reputational damage that could result from a security incident or any regulatory actions or litigation that may result. In addition, in the event that additional data security laws are implemented, we may not be able to timely comply with such requirements, or such requirements may not be compatible with our current processes.

Our customers' sensitive, proprietary, or confidential information could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel's, or vendors' use of generative AI technologies.

Our eDIYBS platform is backed by third-party AI technology utilizing machine learning. Our customers' sensitive, proprietary, or confidential information could be leaked, disclosed, or revealed as a result of or in connection with our vendors' use of generative AI technologies. Any such information that we input into a third-party machine learning platform could be revealed to others, including if information is used to train the third party's machine learning models. Additionally, where a machine learning model ingests personal information and makes connections using such data, those technologies may reveal other sensitive, proprietary, or confidential information generated by the model.

Machine learning models may create incomplete, inaccurate, or otherwise flawed outputs, some of which may appear correct. Providing bindable quotes solely using AI-backed technology can lead to errors in the actual risk profile of the employee pool being insured, leading to higher insurance costs than originally anticipated during the quoting process.

Machine learning models may create incomplete, inaccurate, or otherwise flawed outputs, some of which may appear correct. We use machine learning outputs from our vendors to make certain decisions. Specifically, we provide information we receive from our customers, which may include sensitive health information, to third party vendors who input that data into AI-backed models to determine a risk profile of each potential insurance plan member in order to quote the insurance plan. We provide bindable quotes solely using our AI-backed eDIYBS platform, unless the eDIYBS platform raises certain unknown risk flags that require further manual review via a health application completed by the employee and manually reviewed by an underwriter. Providing bindable quotes solely using AI-backed technology can lead to errors in the actual risk profile of the employee pool being insured, leading to higher insurance costs than originally anticipated during the quoting process. The direct risk is borne by the insurance company providing the policy, however, if there is an increase in such errors, insurance companies may refuse to continue allowing our eDIYBS platform to provide bindable quotes, which would require greater usage of manual reviews of health applications, thereby increasing standard quoting times, and reducing usage of our eDIYBS platform by brokers, TPAs, MGUs and others. Additionally, there may be potential flaws in how the AI-backed models assesses risk profiles that could lead our eDIYBS platform to create higher risk profiles that bias certain individuals or classes of individuals and adversely impact their rights. Although any such biased outcomes are currently unknown to us, if any of these errors occur, we could face adverse consequences, including exposure to reputational and competitive harm, customer loss, or regulatory and legal liability.

There can be no assurances that our Artificial Intelligence Governance Policy and other measures will prevent risks related to our use of AI.

We have implemented an Artificial Intelligence Governance Policy to establish a framework for the ethical and responsible use of AI technologies within our company, which aims to ensure that AI systems are used, developed, deployed, and managed in a manner that aligns with our organizational values, regulatory requirements, and industry best practices. However, despite these policies and measures, there can be no assurances that the policies and measures will prevent all data breaches, improper accuracy and fairness in the output of AI-backed models, or the other risks to our business related to our use of AI.

Real or perceived errors, failures or bugs in our systems, website, or app could impair our operations, damage our reputation and brand, and harm our business and operating results.

Our continued success is dependent on our systems, applications, and software continuing to operate and to meet the changing needs of our clients and users. We rely on our technology and engineering staff and vendors to successfully implement changes to, and maintain, our systems and services in an efficient and secure manner.

Like all information systems and technology, our website and online app may contain material errors, failures, vulnerabilities, or bugs, particularly when new features or capabilities are released, any of which could lead to interruptions, delays, or website or online app shutdowns, or could cause loss of critical data, or the unauthorized disclosure, access, acquisition, alteration or use of personal or other confidential information.

A significant impact on the performance, reliability, security, and availability of our systems, software, or services may harm our reputation and brand, impair our ability to operate, retain existing members, or attract new members, and expose us to legal claims and government action, each of which could have a material adverse effect on our financial condition, results of operations, and growth prospects.

Failure to secure, protect, or enforce our intellectual property rights could harm our business, results of operations, and financial condition.

Our commercial success is dependent in part on protecting our core technologies, intellectual property assets, and proprietary rights (such as source code, information, data, processes, and other forms of information, know-how, and technology). We rely on a combination of copyrights, patents, trademarks, service marks, trade secret laws, and contractual restrictions to establish and protect our intellectual property. However, the steps that we have already taken to protect our intellectual property may not be sufficient or effective, and our confidentiality, non-disclosure, or invention assignment agreements with employees, consultants, partners, or other parties may be breached and may otherwise not be effective in establishing our rights in intellectual property and in controlling access to our proprietary information. Even if we do detect violations, we may need to engage in litigation to enforce our rights.

We currently hold various domain names relating to our brand. Failure to protect our domain names could adversely affect our reputation and brand, and make it more difficult for users to find our website. We may be unable, without significant cost or at all, to prevent third parties from diverting traffic from or acquiring domain names that are similar to, infringe upon, or otherwise decrease the value of our patents, trademarks and other proprietary rights.

While we take precautions designed to protect our intellectual property, it may still be possible for competitors and other unauthorized third parties to copy our technology and use our proprietary brand, content, and information to create or enhance competing solutions and services, which could adversely affect our competitive position in our rapidly evolving and highly competitive industry. Some license provisions that protect against unauthorized use, copying, decompiling, transfer, and disclosure of our technology may be unenforceable under the laws of certain jurisdictions and foreign countries, and the remedies for such events may not be sufficient to compensate for such breaches. We enter into confidentiality and invention assignment agreements with our executive officers and consultants, and enter into confidentiality agreements with our third-party providers and strategic partners. We cannot assure you that these agreements will be effective in controlling access to, and use and distribution of, our platform and proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our offerings. Such arrangements may limit our ability to protect, maintain, enforce, or commercialize such intellectual property rights. If we are unable to prevent the unauthorized use or exploitation of our intellectual property, the value of our brand, content, and other intangible assets may be diminished, competitors may be able to more effectively mimic our service and methods of

operations, the perception of our business and service to clients, and potential clients, may become confused, and our ability to attract customers may be adversely affected. Any inability or failure to protect our intellectual property could adversely impact our business, results of operations, and financial condition.

We have filed, and may continue in the future to file, applications to protect certain of our innovations and intellectual property. We do not know whether any of our applications will result in the issuance of a patent, trademark, or copyright, as applicable, or whether the examination process will require us to narrow our claims. In addition, we may not receive competitive advantages from the rights granted under our intellectual property. Our existing intellectual property, and any intellectual property granted to us, or that we otherwise acquire in the future, may be contested, circumvented, or invalidated, and we may not be able to detect or prevent third parties from infringing our rights to our intellectual property. Therefore, the exact effect of the protection of this intellectual property cannot be predicted with certainty. In addition, given the costs, effort, and risks of obtaining patent protection, including the requirement to ultimately disclose the invention to the public, we may choose not to seek patent protection for certain future innovations. Any failure to adequately obtain such patent protection, or other intellectual property protection, could later prove to adversely impact our business.

We may be required to spend significant resources in order to monitor, protect, and defend our intellectual property rights, and some violations may be difficult or impossible to detect. Litigation to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could impair the functionality of our platform, delay introductions of enhancements to our platform, result in our substituting inferior or more costly technologies into our platform, or harm our reputation or brand. In addition, we may be required to license additional technology from third parties to develop and market new offerings or platform features, which may not be on commercially reasonable terms, or at all, and could adversely affect our ability to compete or require us to rebrand or otherwise modify our offerings, which could further exhaust our resources. Furthermore, we may also be obligated to indemnify our clients or business partners in connection with any such litigation and to obtain licenses.

The use of open source software in our services and solutions may expose us to additional risks and harm our intellectual property rights.

Some of our services and solutions use or incorporate software that is subject to one or more open source licenses. Open source software is typically freely accessible, usable, and modifiable. Certain open source software licenses require a user who intends to distribute the open source software as a component of the user's software to disclose publicly part or all of the source code to the user's software. In addition, certain open source software licenses require the user of such software to make any derivative works of the open source code available to others on potentially unfavorable terms or at no cost.

The terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts. Accordingly, there is a risk that those licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to commercialize our solutions. In that event, we could be required to seek licenses from third parties in order to continue offering our services or solutions, to re-develop our services or solutions, to discontinue sales of our services or solutions, or to release our proprietary software code under the terms of an open source license, any of which could harm our business. Further, given the nature of open source software, it may be more likely that third parties might assert copyright and other intellectual property infringement claims against us based on our use of these open source software programs.

While we monitor the use of all open source software in our services, solutions, processes, and technology and try to ensure that no open source software is used in such a way as to require us to disclose the source code to the related service or solution when we do not wish to do so, it is possible that such use may have inadvertently occurred in deploying our proprietary solutions. In addition, if a third-party software provider has incorporated certain types of open source software into software we license from such third-party for our services and solutions without our knowledge, we could, under certain circumstances, be required to disclose the source code to our products and solutions. This could harm our intellectual property position and our business, results of operations, and financial condition.

We might require additional capital to support business growth.

We intend to continue to make investments to support our business growth and might require additional funds to respond to business challenges or opportunities, including the need to develop new products and services or enhance our existing services, enhance our operating infrastructure, and acquire complementary businesses and technologies. Accordingly, we might need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any additional debt financing secured by us could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which might make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we might not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited.

Risks Related to Ownership of Our Class A Common Stock

Our Class A Common Stock price may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the initial public offering price.

It is possible that an active trading market will not develop or continue or, if developed, that any market will be sustained, which could make it difficult for you to sell your shares of Class A Common Stock at or above the initial public offering price. Consequently, you may not be able to sell shares of our Class A Common Stock at prices equal to or greater than the price you paid in our initial public offering.

Many factors, some of which are outside our control, may cause the market price of our Class A Common Stock to fluctuate significantly, including those described elsewhere in this “*Risk Factors*” section and in this Report, as well as the following:

- our operating and financial performance and prospects;
- our quarterly or annual earnings, or those of other companies in our industry, compared to market expectations;
- conditions that impact demand for our offerings and platform, including demand in our industry generally and the performance of the third parties through whom we conduct significant parts of our business;
- future announcements concerning our business or our competitors’ businesses;
- the public’s reaction to our press releases, other public announcements, and filings with the SEC;
- the market’s reaction to our reduced disclosure and other requirements as a result of being treated as an “emerging growth company” under the JOBS Act;
- coverage by or changes in financial estimates by securities analysts or failure to meet their expectations;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in laws or regulations which adversely affect our industry or us;
- changes in accounting standards, policies, guidance, interpretations, or principles;
- changes in our board of directors, senior management, or key personnel;
- issuances, exchanges or sales, or expected issuances, exchanges, or sales of our capital stock;
- changes in our dividend policy;
- adverse resolution of litigation, or other claims against us; and

- changes in general market, economic, and political conditions in the United States and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, global pandemics, acts of war, and responses to such events.

As a result, volatility in the market price of our Class A Common Stock may prevent investors from being able to sell their Class A Common Stock at or above the initial public offering price, or at all. These broad market and industry factors may materially reduce the market price of our Class A Common Stock, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of our Class A Common Stock is low. As a result, you may suffer a loss of all or a portion of your investment.

The dual class structure of our common stock will have the effect of concentrating voting control with our Chief Executive Officer and Chief Financial Officer for the foreseeable future, which will limit the ability of our other investors to influence corporate matters, including the election of directors and the approval of any change of control transaction.

Our Class B Common Stock have 10 votes per share, and our Class A Common Stock have one vote per share. The holders of our outstanding Class B Common Stock, which consist of our Chief Executive Officer and our Chief Financial Officer, beneficially own 75.42% of our outstanding capital stock and hold 91.02% of the voting power of our outstanding capital stock. Further, we may issue additional shares of our Class B Common Stock in the future, which will have a dilutive effect on holders of our Class A Common Stock (see “— *Future sales or availability of our Class A Common Stock or rights to purchase our Class A Common Stock, including pursuant to our equity incentive plans, or other equity securities or securities convertible into our Class A Common Stock, including our Class B Common Stock, could result in additional dilution of the percentage ownership of our stockholders and could cause the stock price of our Class A Common Stock to decline.*” for additional information). Our Amended and Restated Articles of Incorporation (our “Articles of Incorporation”) do not provide for any sunset provisions that limit the lifespan of our Class B Common Stock, including in the case of the death of a Class B Common Stock shareholder or intra-family transfers of shares of Class B Common Stock. Because of the ten-to-one voting ratio between our Class B Common Stock and Class A Common Stock, the holders of Class B Common Stock, in particular our Chief Executive Officer and Chief Financial Officer, collectively will control over a majority of the combined voting power of all of our Class A Common Stock and Class B Common Stock and therefore will be able to control all matters submitted to our stockholders for approval until a significant portion of such shares of outstanding Class B Common Stock have been converted to shares of Class A Common Stock as further described in “*Description of Capital Stock.*” This concentrated control will limit or preclude the ability of our other investors to influence corporate matters for the foreseeable future. For example, our Chief Executive Officer and Chief Financial Officer will have sufficient voting power to determine the outcome with respect to elections of directors, amendments to our Articles of Incorporation, amendments to our Third Amended and Restated Bylaws (our “Bylaws”) that are subject to a stockholder vote, increases to the number of shares available for issuance under our equity incentive plans or adoption of new equity incentive plans, and approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction requiring stockholder approval for the foreseeable future. In addition, this concentrated control may also prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may feel are in your best interest as one of our stockholders. This control may also adversely affect the market price of our Class A Common Stock.

Because the interests of our Chief Executive Officer and Chief Financial Officer may differ from those of our other stockholders, actions that they take with respect to us, as significant stockholders, may not be favorable to our other stockholders, including holders of our Class A Common Stock.

We cannot predict the effect our dual class structure may have on the market of our Class A Common Stock.

We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A Common Stock, in adverse publicity, or in other adverse consequences. For example, certain index providers, such as S&P and Dow Jones, have announced restrictions on including companies with multiple-class share structures in certain of their indices, including the S&P 500. Accordingly, our dual class share structure would make us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track those indices may not invest in our Class A Common Stock. These policies are relatively new and it is unclear what effect, if any, they will have on the valuations of publicly-traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies

that are included. Because of the dual class structure of our common stock, we will likely be excluded from certain indices and we cannot assure that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and could make our Class A Common Stock less attractive to other investors. As a result, the market price of our Class A Common Stock could be adversely affected.

We do not intend to pay dividends on our Class A Common Stock for the foreseeable future.

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. As a result, we do not anticipate declaring or paying any cash dividends on our Class A Common Stock in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors, subject to applicable laws, and will depend on, among other things, our business prospects, results of operations, financial condition, cash requirements and availability, industry trends, and other factors that our board of directors may deem relevant. Any such decision also will be subject to compliance with contractual restrictions and covenants in the agreements governing our current indebtedness. Moreover, we may incur additional indebtedness, the terms of which may further restrict or prevent us from paying dividends on our Class A Common Stock. As a result, you may have to sell some or all of your Class A Common Stock after price appreciation in order to generate cash flow from your investment, which you may not be able to do. Our inability or decision not to pay dividends could also adversely affect the market price of our Class A Common Stock.

Future sales or availability of our Class A Common Stock or rights to purchase our Class A Common Stock, including pursuant to our equity incentive plans, or other equity securities or securities convertible into our Class A Common Stock, including our Class B Common Stock, could result in additional dilution of the percentage ownership of our stockholders and could cause the stock price of our Class A Common Stock to decline.

Sales of substantial amounts of our shares of Class A Common Stock in the public market, or the perception that these sales could occur, could adversely affect the market price of our shares of Class A Common Stock and could materially impair our ability to raise capital through equity offerings in the future. Resales of our shares of Class A Common Stock in the public market by the Selling Shareholder may cause the market price of our shares of Class A Common Stock to decline. As of the date of this Annual Report on Form 10-K, 13,718,358 shares are freely tradable without restriction or further registration under the Securities Act, and certain shares of Class A Common Stock held by our existing shareholders may also be sold in the public market in the future, subject to the restrictions in Rule 144 and Rule 701 under the Securities Act and the applicable lock-up agreements. We filed with the SEC an effective registration statement on Form S-8 registering shares of our Class A Common Stock issued or reserved for issuance under the 2024 Plan. Subject to the satisfaction of vesting conditions and the expiration of lock-up agreements, shares issued pursuant to or registered under the registration statement on Form S-8 will be available for resale immediately in the public market without restriction. From time to time in the future, we may also issue additional shares of our Class A Common Stock, Class B Common Stock preferred stock or other securities convertible into Class A Common Stock pursuant to a variety of transactions, including acquisitions. The issuance by us of additional shares of our Class A Common Stock or securities convertible into our Class A Common Stock, including our Class B Common Stock, would dilute your ownership of us, and the sale of a significant amount of such shares in the public market could adversely affect prevailing market prices of our Class A Common Stock.

The JOBS Act allows us to postpone the date by which we must comply with certain laws and regulations intended to protect investors, and to reduce the amount of information we provide in our reports filed with the SEC. We cannot be certain if this reduced disclosure will make our Class A Common Stock less attractive to investors.

The JOBS Act is intended to reduce the regulatory burden on “emerging growth companies.” As defined in the JOBS Act, a public company whose initial public offering of common equity securities occurs after December 8, 2011, and whose annual net revenues are less than \$1.235 billion will, in general, qualify as an “emerging growth company” until the earliest of:

- the last day of its fiscal year following the fifth anniversary of the date of its initial public offering of common equity securities;
- the last day of its fiscal year in which it has annual gross revenue of \$1.235 billion or more;

- the date on which it has, during the previous three-year period, issued more than \$1.0billion in nonconvertible debt; and
- the date on which it is deemed to be a “large accelerated filer,” which will occur at such time as the company (1) has an aggregate worldwide market value of common equity securities held by non-affiliates of \$700 million or more as of the last business day of its most recently completed second fiscal quarter, (2) has been required to file annual and quarterly reports under the Exchange Act for a period of at least 12 months, and (3) has filed at least one annual report pursuant to the Exchange Act.

Under this definition, we are an “emerging growth company” and could remain an “emerging growth company” until as late as the fifth anniversary of the completion of our initial public offering, or December 24, 2029. For so long as we are an “emerging growth company,” we will, among other things:

- not be required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, or Section 404(b);
- not be required to hold a nonbinding advisory stockholder vote on executive compensation pursuant to Section 14A(a) of the Exchange Act;
- not be required to seek stockholder approval of any golden parachute payments not previously approved pursuant to Section 14A(b) of the Exchange Act;
- be exempt from the requirement of the PCAOB regarding the communication of critical audit matters in the auditor’s report on the financial statements; and
- be subject to reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. This permits an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to use this extended transition period and, as a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies. We cannot predict if investors will find our Class A Common Stock less attractive as a result of our decision to take advantage of some or all of the reduced disclosure requirements above. If some investors find our Class A Common Stock less attractive as a result, there may be a less active trading market for our Class A Common Stock and our stock price may be more volatile.

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our management team and could divert their attention away from the day-to-day management of our business, which could materially adversely affect our business, financial condition and operating results.

The obligations associated with being a public company require significant resources and management attention, and we have and will continue to incur increased costs as a result of becoming a public company.

As a public company, we face increased legal, accounting, administrative, and other costs and expenses that we did not incur as a private company prior to our recent initial public offering, and which have not been reflected in our historical consolidated financial statements included elsewhere in this Report. We have already started to incur, and expect to continue to incur, significant costs related to operating as a public company. We are subject to the

Exchange Act, the rules and regulations implemented by the SEC, the Sarbanes-Oxley Act, the Dodd-Frank Act, the PCAOB, and the rules and standards of Nasdaq, each of which imposes additional reporting and other obligations on public companies. As a public company, we are required to, among others:

- prepare, file, and distribute annual, quarterly, and current reports with respect to our business and financial condition;
- prepare, file, and distribute proxy statements and other stockholder communications;
- expand the roles and duties of our Board and committees thereof, and management;
- hire additional financial and accounting personnel and other experienced accounting and finance staff with the expertise to address complex accounting matters applicable to public companies;
- institute more comprehensive financial reporting and disclosure compliance procedures;
- involve and retain to a greater degree outside counsel and accountants to assist us with the activities listed above;
- enhance our investor relations function;
- establish new internal policies, including those relating to trading in our securities and disclosure controls and procedures;
- comply with our exchange's listing standards; and
- comply with the Sarbanes-Oxley Act.

These rules and regulations and changes in laws, regulations, and standards relating to corporate governance and public disclosure, which have created uncertainty for public companies, have and will continue to increase our legal and financial compliance costs and make some activities more time consuming and costly. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Our investment in compliance with existing and evolving regulatory requirements has and will continue to result in increased administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities, which could have a material adverse effect on our business, financial condition, and results of operations.

In addition, the need to establish the corporate infrastructure demanded of a public company may also divert management's attention from implementing our business strategy, which could prevent us from improving our business, financial condition, and results of operations. If we do not continue to develop and implement the right processes and tools to manage our changing enterprise and maintain our culture, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition, and results of operations. In addition, we cannot predict or estimate the amount of additional costs we may incur to comply with these requirements. We anticipate that these costs will materially increase our general and administrative expenses.

As a public company, complying with applicable rules and regulations has made it more difficult and more expensive for us to maintain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage, or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees, or as executive officers.

As a public reporting company, we are subject to rules and regulations established from time to time by the SEC regarding our internal control over financial reporting. If we fail to establish and maintain effective internal control over financial reporting and disclosure controls and procedures, we may not be able to accurately report our financial results, or report them in a timely manner.

We are a public reporting company subject to the rules and regulations established from time to time by the SEC and Nasdaq. These rules and regulations require, among other things, that we establish and periodically evaluate procedures with respect to our internal control over financial reporting. Reporting obligations as a public company are likely to place a considerable strain on our financial and management systems, processes, and controls, as well as on our personnel.

In addition, as a public company, we are required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify as to the effectiveness of our internal control over financial reporting. Section 404(a) of the Sarbanes-Oxley Act, or Section 404(a), requires that, beginning with our second annual report following our initial public offering, management assess and report annually on the effectiveness of our internal control over financial reporting, and identify any material weaknesses in our internal control over financial reporting. Although Section 404(b) requires our independent registered public accounting firm to issue an annual report that addresses the effectiveness of our internal control over financial reporting, we have opted to rely on the exemptions provided in the JOBS Act and, consequently, will not be required to comply with SEC rules that implement Section 404(b) until such time as we are no longer treated as an “emerging growth company.” We could potentially qualify as an “emerging growth company” until as late as the fifth anniversary of the completion of our initial public offering, or December 24, 2029.

If our senior management is unable to conclude that we have effective internal control over financial reporting, or to certify the effectiveness of such controls, and our independent registered public accounting firm cannot render an unqualified opinion on management’s assessment and the effectiveness of our internal control over financial reporting at such time as it is required to do so, and material weaknesses in our internal control over financial reporting are identified, we could be subject to regulatory scrutiny, a loss of public and investor confidence, and to litigation from investors and stockholders, which could have a material adverse effect on our business and our stock price. In addition, if we do not maintain adequate financial and management personnel, processes, and controls, we may not be able to manage our business effectively or accurately report our financial performance on a timely basis, which could cause a decline in our Class A Common Stock price and adversely affect our business, financial condition, and results of operations. Failure to comply with the Sarbanes-Oxley Act could potentially subject us to sanctions or investigations by the SEC, the exchange upon which our securities are listed or other regulatory authorities, which would require additional financial and management resources.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful stockholder claims against us and may reduce the amount of money available to us.

As permitted by Section 78.7502 of Chapter 78 of the Nevada Revised Statutes, or the NRS, our Articles of Incorporation limit the liability of our directors. In addition, as permitted by Section 78.7502 of the NRS, our Bylaws provide that we shall indemnify, to the fullest extent authorized by the NRS, any person who is involved in any litigation or other proceeding because such person is or was a director, officer, employee, or agent of ours or is or was serving as an officer, director, employee, or agent of another entity at our request, including service with respect to employee benefit plans, against all expense, loss, or liability reasonably incurred or suffered in connection therewith. Our Articles of Incorporation provide that indemnification includes the right to be paid expenses incurred in defending any proceeding in advance of its final disposition.

Section 78.7502 of the NRS permits a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, except an action by or in the right of us, by reason of the fact that the person is or was a director, officer, employee, or agent of ours, or is or was serving at our request as a director, officer, employee, or agent of another company, partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans, against expenses, including attorneys’ fees, judgment, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit, or proceeding if the person is not

liable under Section 78.138 of the NRS, or acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

The above limitations on liability and our indemnification obligations limit the personal liability of our directors and officers for monetary damages for breach of their fiduciary duty as directors by shifting the burden of such losses and expenses to us. Certain liabilities or expenses covered by our indemnification obligations may not be covered by our directors' and officers' insurance policy or the coverage limitation amounts may be exceeded. As a result, we may need to use a significant amount of our funds to satisfy our indemnification obligations, which could severely harm our business and financial condition and limit the funds available to stockholders who may choose to bring a claim against us.

Provisions in our Bylaws and Nevada law may have the effect of discouraging lawsuits against our directors and officers.

Our Bylaws require, unless we consent in writing to the selection of an alternative forum, that the Eighth Judicial District Court of Clark County, Nevada, shall, to the fullest extent permitted by law, be the exclusive forum for any or all actions, suits, proceedings, whether civil, administrative or investigative or that asserts any claim or counterclaim, (a) brought in the name or right of our company or on our behalf; (b) asserting a claim for breach of any fiduciary duty owed by any director, officer, employee or agent of our company to us or our stockholders; (c) arising or asserting a claim pursuant to any provision of Chapters 78 or 92A of the NRS or any provision of our Articles of Incorporation or Bylaws; (d) to interpret, apply, enforce or determine the validity of our Articles of Incorporation or Bylaws; or (e) asserting a claim governed by the internal affairs doctrine. Notwithstanding the foregoing, our Bylaws provide that this exclusive provision forum will not apply to suits arising under (i) the Exchange Act or any other claim for which federal courts have exclusive jurisdiction and (ii) the Securities Act, as to which the Eighth Judicial District Court of Clark County, Nevada and the federal district court for the District of Nevada shall have concurrent jurisdiction.

Although we believe this provision benefits us by providing increased consistency in the application of Nevada law in the types of lawsuits to which it applies, a court (either in the State of Nevada or otherwise) may determine that this provision is either unenforceable or inapplicable to a particular claim due to choice-of-law considerations. To the extent it is enforceable, the provision may have the effect of discouraging lawsuits against our directors and officers.

Anti-takeover provisions in our governing documents and under Nevada law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, and depress the market price of our Class A Common Stock.

Our Articles of Incorporation, Bylaws, and Nevada law contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors. Among others, our Articles of Incorporation and Bylaws include the following provisions:

- a dual class structure that provides our holders of Class B Common Stock with the ability to control the outcome of most matters requiring stockholder approval;
- limitations on convening special stockholder meetings, which could make it difficult for our stockholders to adopt desired governance changes;
- advance notice procedures, which apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders;
- newly created directorships are filled by a majority of directors then in office; and
- the approval of two-thirds of the then outstanding voting power of our capital stock, voting as a single class, is required to remove a director.

We may be or in the future we may become subject to Nevada's control share law. A corporation is subject to Nevada's control share law if it has more than 200 stockholders, at least 100 of whom are stockholders of record and residents of Nevada, and it does business in Nevada or through an affiliated corporation. The law focuses on the acquisition of a "controlling interest" which means the ownership of outstanding voting shares sufficient, but for

the control share law, to enable the acquiring person to exercise the following proportions of the voting power of the corporation in the election of directors: (i) one-fifth or more but less than one-third, (ii) one-third or more but less than a majority, or (iii) a majority or more. The ability to exercise such voting power may be direct or indirect, as well as individual or in association with others.

The effect of the control share law is that the acquiring person, and those acting in association with it, obtains only such voting rights in the control shares as are conferred by a resolution of the stockholders of the corporation, approved at a special or annual meeting of stockholders. The control share law contemplates that voting rights will be considered only once by the other stockholders. Thus, there is no authority to strip voting rights from the control shares of an acquiring person once those rights have been approved. If the stockholders do not grant voting rights to the control shares acquired by an acquiring person, those shares do not become permanent non-voting shares. The acquiring person is free to sell its shares to others. If the buyers of those shares themselves do not acquire a controlling interest, their shares do not become governed by the control share law. If control shares are accorded full voting rights and the acquiring person has acquired control shares with a majority or more of the voting power, any stockholder of record, other than an acquiring person, who has not voted in favor of approval of voting rights is entitled to demand fair value for such stockholder's shares.

In addition to the control share law, Nevada has a business combination law which prohibits certain business combinations between Nevada corporations and "interested stockholders" for three years after the "interested stockholder" first becomes an "interested stockholder," unless the corporation's board of directors approves the combination in advance. For purposes of Nevada law, an "interested stockholder" is any person who is (i) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation, or (ii) an affiliate or associate of the corporation and at any time within the three previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term "business combination" is sufficiently broad to cover virtually any kind of transaction that would allow a potential acquiror to use the corporation's assets to finance the acquisition or otherwise to benefit its own interests rather than the interests of the corporation and its other stockholders.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

Any provision of our Articles of Incorporation, Bylaws, or Nevada law that has the effect of delaying, preventing, or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A Common Stock, and could also affect the price that some investors are willing to pay for our Class A Common Stock.

An active trading market for our Class A Common Stock may not be sustained.

Although our shares of Class A Common Stock are listed on Nasdaq, an active trading market for our Class A Common Stock may not be sustained. If an active trading market for our Class A Common Stock is not maintained, the liquidity of our Class A Common Stock, your ability to sell your shares of our Class A Common Stock when desired, and the prices that you may obtain for your shares of Class A Common Stock will be adversely affected.

If securities analysts do not publish research or reports about our company, or if they issue unfavorable commentary about us or our industry or downgrade our Class A Common Stock, the price of our Class A Common Stock could decline.

The trading market for our Class A Common Stock will depend in part on the research and reports that third-party securities analysts publish about our company and our industry. We may be unable to attract research coverage, and if one or more analysts cease coverage of our company, we could lose visibility in the market. In addition, one or more of these analysts could downgrade our Class A Common Stock or issue other negative commentary about our company or our industry. As a result of one or more of these factors, the trading price of our Class A Common Stock could decline.

If our operating and financial performance in any given period does not meet the guidance that we provide to the public, the market price of our Class A Common Stock may decline.

We may, but are not obligated to, provide public guidance on our expected operating and financial results for future periods. Any such guidance will be comprised of forward-looking statements subject to the risks and uncertainties described in this Report, and in our other public filings and public statements. Our actual results may not always be in line with or exceed any guidance we have provided, especially in times of economic uncertainty. If, in the future, our operating or financial results for a particular period do not meet any guidance we provide or the expectations of investment analysts, or if we reduce our guidance for future periods, the market price of our Class A Common Stock may decline. Even if we do issue public guidance, there can be no assurance that we will continue to do so in the future.

We are a “controlled company” within the meaning of the Nasdaq listing rules, and we may follow certain exemptions from certain corporate governance requirements that could adversely affect our shareholders.

Tim Johnson, our largest stockholder and our Chief Executive Officer, own more than a majority of the voting power of our outstanding shares of Common Stock. As such, we will be deemed a “controlled company” under Nasdaq Marketplace Rules 5615(c). Under the Nasdaq listing rules, a company of which more than 50% of the voting power is held by an individual, group, or another company is a “controlled company” and is permitted to phase in its compliance with the independent committee requirements. Although we do not intend to rely on the “controlled company” exemptions under the Nasdaq listing rules, we could elect to rely on these exemptions in the future. If we were to elect to rely on the “controlled company” exemptions, a majority of the members of our board of directors might not be independent directors and our nominating and corporate governance and compensation committees might not consist entirely of independent directors. Accordingly, if we rely on the exemptions, during the period we remain a controlled company and during any transition period following a time when we are no longer a controlled company, you would not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Health In Tech prioritizes a proactive and comprehensive approach to risk management and cybersecurity, ensuring the protection of our Operational Technology (OT) environment and critical infrastructure from evolving cyber threats. Our security framework is built on robust, adaptive measures, which are regularly refined to incorporate industry best practices and cutting-edge technologies.

Through strategic oversight, advanced threat detection, and frequent improvement, we maintain a high level of protection for our systems and data.

Risk Management and Strategy:

Below is an overview of our processes for assessing, identifying, and managing material risks from cybersecurity threats, all of which are conducted in-house.

Network/System Security

- Isolation of OT from IT and User Networks: We ensure our OT systems are physically or logically separated from corporate IT networks, reducing the risk of cross-contamination.
- OT Device Hardening: We enhance security by disabling unnecessary ports, services, and protocols, minimizing potential attack surfaces.
- We ensure data Encryption in transit and at rest.
- Patch Management: We maintain a controlled patch management process, ensuring OT systems receive regular updates while considering their unique lifecycle and operational requirements.

- We conduct continuous vulnerability scanning to internal and external networks.
- **Endpoint Protection:** We implement best-practice security baselines and hardening measures, supported by next-generation security agents EDR for monitoring and automated remediation. Additionally, our Security Information and Event Management (SIEM) system enables autonomous remediation and real-time threat alerting our security team.
- **Anti-Malware Solutions:** Recognizing that traditional antivirus may not always be applicable, we deploy specialized security software to detect and prevent malware threats.

Ransomware Detection and Response

- **Behavioral Analysis:** We utilize advanced behavioral analysis tools to detect ransomware threats by identifying unusual encryption activity, unauthorized file modifications, and abnormal network communications.
- **Backup and Recovery:** We perform regular backups of critical systems, ensuring they are securely isolated from the production environment to safeguard against ransomware attacks. Additionally, our disaster recovery plans undergo routine testing of backups to ensure rapid and effective recovery when needed.

Access Control

- **Principle of Least Privilege (PoLP):** We enforce strict access controls, granting system access only to individuals who require it for their roles. Regular audits ensure compliance and minimize security risks.
- **Multi-Factor Authentication (MFA):** We require MFA for all system access, adding an extra layer of security to protect against unauthorized access.
- **Role-Based Access Control (RBAC):** Access to sensitive systems is governed by users' roles, ensuring only authorized personnel can perform specific actions on critical systems with regular user access audits.

Secure Remote Access

- **VPN and secure tunneling:** We utilize secure VPNs and tunneling technologies with strong encryption to protect remote access to our systems. These connections are continuously monitored to ensure security and integrity.

Incident Response and Recovery Plans

- We have a comprehensive incident response plan with detailed procedures for addressing ransomware attacks and other cyber threats, in an effort to provide a swift and effective response.
- **Cross-Team Coordination:** Our IT and security teams collaborate seamlessly during incidents to respond quickly, contain threats, and minimize impact.

Security Audits and Risk Assessments

- **Regular security audits:** We conduct frequent security audits and vulnerability assessments to identify potential weaknesses and keep our defenses up to date. Additionally, we engage a third-party penetration testing firm for annual assessments to identify and address security vulnerabilities/misconfigurations.
- **Regular risk management:** We regularly evaluate and adapt our security measures to respond to emerging threats, including new ransomware strains and the evolving cyber threat landscape.
- We incorporate threat intelligence into our security operations to proactively identify and mitigate potential cyber risks.

Employee and Contractor Required Training and Awareness

- Ongoing cybersecurity awareness training, encompassing phishing awareness and sensitive data handling, is required for all employees and contractors. In addition, all IT and IT security staff are required to complete secure coding and data hygiene training.
- We conduct simulated phishing tests monthly with required retraining on any failures.
- Simulated exercises: We regularly run simulated attack exercises to ensure our teams are prepared to act swiftly and effectively during an actual cyberattack.

Risk Management and Oversight Committee

- We conduct comprehensive risk assessments to identify vulnerabilities across systems, processes, and third-party dependencies.
- We use of semi-quantitative risk assessment as a tool for evaluating the probability (likelihood) and severity (impact) of potential risks.
- We perform comprehensive vendor risk assessments to verify third-party security measures effectively meet our organization's security policies and ensure vendor compliance with all relevant regulatory requirements and review on an annual basis.
- Our Governance, Risk, and Compliance (GRC) applications enable continuous, automated testing and real-time monitoring of infrastructure and user compliance.
- We have strong executive and board oversight of regulatory and compliance risks, including changes in laws and regulations that could affect the company's business.
- We maintain a materiality assessment process designed to ensure compliance with all applicable securities laws and regulations, including the SEC's cybersecurity disclosure rules. We also consider industry-specific regulations and standards, such as HIPAA for healthcare organizations.

To date, we have not identified any cybersecurity incidents or threats that have materially impacted our business strategy, operations, or financial condition. Our materiality assessment process is designed to ensure compliance with all applicable securities laws and regulations, including the SEC's cybersecurity disclosure rules. We also consider industry-specific regulations and standards. However, there can be no assurances that such a cybersecurity incident will occur or that such incident will materially impact our business. Any breach of our security measures, or those of our third-party service providers, could result in unauthorized access to and misappropriation of our information, corruption of data or disruption of systems, operations or transactions, any of which could have a material adverse effect on our business strategy, results of operations or financial condition. See "Item 1A. Risk Factors" of this Annual Report on Form 10-K for further discussion of the risks related to cybersecurity threats.

Governance:

Our Chief Information Security Officer leads our cybersecurity program and is responsible for implementing and maintaining our cybersecurity controls and provides regular updates to the Audit Committee and our executive management team on the status of our cybersecurity program and any cybersecurity incidents.

Our Audit Committee and our executive team maintain rigorous oversight of our enterprise-wide risk management and cybersecurity strategy. Our dedicated security and compliance team, leveraging over two decades of expertise, ensures consistent implementation, refinement, and resilience of these programs, utilizing a framework incorporating NIST, HIPAA, SOC 2, and SOX, providing assurance that our defenses remain robust against emerging threats and evolving regulatory mandates.

Item 2. Properties

Our principal office is located at 701 S. Colorado Ave, Suite 1, Stuart, FL 34994, where we lease approximately 4,900 square feet of space under lease agreements for our business operations expiring in October 2027. We believe our existing facilities are adequate to meet our current requirements.

Item 3. Legal Proceedings

We are not party to any material legal proceedings. We have in the past, and from time to time may be in the future, involved in legal proceedings or subject to claims incident to the ordinary course of business. Regardless of the outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Class A common stock commenced trading on the Nasdaq Capital Market on December 23, 2024 under the symbol "HIT."

Holders

As of March 25, 2026, there were 42 stockholders of record of our Class A Common Stock, based upon information received from our transfer agent. However, the number of holders of record does not reflect holders of shares in "street name" or persons, partnerships, associations, corporations or other entities identified in security position listings maintained by depository trust companies, and so we are unable to estimate the total number of shareholders represented by record holders. As of March 25, 2026, there were 2 stockholders of record of our Class B Common Stock.

Dividends

We have never declared or paid any cash or other dividends or distributions on our Class A Common Stock. We currently intend to retain earnings, if any, to finance the growth and development of our business. We do not expect to pay any cash dividends on our common stock in the foreseeable future. Payment of future dividends, if any, will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in any financing instruments, provisions of applicable law and other factors the board deems relevant.

Securities Authorized for Issuance under Equity Compensation Plans

Information about our equity compensation plans is incorporated herein by reference to Item 12 of Part III of this annual report on Form 10-K.

Recent Sales of Unregistered Securities

None.

Use of Proceeds from Our Initial Public Offering

On December 24, 2024, we closed our IPO of 2,300,000 shares of our Class A Common Stock, resulting in net proceeds to us of \$5.9 million after deducting underwriting discounts and commissions and offering expenses. All of the shares issued and sold in our IPO were registered under the Securities Act pursuant to a registration statement on Form S-1, as amended (File No. 333-281853), which was declared effective by the Securities and Exchange Commission on December 19, 2024. There has been no material change in the planned use of proceeds from our IPO from those disclosed in the Final Prospectus. No proceeds from our IPO were used for the years ended December 31, 2025 and 2024.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto included in this annual report. The following discussion contains forward-looking statements. Actual results could differ materially from the results discussed in the forward-looking statements. See “Item 1A. Risk Factors” and “Special Note Regarding Forward-Looking Statements”.

Overview

Health in Tech (“HIT”) is an insurance technology platform company, which offers a marketplace that aims to improve processes in the healthcare industry through vertical integration, process simplification, and automation. By removing friction and complexities, we streamline the underwriting, sales and service process for insurance companies, licensed brokers, Managing General Underwriters (MGUs) and TPAs.

Marketplace: We are a health insurance marketplace where insurance companies can list various stop-loss policy options for self-funded benefits plans. Licensed brokers registered on our platform can log in, upload certain required information, select policy plans, obtain a bindable quote and sell them to businesses. In most cases, our technology enables us to medically underwrite insurance policies and produce bindable quotes within about two minutes for small employers (10-100 employees) and about two weeks for larger employers (exceeding 100 employees), allowing us to deliver an integrated and seamless sales cycle.

Customizable Solutions: Beyond policy underwriting and sales, our marketplace offers customization of health benefits plans, vendors, claims, and network services. Brokers can select customized plans that suit their customers.

Accessibility and Savings: We make self-funded benefits plan and stop loss insurance accessible online for businesses. We aim to deliver meaningful cost savings for low-risk employers with comparatively healthy employees through a digital medical underwriting process. We seek to deliver time savings for employers, brokers, TPAs, and carriers, by leveraging both external and internally developed technology.

As of December 31, 2025, we had clients in 40 states, with our services and platforms actively utilized by 583 brokers, 12 Third-Party Administrators (TPAs), and 263 additional third-party agencies. Our stop loss insurance policies for self-funded benefits plans were sold to 795 business clients with 22,515 employees. In addition, we continued to maintain profitability while driving revenue growth of 71% year over year from fiscal year 2024 to fiscal year 2025.

We currently generate most of our revenue from service fees and underwriting fees, that are associated with customers who purchase self-funded benefits plans and stop loss insurance. These plans are facilitated through a network of brokers, TPAs, MGUs, carriers, and other third-party agents. These agencies either directly engage our services or provide valuable client referrals.

Recent Developments

Engaged Amazon Web Services (AWS) Advanced Tier Services Partner Ciklum to accelerate development of Health In Tech’s AI-Driven InsurTech platform.

Appointed former SAP and IBM executive Sri Rajagopalan as Chief Technology Officer to advance AI-driven Enterprise-Grade platform growth.

Appointed five-time founder Zain Hasan as Chief Growth Officer to accelerate revenue growth and scale distribution.

Introduced 100+ Pre-Configured Stop-Loss Self-funded Healthcare plans for employers, streamlining the renewal process and reducing cycle times.

Hosted the inaugural independent hitDavos InsurTech Summit during World Economic Forum Week 2026, driving brand visibility and global leadership engagement across the government, technology, healthcare, and finance sectors.

Key Factors Affecting our Performance

Our ability to retain and expand our network of brokers, TPAs, MGUs and other third-party agents.

While we generate our revenue primarily from employers and insurance carriers, we currently derive substantially all of our business through brokers, TPAs, and other third-party agents who provide referrals. As a result, the size of our network is critical to our success. We have experienced significant network growth since we commenced operations, and we believe we have the opportunity to continue to grow our network by providing superior innovation in automation, great client experience, competitive pricing, access to quality providers, and competitive insurance coverage relative to other insurers in the same geographic and insurance markets.

Our ability to enter into more collaborations with insurance carriers and offer new products and plans

Our business growth will depend on our ability to collaborate with a diverse range of insurance carriers to service the excess coverage needs of our clients. These collaborations are essential for expanding our portfolio of products and services. Our growth strategy is heavily reliant on our capability to introduce innovative insurance products and plans. By collaborating with multiple insurance carriers, we can leverage their expertise and resources to develop a broader range of offerings. This not only enables us to meet the specific requirements of our clients but also helps in staying competitive in a rapidly changing market.

Our ability to accurately perform underwriting procedures

Our growth is significantly dependent on our ability to accurately perform underwriting procedures and maintain strong relationships with brokers, TPAs, carriers, MGUs, and other third-party agents who utilize our platforms. A failure to conduct precise underwriting actuarial reviews and adjustments to our underwriting tools could result in increased costs and pricing for health plans.

While we are not bound by any agreements that would necessitate paying fees exceeding estimated insurance costs, nor do we have agreements that require indemnification of the carrier, such a failure could cause reputational harm to our eDIYBS platform. This could lead to increased premiums for plans accessed through our platform, potentially affecting our financial standing and market competitiveness.

Our ability to continue invest in technology and innovation

Our ongoing commitment to investing in technology is crucial for driving advancements in automation and enhancing operational efficiency across all aspects of our business. We are dedicated to regularly updating and developing new technology. This continuous investment in technology and innovation will position us at the forefront of the insurance technology.

Seasonality

Our business is generally affected by the seasonal patterns of our enrollment and medical expenses. Usage of our underwriting and quoting platform is seasonal, primarily due to the common renewal of health plan policies in December and January. While we believe we have visibility into the seasonality of our business, our rapid growth rate over the last couple years may have made seasonal fluctuations more difficult to detect. If our rate of growth slows over time, seasonal or cyclical variations in our operations may become more pronounced, and our business, results of operations and financial position may be adversely affected.

Key Financial and Operating Performance Metrics

We regularly monitor a number of financial and operating metrics in order to measure our current performance and project our future performance. These metrics help us develop and refine our growth strategies and make strategic decisions. We discuss revenues, cost of revenues, and the components of operating expenses. We utilize other key metrics as described below.

Number of Enrolled Employees (EEs) Medical Health Plan Billed

Our primary customer base consists of small business with 10 to 100 employees, and we have expanded to include businesses with more than 100 employees. Our service fee is billed to such business customers on a per enrolled employee (EE) per month (PEPM) basis, which ranges from \$2 to \$50 based on selected services — and generates underwriting revenue as a percentage of the monthly premium paid on a PEPM basis. Accordingly, we use the number of EEs as a key indicator of our market penetration and growth, as compared to simply tracking the total number of our business customers, which can vary depending on the number of employees (and their family) enrolled at the business customer. The number of EEs is an employment based count, and not only would include a single employee, but also an employee's family (spouse and/or children), if the family is also insured on the plan.

The following table sets forth the number of EEs billed for the periods indicated:

	Fiscal Year Ended December 31,		Period-to-Period Change	
	2025	2024	EEs	Percentage
Number of EEs billed (End of period)	22,515	18,348	4,167	23%

As of December 31, 2025, the number of enrolled employees reached 22,515, representing a 23% increase from 18,348 in the same period of 2024. This growth reflects strong market demand and the expanded adoption of our self-funded health plan solutions facilitated by continued channel expansion through brokers, TPAs and agencies, and expansion to large employers market.

Adjusted EBITDA

Adjusted EBITDA represents our net income before net interest expense, taxes and amortization expense, adjusted to eliminate stock-based compensation and provision for credit losses on other receivables. Adjusted EBITDA is not a measure calculated in accordance with United States Generally Accepted Accounting Principles, or GAAP. Please refer to “*Summary Consolidated Financial Data — Adjusted EBITDA*” in this Report for a discussion of the limitations of adjusted EBITDA and reconciliations of adjusted EBITDA to net income, the most comparable GAAP measurements, respectively, for the years ended December 31, 2025 and 2024. We exclude certain non-recurring or non-cash items when calculating Adjusted EBITDA, and we believe this approach provides a more meaningful measure by offering a clearer view of our underlying operational performance.

Components of Operating Results

Revenues

While we generate our revenue primarily from employers and insurance carriers, we grow our business primarily from offering solutions that streamline sales processes, enhance service delivery, and reduce the sales cycle duration for TPAs, MGUs, and Brokers. We offer our services through our three subsidiaries. Program services provided by SMR and MGU activities provided by ICE (including eDIYBS) are interdependent, as they cannot function effectively without being combined. Services provided by HI Card is an optional add-on to our other services, and it cannot be offered on a standalone basis. Brokers that utilize the program services on behalf of the employer provided by SMR and MGU activities provided by ICE, are not obligated to utilize our HI Card service. Currently ICE does not offer underwriting services as a standalone service. In the future, we may consider offering it as a standalone service.

- (i) SMR is a program manager specializing in customized self-funded benefits programs for businesses. It creates health plans, selects networks and manages vendors, and sets up benefits plans on the marketplace, including benefits structures, coverage options, and provider networks. Licensed brokers log in to the marketplace to select and sell self-funded benefits plans to businesses. Our offerings encompass reference-based pricing, group insurance captives, community health plans, and association health programs. SMR collaborates with TPAs and licensed brokers to design health plans that meet the specific needs of employers. The revenue from SMR is derived from a set fee charged per enrolled employee (EE) per month (PEPM). The fee varies depending on the type of program selected by the broker. SMR's fees are paid by employers.

- (ii) ICE develops and maintains all underwriting models. It defines risk criteria based on risk guidelines provided by carriers, manages underwriting of risk, manages claims activity, ensures reinsurance reporting, and handles monthly reinsurance filings. The revenue from ICE is derived as a specific percentage from the premium received, in our capacity as the Managing General Underwriter (MGU) of insurance companies (Carriers). ICE's fees are paid by carriers.
- (iii) HI Card provides medical claims access data and claims negotiation for SMR's program members who select such services and provides 24/7 accessibility to all incurred medical data for employees who enroll in the HI Card service. Accordingly, all of the revenue we generate from HI Card is from SMR's program members, which are enrolled employees of the employer. The revenue generated from HI Card is derived from a set fee charged per enrolled employee (EE) per month (PEPM). The fee may vary depending on services or the network selected by the broker. Brokers are not obligated to utilize the HI Card service for the employers. HI Card's fees are paid by employers.

The following table sets forth the components of our revenues by subsidiaries and percentages of our total revenues for the periods presented:

	Fiscal Year Ended December 31,			
	2025	% of revenue	2024	% of revenue
Revenues				
Revenues from underwriting modeling (ICE)	\$ 6,864,545	20.6%	\$ 6,649,271	34.1%
Revenues from fees	26,462,966	79.4%	12,841,635	65.9%
SMR	26,462,966	79.4%	9,849,300	50.5%
HI Card	—	—%	2,992,335	15.4%
Total revenues	<u>33,327,511</u>	<u>100.0%</u>	<u>19,490,906</u>	<u>100.0%</u>

Cost of revenues

Cost of revenues primarily consists of infrastructure costs to operate our platform such as hosting fees and fees paid to various third-party partners for access to their technology, services and amortization expenses of our capitalized internal-use software related to our platform. We mainly outsource captive management services and data services from the third-party companies. Our internal proprietary system seeks to consistently improve underwriting and services results through machine learning and data feeds. The captive management activities include introducing new carriers, conducting due diligence on carriers, conducting feasibility studies to determine the viability to be a stop-loss carrier on the platform, negotiating terms and contracts, coordinating audit requests, managing relationship with unrelated carriers and their regulators and auditor firms to ensure that our risk associated with our service offerings is minimized. See "Item 1A. Risk Factors — Risks Related to our Business and Industry" for additional information on the risks associated with our service offerings.

Sales and marketing expenses

Sales and marketing expenses primarily consist of personnel-related costs including salaries, stock-based compensation expense, benefits and commissions cost for our sales and marketing personnel. Sales and marketing expenses also include the costs for advertising, promotional and other marketing activities, as well as certain fees paid to various third-party for sales and customer acquisition.

General and administrative expenses

General and administrative expenses primarily consist of personnel-related costs and related expenses for our executives, finance, legal, human resources, technical support, and administrative personnel as well as the costs associated with professional fees for external legal, accounting, and other consulting services, insurance premiums.

Research and development expenses

Research and development expenses primarily consist of personnel-related costs, including salaries, stock-based compensation expense and benefits for our research and development personnel. Additional expenses include costs related to research, design, and preliminary planning of new technology, as well as routine maintenance of its existing platform.

Provision for income taxes

Provision for income taxes consists primarily of changes to our current and deferred federal and state tax assets and liabilities. Deferred income taxes are recognized for the tax consequences of temporary differences between financial statement carrying amounts and the tax basis of assets and liabilities. Our deferred tax assets and liabilities are calculated by applying the current tax rates and laws to taxable years in which such differences are expected to reverse.

We continually review the need for, and the adequacy of, valuation allowances, and recognize benefits from our deferred tax assets only when an analysis of both positive and negative factors indicates that it is more likely than not such benefits will be realized.

Results of Operations

The following table sets forth our consolidated statements of operations for the periods presented, both in absolute amount and as a percentage of our total revenues for the periods presented:

	Fiscal Year Ended December 31,			
	2025	% of revenue	2024	% of revenue
Revenues				
Revenues from underwriting modeling (ICE)	\$ 6,864,545	20.6%	\$ 6,649,271	34.1%
Revenues from fees	26,462,966	79.4%	12,841,635	65.9%
SMR	26,462,966	79.4%	9,849,300	50.5%
HI Card	—	—%	2,992,335	15.4%
Total revenues	<u>33,327,511</u>	<u>100.0%</u>	<u>19,490,906</u>	<u>100.0%</u>
Cost of revenues	<u>12,389,783</u>	<u>37.2%</u>	<u>4,051,439</u>	<u>20.8%</u>
Gross profit	<u>\$ 20,937,728</u>	<u>62.8%</u>	<u>\$ 15,439,467</u>	<u>79.2%</u>
Operating expenses				
Sales and marketing expenses	4,185,766	12.6%	3,158,257	16.2%
General and administrative expenses	13,654,262	41.0%	8,477,407	43.5%
Research and development expenses	1,569,262	4.7%	2,813,899	14.4%
Total operating expenses	<u>19,409,290</u>	<u>58.3%</u>	<u>14,449,563</u>	<u>74.1%</u>
Other income (expense):				
Interest income	409,922	1.2%	122,885	0.6%
Interest expenses	—	—%	(495,000)	(2.5)%
Other income	118,399	0.4%	271,211	1.4%
Other expense	(382,587)	(1.1)%	—	—%
Total other income (expense), net	<u>145,734</u>	<u>0.5%</u>	<u>(100,904)</u>	<u>(0.5)%</u>
Income before income tax expense	\$ 1,674,172	5.0%	\$ 889,000	4.6%
Provision for income taxes	(395,330)	(1.2)%	(218,523)	(1.1)%
Net income	<u>\$ 1,278,842</u>	<u>3.8%</u>	<u>\$ 670,477</u>	<u>3.5%</u>
Other Financial Data:				
Adjusted EBITDA ⁽¹⁾	<u>\$ 4,112,833</u>	<u>12.3%</u>	<u>\$ 2,270,745</u>	<u>11.7%</u>

- (1) We define adjusted EBITDA as net income before net interest expense, taxes and amortization expense, adjusted to eliminate stock-based compensation expense and provision for credit losses on other receivables. See “Adjusted EBITDA” below for more information and for a reconciliation of adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with GAAP.

Adjusted EBITDA

	Fiscal Year Ended December 31,	
	2025	2024
Reconciliation from Net Income to Adjusted EBITDA:		
Net income	\$ 1,278,842	\$ 670,477
Interest (income) expenses	(409,922)	372,115
Amortization expense	900,577	541,141
Income tax expense	395,330	218,523
Stock-based compensation expense	1,570,419	468,489
Provision for credit losses on other receivables	377,587	—
Total net adjustments	2,833,991	1,600,268
Adjusted EBITDA	\$ 4,112,833	\$ 2,270,745

Consolidated Balance Sheet Data

	December 31,	
	2025	2024
Cash and cash equivalents	\$ 7,669,754	\$ 7,849,248
Accounts receivable, net	756,288	1,647,103
Other receivables, net	3,467,814	500,252
Software	6,530,894	3,962,461
Total assets	23,089,961	15,768,489
Total liabilities	5,977,896	2,599,461
Total stockholders' equity	17,112,065	13,169,028

Cash and cash equivalents

As of December 31, 2025, the balance of cash and cash equivalents was \$7,669,754, remaining relatively stable compared to \$7,849,248 as of December 31, 2024.

Accounts receivable, net

As of December 31, 2025, the net accounts receivable decreased by \$890,815 to \$756,288, from \$1,647,103 as of December 31, 2024. This reduction mainly resulted from process enhancements and automation of our accounts receivable (AR) process. The accounts receivable turnover period for the year ended December 31, 2025 was 14 days, representing a 15-day reduction from 29 days for the year ended December 31, 2024.

Other receivables, net

As of December 31, 2025, the net other receivables increased by \$2,967,562 to \$3,467,814, from \$500,252 as of December 31, 2024. This increase was mainly attributable to the purchase of Deferred Administrative Surplus for \$3,481,684 on March 18, 2025.

Software

As of December 31, 2025, the balance of software increased by \$2,568,433 to \$6,530,894, from \$3,962,461 as of December 31, 2024. This increase was mainly attributable to a \$3,469,010 investment in the expansion of eDIYBS systems and new software development, partially offset by a \$900,577 increase in accumulated amortization for the year ended December 31, 2025. The expansion of eDIYBS systems to serve large size employers was completed in September 2025.

Total liabilities

As of December 31, 2025, the balance of total liabilities increased by \$3,378,435 to \$5,977,896, from \$2,599,461 as of December 31, 2024. This increase was driven by the higher accounts payable and accrued expenses reflecting the expansion of our business scale. Notably, we achieved revenue growth of 71% year over year from fiscal year 2024 to fiscal year 2025, which led to higher liabilities in line with operational growth.

Total stockholders' equity

As of December 31, 2025, the balance of total stockholders' equity increased by \$3,943,037 to \$17,112,065, from \$13,169,028 as of December 31, 2024. This increase was mainly attributable to our net income and stock-based compensation. Please refer to our Consolidated Statements of Changes in Stockholders' Equity for additional information.

Comparison of the Years Ended December 31, 2025 and 2024

Revenues

	Fiscal Year Ended December 31,				Period-to-Period Change	
	2025		2024			
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage
Revenues from underwriting modeling (ICE)	6,864,545	20.6%	6,649,271	34.1%	215,274	3.2%
Revenues from fees	26,462,966	79.4%	12,841,635	65.9%	13,621,331	106.1%
SMR	26,462,966	79.4%	9,849,300	50.5%	16,613,666	168.7%
HI Card	—	—%	2,992,335	15.4%	(2,992,335)	(100.0)%
Total revenues	<u>33,327,511</u>	<u>100.0%</u>	<u>19,490,906</u>	<u>100.0%</u>	<u>13,836,605</u>	<u>71.0%</u>

Revenues increased by \$13.8 million, or 71.0%, to \$33.3 million for the year ended December 31, 2025, from \$19.5 million for the year ended December 31, 2024. This growth was primarily driven by continued channel expansion through brokers, TPAs and agencies, and expansion to large employers market.

Total billable enrolled employees increased 23% year over year to 22,515 as of December 31, 2025, compared to 18,348 in the same prior last year.

As the services provided by SMR and ICE are delivered as an interdependent and integrated solution, we evaluate their performance based on the total revenues generated. Revenues from underwriting modeling generated from ICE increased 3.2% to \$6.9 million, compared to \$6.6 million for the same period in 2024, reflecting expanding adoption of our solutions. Revenues from fees generated from SMR increased 106.1% to \$26.5 million, compared to \$12.8 million for the same period in 2024. Revenues from fees continue to outpace revenues from underwriting modeling as more employers prioritize higher-quality coverage and enhanced service offerings.

No revenues were generated from HI Card, for the year ended December 31, 2025, compared to \$2.99 million for the same period in 2024. The service provided by HI card is an optional. We made strategic decisions to temporarily pause HI Card beta testing and prioritize tech resource to enhance eDIYBS platform which offers integrated services by SMR and ICE and delivers greater financial and process impacts. This disciplined allocation of resources has strengthened our near-term growth trajectory while positioning HI Card for a more robust relaunch. We currently expect to resume HI Card development early in the first quarter of 2026.

Cost of revenues

	Fiscal Year Ended December 31,				Period-to-Period Change	
	2025		2024			
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
Cost of revenues	12,389,783	37.2%	4,051,439	20.8%	8,338,344	16.4%

Cost of revenues increased by \$8.4 million to \$12.4 million for the year ended December 31, 2025, from \$4.0 million for the year ended December 31, 2024. As a percentage of revenue, cost of revenues increased to 37.2% for the year ended December 31, 2025, from 20.8% for the same period in 2024.

The increase was primarily attributable to higher captive management fees related to the new products and new channels launched in July 2024, as we continued to expand our business scale.

Sales and marketing expenses

	Fiscal Year Ended December 31,				Period-to-Period Change	
	2025		2024			
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
Sales and marketing expenses	4,185,766	12.6%	3,158,257	16.2%	1,027,509	(3.6)%

Sales and marketing expenses increased by 1.0 million to \$4.2 million for the year ended December 31, 2025, compared to \$3.2 million for the year ended December 31, 2024. As a percentage of revenue, sales and marketing expenses decreased 3.6% from 16.2% for the year ended December 31, 2024 to 12.6% for the year ended December 31, 2025. This reduction was primarily due to our channel partnership model, which continues to drive revenue growth without the need for a large in-house sales force.

General and administrative expenses

	Fiscal Year Ended December 31,				Period-to-Period Change	
	2025		2024			
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
General and administrative expenses:						
Operations division	5,253,471	15.8%	4,380,589	22.5%	872,882	(6.7)%
Administrative division	8,400,791	25.2%	4,096,818	21.0%	4,303,973	4.2%
Total General and administrative expenses . .	13,654,262	41.0%	8,477,407	43.5%	5,176,855	(2.5)%

We bifurcate general and administrative expenses as follows:

Operations division — The operations division mainly consists of payroll, stock-based compensation expense and benefits expenses incurred related to our underwriting, claims management, operations development, enrollment, nursing and strategic program development personnel.

Administrative division — The administrative division mainly represents payroll, stock-based compensation expense and benefits expenses incurred related to Executives, Human Resources, Accounting, and Finance related personnel.

General and administrative expenses increased by \$5.2 million to \$13.7 million for the year ended December 31, 2025, from \$8.5 million for the year ended December 31, 2024. The overall increase in general and administrative expenses for the year ended December 31, 2025 was primarily attributable to the increased expenses associated with being a public company of \$3.0 million, including D&O insurance, board compensation, investor relations, media outreach, etc. However, as a percentage of revenue, general and administrative expenses decreased to 41.0% for the year ended December 31, 2025, from 43.5% for the same period in 2024. This decrease was primarily attributable to the improved operating leverage in our operations division, which was partially offset by increased expenses associated with being a public company.

Research and development expenses

	Fiscal Year Ended December 31,				Period-to-Period Change	
	2025		2024			
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
Research and development expenses	1,569,262	4.7%	2,813,899	14.4%	(1,244,637)	(9.7)%

Research and development expenses that are not associated with software developments decreased by \$1.2 million to \$1.6 million for the year ended December 31, 2025, from \$2.8 million for the year ended December 31, 2024. As a percentage of revenue, research and development expenses decreased to 4.7% for the year ended December 31, 2025, compared to 14.4% for the same period in 2024.

The costs associated with software developments that are capitalized increased by \$1.7 million to \$2.1 million for the year ended December 31, 2025, from \$0.4 million for the same period in 2024. During 2025, our IT remained focused on developing new functionalities and features for this next-generation platform. The expansion of systems to serve large size employers was completed in September 2025.

Income before income tax expense

	Fiscal Year Ended December 31,				Period-to-Period Change	
	2025		2024		Amount	Percentage of Revenue
	Amount	Percentage of Revenue	Amount	Percentage of Revenue		
Income before income tax expense	1,674,172	5.0%	889,000	4.6%	785,172	0.4%

Income before income tax expense increased by \$0.8 million to \$1.7 million for the year ended December 31, 2025, from \$0.9 million for the year ended December 31, 2024. This increase was primarily attributable to our strong revenue growth and disciplined cost management.

Provision for income taxes

	Fiscal Year Ended December 31,				Period-to-Period Change	
	2025		2024		Amount	Percentage of Revenue
	Amount	Percentage of Revenue	Amount	Percentage of Revenue		
Provision for income taxes	(395,330)	(1.2)%	(218,523)	(1.1)%	(176,807)	(0.1)%

Provision for income taxes increased by \$0.2 million to \$0.4 million for the year ended December 31, 2025, from \$0.2 million for the year ended December 31, 2024. The increase in provision for income taxes was attributable to the increased income before income taxes, primarily driven by our strong revenue growth and disciplined cost management.

Adjusted EBITDA

	Fiscal Year Ended December 31,				Period-to-Period Change	
	2025		2024		Amount	Percentage of Revenue
	Amount	Percentage of Revenue	Amount	Percentage of Revenue		
Adjusted EBITDA.	4,112,833	12.3%	2,270,745	11.7%	1,842,088	0.6%

Adjusted EBITDA increased by \$1.8 million to \$4.1 million for the year ended December 31, 2025, from \$2.3 million for the year ended December 31, 2024. As a percentage of revenue, adjusted EBITDA was 12.3% for the year ended December 31, 2025, representing a modest increase compared to 11.7% for the same period in 2024. The increase in adjusted EBITDA was primarily attributable to robust revenue growth, driven by strong demand for our new product offerings facilitated by continued channel expansion through brokers, TPAs, and agencies.

Liquidity and Capital Resources

Sources of Liquidity

To date, we have funded our operations primarily through cash from operating activities, short-term loans, our IPO completed in December 2024, and our issuance of Series A Convertible Preferred Stock for \$2 million to an institutional investor, which was converted into shares of Class A Common Stock in August 2023 on a one for one basis.

Our cash and cash equivalents as of December 31, 2025 were held in order to fund our working capital needs. We do not enter into investments for trading or speculative purposes. Our policy is to invest any cash in excess of our immediate requirements in investments designed to preserve the principal balance and provide liquidity. Accordingly, our cash and cash equivalents are invested primarily in demand deposit and money market accounts that are currently providing minimal returns. We believe that our cash generated from our operating activities will allow for us to continue as a going concern at least twelve months from the date of this Annual Report on Form 10-K.

Summary of Cash Flows

	Fiscal Year Ended December 31,	
	2025	2024
Cash provided by (used in):		
Operating activities	\$ 3,133,813	\$ 2,176,209
Investing activities	(3,125,921)	(836,755)
Financing activities	(187,386)	4,093,444
Increase (Decrease) in cash and cash equivalents	<u>\$ (179,494)</u>	<u>\$ 5,432,898</u>

Operating Activities

Net cash provided by operating activities increased by \$0.9 million to \$3.1 million for the year ended December 31, 2025, compared to \$2.2 million for the same period in 2024, primarily due to the growth in revenues, process improvements and the automation of our accounts receivable (AR) system. Cash provided by operating activities for the year ended December 31, 2025, principally resulted from our net income of \$1.3 million, \$7.0 million in adjustments for non-cash items primarily related to amortization, provision for refund liability and stock-based compensation expense, and offset by \$5.2 million of cash used to fund changes in working capital, including a decrease in accounts receivable of \$0.9 million, an increase in other receivables for Deferred Administrative Surplus of \$3.3 million, an increase in prepaid expenses and other assets of \$2.0 million, an increase in accounts payable and accrued expenses of \$2.4 million, a decrease in income taxes payable of \$0.2 million and a decrease in other current liabilities of \$3.0 million.

Cash provided by operating activities for the year ended December 31, 2024, principally resulted from our net income of \$0.7 million, \$1.3 million in adjustments for non-cash items primarily related to amortization, amortization of debt discount and stock-based compensation expense, and \$0.2 million of cash provided by changes in working capital, including a decrease in accounts receivable of \$0.6 million, a decrease in other receivables of \$1.2 million, an increase in prepaid expenses and other current assets of \$0.5 million, a decrease in accounts payable and accrued expenses of \$0.9 million and a decrease in income taxes payable of \$0.2 million.

Investing Activities

Cash used in investing activities increased by \$2.3 million to \$3.1 million for the year ended December 31, 2025, compared to \$0.8 million for the year ended December 31, 2024. The primary use of cash used in investing activities in 2025 and 2024 was related to the development of our proprietary AI-enabled platform, reflecting our continued investment in enhancing all our technology platforms.

Financing Activities

Net cash used in financing activities was \$0.2 million for the year ended December 31, 2025, compared to \$4.1 million of net cash provided by financing activities for the year ended December 31, 2024. The decrease was primarily driven by \$8.2 million in proceeds from the issuance of Class A common stock in connection with our IPO during 2024, net of underwriting discounts and commissions. Cash used in financing activities for the year ended December 31, 2025 consisted primarily of payments of deferred offering costs for our public offering. Cash used in financing activities for the year ended December 31, 2024 consisted primarily of \$2.0 million payments of deferred offering costs and \$2.1 million repayments of notes payable.

Contractual Obligations and Commitments

Our principal commitments consist of obligations under our non-cancellable lease for our office. The following table summarizes the contractual obligation as of December 31, 2025. Future events could cause actual payments to differ from these estimates.

	Payment due by period				
	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
Operating lease obligation	152,492	86,312	66,180	—	—

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reported periods. We also have other key accounting policies, none of these policies or estimates are considered critical accounting policies or critical accounting estimates.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The purpose of this guidance is to enhance the transparency and usefulness of income tax disclosures and provide comprehensive income tax information, particularly in relation to rate reconciliation and income taxes paid in the U.S. and foreign jurisdictions. The amendments are effective for fiscal years beginning after December 15, 2024. We have adopted this accounting pronouncement on the accompanying financial statements prospectively to the current annual period. Prior period disclosures have not been adjusted to reflect the new disclosure requirements.

In November 2024, the FASB issued ASU 2024-03 Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This standard calls for enhanced disclosures about components of expense captions on the face of the income statement. This standard will be effective for fiscal years beginning after December 15, 2026, with the option to apply it retrospectively. Early adoption is allowed. Currently, we are assessing the potential impact of this guidance on our consolidated financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06 Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, which amends certain aspects of the accounting for and disclosure of software costs under ASC 350-40, *Intangibles — Goodwill and Other: Internal-Use Software* (“ASC 350-40”). The new standard is effective for annual periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is allowed. The new standard may be applied prospectively, retrospectively, or via a modified prospective transition method. Currently, we are assessing the potential impact of this guidance on our consolidated financial statement disclosures.

We do not believe that any other recently issued but not yet effective accounting pronouncements are expected to have a material effect on our consolidated financial statements.

JOBS Act

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. We have elected to early adopt certain new accounting standards, as disclosed herein. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual gross revenue of at least \$1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A Common Stock that is held by non-affiliates exceeds \$700 million as of the prior June 30, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period. References herein to emerging growth company will have the meaning associated with it in the JOBS Act.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company, as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required by this Item.

Item 8. Financial Statements and Supplementary Data

Our financial statements required to be filed pursuant to this Item 8 appear in a separate section of this Annual Report on Form 10-K, beginning on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to Management, including our Chief Executive Officer and Chief Financial Officer (together, the "Certifying Officers"), or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our Management, including our Certifying Officers, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on the foregoing, our Certifying Officers concluded that our disclosure controls and procedures were effective as of the end of the fiscal year ended December 31, 2025. Accordingly, Management believes that the financial statement contained elsewhere in this Report present fairly in all material respects our financial position, results of operations and cash flows for the period presented.

Management's Annual Report on Internal Controls over Financial Reporting

This Annual Report on Form 10-K includes a report of management's assessment regarding internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm because, as an emerging growth company, a smaller reporting company, and a non-accelerated filer, our independent registered public accounting firm is not required to issue such an attestation report.

The following report is provided by management in respect of our internal control over financial reporting:

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our management used the Committee of Sponsoring Organizations of the Treadway Commission's Internal Control — Integrated Framework (2013), or the COSO framework, to evaluate the effectiveness of internal control over financial reporting. Management believes that the COSO framework is a suitable framework for its evaluation of financial reporting because it is free from bias, permits reasonably consistent qualitative and quantitative measurements of our internal control over financial reporting, is sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of our internal control over financial reporting are not omitted and is relevant to an evaluation of internal control over financial reporting. Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2025, and has concluded that such internal control over financial reporting was effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Securities Exchange Act of 1934, during the period ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent limitation on the effectiveness of internal control

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of March 25, 2026:

Name	Age	Position
Executive Officers		
Tim Johnson	60	Chief Executive Officer and Director
Julia (LinLin) Qian	51	Chief Financial Officer and Director
Jonathan (Del) Lockett	65	Chief Strategy Officer
Dustin Plantholt	42	Chief AI & Marketing Officer
Lori Babcock	62	Chief of Staff
Zain Hasan	38	Chief Growth Officer
Michael Clarkson	51	Chief Information Security Officer
Sri Rajagopalan	57	Chief Technology Officer
Board of Directors (Non-Employee)		
William D. Howard	66	Director
Sanjay Shrestha	52	Director
Timothy Hayes	77	Director

Set forth below is biographical information about each of the individuals named in the tables above:

Executive Officers

Tim Johnson

Mr. Johnson has served as our Chief Executive Officer and as a member of our board of directors since the Company's formation. Mr. Johnson has over 30 years of experience in the insurance industry, with a background spanning both the carrier and brokerage sides of the business. Prior to founding the Company, Mr. Johnson held positions at Liberty Mutual, Cottingham & Butler and AIG, and has founded multiple companies in the medical insurance sector.

Mr. Johnson has deep expertise in stop-loss insurance and self-funded benefits solutions. Mr. Johnson received his Master of Business Analytics from Missouri Western State College in 1988. We believe Mr. Johnson is qualified to serve as a member of our board of directors based on his role as a founder of the Company and his significant experience in the insurance services industry.

Julia (LinLin) Qian

Ms. Qian has served as our Chief Financial Officer since September 2022 and as a member of our board of directors since April 2024. Ms. Qian is responsible for the Company's financial accounting and capital markets activities. Prior to joining the Company, Ms. Qian served as Managing Director at The Blueshirt Group from December 2018 to September 2022. Previously, she held various leadership roles at Citi Group from April 2012 to November 2018, including Senior VP of Citi FinTech, Senior VP of US retail banking and distribution, Global Consumer Bank strategy lead and regional director of secured lending (Asia). Ms. Qian has over 20 years of experience in financial services, international capital markets and global organizations. Ms. Qian received her Bachelor in International Accounting from Shanghai University of Finance and Economics in 1995 and her Master of Business Administration from Shanghai Jiaotong University in 2003.

Jonathan (Del) Lockett

Mr. Lockett has served as our Chief Strategy Officer since March 2025. Previously, he served as our Chief Operating Officer from January 2022 to March 2025 and originally joined the Company as National Sales Director in June 2019. In his current role, Mr. Lockett is responsible for new business development, software-as-a-service initiatives, and market expansion.

Prior to joining the Company, Mr. Lockett was owner and operator at Sawgrass Benefit Consultants and President and Director of Operations at Claim Doc, Inc. where he was also a member of the board of directors. Mr. Lockett began his career in the financial software development industry and studied Information Technology, Accounting, Economics at Virginia Commonwealth University from 1980 to 1983 and Business Administration at Richard Bland College, College of William and Mary from 1978 to 1983.

Dustin Plantholt

Mr. Plantholt has served as our Chief AI & Marketing Officer since September 2025, and previously served as our Chief Growth Officer from March 2025 to August 2025. He is responsible for enterprise-wide artificial intelligence initiatives and marketing strategy.

Mr. Plantholt has over 20 years of experience in insurance, technology, and media. Prior to joining the Company, Mr. Plantholt served as Chief Executive Officer at BlockBuzz Inc., a strategy, media and partnership advisory company, since November 2018. Previously, he served as Chief Executive Officer at Life's Tough Media from July 2019 to June 2023, Senior Editor at Forbes Monaco from September 2021 to February 2023, Executive Vice President at Optimed Health, Inc. from September 2017 to November 2018, and Chief Sales & Marketing Officer at Evergreen Health, Inc. from October 2016 to September 2017. Mr. Plantholt received his Doctorate in International Relations and Journalism from Anania Shirakatsi University of International Relations in 2024 and his Doctorate of Business Administration in Data Science and Artificial Intelligence from Asomi College of Sciences in 2026.

Lori Babcock

Ms. Babcock has served as our Chief of Staff since September 2022. Ms. Babcock's areas of responsibility include staffing, account executive, and human resources. Prior to joining the Company, Ms. Babcock was the Controller at Stone Mountain Risk from August 2011 to August 2022. Ms. Babcock attended Washburn University until 1983.

Michael Clarkson

Mr. Clarkson has served as our Chief Information Security Officer since November 2025. Prior to assuming this role, he served as an advisor to the Company from July to October 2025. Mr. Clarkson is responsible for oversight of the Company's cybersecurity, compliance, and enterprise risk programs, including security governance, regulatory compliance, and data protection across all business lines.

Mr. Clarkson has over 20 years of experience in cybersecurity leadership and infrastructure strategy. Prior to joining the Company, Mr. Clarkson served as a Virtual Chief Information Security Officer, providing cybersecurity, regulatory compliance, and risk advisory services to organizations in the healthcare, insurance, and financial services sectors through his work as a consultant with TEKConn, Inc. from April 2022 to July 2025. Mr. Clarkson served as Principal Architect, Data at ADP from October 2018 to March 2022, where he led network design, security architecture, and public and private cloud initiatives, focusing on enterprise data architecture, resiliency, and large-scale infrastructure strategy. Mr. Clarkson served as Manager of Systems at Bloomberg LP from March 2011 to May 2018, where he was responsible for managing and supporting high-availability production infrastructure. Mr. Clarkson holds the Certified Information Systems Security Professional (CISSP) designation.

Zain Hasan

Mr. Hasan has served as Health In Tech's Chief Growth Officer since December 2025 and previously served as the Company's Head of Revenue and Growth Leadership from September 2025 to December 2025. He is responsible for the Company's growth strategy, including go-to-market execution, organic revenue growth initiatives, and mergers and acquisitions activity. His responsibilities include oversight of the Company's sales, marketing, partnerships, and revenue operations functions.

Mr. Hasan has over 15 years of experience in the employee benefits and insurance industry. Prior to joining HIT, he founded and served as chief executive officer of several companies in the insurance and employee benefits sector. Most recently, Mr. Hasan founded Quantas Advisors (formerly Risk Transfer Advisory Group, or “RTA”) in October 2020, and built it into a national employee benefits agency. During his tenure, Mr. Hasan executed a consolidation strategy that included a recapitalization with a private equity sponsor and the completion of multiple strategic acquisitions. He also founded ZSH Ventures, LLC and WayRoll HR, each of which has since merged into RTA, in December 2021. Mr. Hasan received his Bachelor’s degree in Biological Sciences from the University of Georgia in 2010. He is a Certified Self-Funding Specialist (CSFS), an ELAP Certified Advisor, and holds a 2-15 insurance license.

Sri Rajagopalan

Mr. Rajagopalan has served as Health In Tech’s Chief Technology Officer since February 2026 and previously served as the Company’s Interim CTO from November 2025 to February 2026. Mr. Rajagopalan oversees end-to-end product engineering and enterprise platform operations. He is responsible for advancing Health In Tech’s next-generation technology architecture and AI development roadmap and embedding artificial intelligence, automation, and data intelligence across underwriting, claims, and benefits administration workflows. His mandate includes building, scaling, and optimizing the Company’s cloud-native, enterprise-grade platforms to enhance performance, security, interoperability, and scalability and position Health In Tech to execute on its long-term enterprise vision and forthcoming strategic growth initiatives.

Mr. Rajagopalan is a technology executive with global experience in software engineering, cloud transformation, enterprise architecture, data and AI platforms. Prior to joining the Company, Mr. Rajagopalan served as Senior Vice President of Software Engineering at Net Health from January 2024 to October 2025; Senior Vice President of Platform Engineering and Enterprise Architecture at Zelis from November 2021 to July 2023; Executive Architect Consultant at SAP’s Customer Innovation Office in 2021; Vice President of Software Engineering and Chief Architect at Greenway Health from July 2019 to November 2020; and held multiple senior leadership roles at SAP from August 2006 to June 2019 after serving as Global Enterprise Architect in the CIO Office at IBM & Lenovo International from January 2002 to August 2006. Mr. Rajagopalan completed the Executive Management Program (CTO Track) from the Wharton School of Business in December 2022 and received a Master of Science degree in Chemical Engineering from Lamar University in 1993. He is a TOGAF Certified Master IT Architect and IBM Certified IT Architect.

Non-Employee Directors

William D. Howard

Mr. William D. Howard has served as an independent director since December 2024. Mr. Howard has decades of experience in the legal and insurance industry. Since 1984, Mr. Howard has served as an attorney and a partner at Howard Law Group, a legal service provider. Mr. Howard received a Bachelor’s Degree in Chemistry and Economics from Kalamazoo College in 1981 and a Juris Doctor Degree from Washington University in 1984. We believe Mr. Howard’s extensive legal experience qualifies him to serve as our director.

Sanjay Shrestha

Mr. Shrestha has served as an independent director since April 2025. Mr. Shrestha has served as the President of PLUG POWER INC (PLUG) since November 2024. Mr. Shrestha previously served as General Manager, Energy Solutions from January 2021 to November 2024 and as Chief Strategy Officer and Executive Vice President from April 2019 to January 2021. Prior to joining Plug Power, Mr. Shrestha served as the Chief Investment Officer of Sky Solar Holdings, which owned and operated solar projects in Japan, Europe and the Americas, and President of Sky Capital America, which owned and operated solar projects in North and South America, since 2015. Under his leadership, Sky Capital America built and acquired over 100MW of operating solar assets and secured a pipeline over 100MW. He also sourced various types of financing solutions to support this growth, including project debt, construction equity and long-term equity. Before Sky Capital America, he led the renewables investment banking effort at FBR Capital Markets (now known as B. Riley Financial, Inc.) since 2013. During 2014, and under his leadership, the firm was ranked among the top renewable energy underwriters in the United States. Prior to joining FBR Capital Markets, Mr. Shrestha was the global head of renewables research coverage at Lazard Capital Markets.

During his tenure at Lazard Capital Markets, he was a member of the Institutional Investor All America Research team and was also ranked as one of the top five stock pickers on a global basis. Prior to Lazard Capital Markets, Mr. Shrestha was at First Albany Capital, where he built the firm's renewables and industrial research practice. Mr. Shrestha serves as an independent director on the board of directors of Fusemachines, an artificial intelligence talent and education solutions company. Mr. Shrestha currently serves on the board of directors of AccionaPlug S.L., which is the Company's joint venture with Acciona Generación Renovable, S.A., and Hidrogenii, which is the Company's joint venture with Niloco Hydrogen Holdings LLC, a wholly-owned subsidiary of Olin Corporation.

Mr. Shrestha received a Bachelor of Science in Business from College of St Rose in 1997. We believe that Mr. Shrestha's experience leading growth strategies in the technology sector, his leadership in scaling platform businesses and deep understanding of emerging technologies make him well qualified to serve as our director.

Timothy Hayes

Mr. Timothy Hayes has served as an independent director since December 2024. Mr. Hayes worked as a senior tax manager at Deloitte and Touche from 1989 to 2008, providing tax planning, audit representation and return preparation services to firm clients. From 1994 to 2006, Mr. Hayes was a board member of California Taxpayers Association. From 1986 to 1989, Mr. Hayes worked as a tax auditor at California Franchise Tax Board, performing California State Franchise and Income Tax audits of corporations and individuals. From 1985 to 1986, Mr. Hayes worked as a sales tax auditor at California State Board of Equalization, performing California Sales Tax audits of businesses. Mr. Hayes was a Certified Public Accountant in California until his retirement in 2014. Mr. Hayes received a Bachelor of Science Degree in Accounting from California State University, Sacramento in 1982. We believe Mr. Hayes' extensive financial accounting and audit experience qualifies him to serve as our director.

Family Relationships

There are no family relationships among any of our officers or directors.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers were involved in any legal proceedings described in Item 401(f) of Regulation S-K in the past ten years.

Board Composition

Our board of directors consists of five (5) members.

Director Independence. Our board of directors has determined that all members of our board of directors are independent directors, with the exception of Tim Johnson and Julia Qian, including for purposes of the rules of Nasdaq and relevant federal securities laws and regulations.

Term of Office. In accordance with the terms of our Articles of Incorporation and Bylaws, at each annual meeting of the stockholders, the holders of shares of stock entitled to vote in the election of directors will elect directors to hold office until their term expires or until the director's earlier death, resignation, disqualification, or removal. The first two directors elected as members of the Board of Directors have an initial three-year term, after which the terms for each of such first two directors, if reelected, will be one-year terms. All other directors will be elected for one-year terms.

Our Bylaws provide that the number of our directors shall be fixed from time to time by a resolution of the majority of our board of directors, but shall not consist of more than eleven (11) directors.

Committees of the Board of Directors

Our board of directors establishes an audit committee, a compensation committee and a nominating and corporate governance committee, each of which has the composition and responsibilities described below. Each of the below committees has a written charter approved by our board of directors. Each of the committees reports to our board of directors as such committee deems appropriate and as our board of directors may request. Copies of each charter has been posted on the investor relations section of our website. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit Committee

Our audit committee is comprised of William Howard, Sanjay Shrestha and Timothy Hayes, with Timothy Hayes serving as chair of the committee. Our board of directors has determined that each member of the audit committee meets the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the applicable Nasdaq rules, and has sufficient knowledge in financial and auditing matters to serve on the audit committee. Timothy Hayes qualifies as an audit committee financial expert under Item 407 of Regulation S-K. We have adopted an audit committee charter, detailing the principal functions of the audit committee, including:

- assisting board oversight of (1) the integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) our independent auditor's qualifications and independence, and (4) the performance of our internal audit function and independent auditors; the appointment, compensation, retention, replacement, and oversight of the work of the independent auditors and any other independent registered public accounting firm engaged by us;
- pre-approving all audit and non-audit services to be provided by the independent auditors or any other registered public accounting firm engaged by us, and establishing pre-approval policies and procedures;
- reviewing and discussing with the independent auditors all relationships the auditors have with us in order to evaluate their continued independence;
- setting clear policies for audit partner rotation in compliance with applicable laws and regulations;
- obtaining and reviewing a report, at least annually, from the independent auditors describing (1) the independent auditor's internal quality-control procedures and (2) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues;
- meeting to review and discuss our annual audited financial statements and quarterly financial statements with management and the independent auditor, including reviewing our specific disclosures under "*Management's Discussion and Analysis of Financial Condition and Results of Operations*"; reviewing and approving any related party transaction required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the SEC prior to us entering into such transaction; and
- reviewing with management, the independent auditors, and our legal advisors, as appropriate, any legal, regulatory or compliance matters, including any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding our financial statements or accounting policies and any significant changes in accounting standards or rules promulgated by the Financial Accounting Standards Board, the SEC or other regulatory authorities.

Compensation Committee

Our compensation committee is comprised of William Howard, Sanjay Shrestha and Timothy Hayes, with Sanjay Shrestha serving as chair of the committee. Each member of this committee will be a non-employee director, as defined by Rule 16b-3 promulgated under the Exchange Act. Our board of directors has determined that each member of the compensation committee is "independent" as defined in the applicable Nasdaq rules. The composition of our compensation committee meets the requirements for independence under the Nasdaq listing standards, including the applicable transition rules. We have adopted a compensation committee charter which details the principal functions of the compensation committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our Chief Executive Officer's compensation, evaluating our Chief Executive Officer's performance in light of such goals and objectives and determining and approving the remuneration (if any) of our Chief Executive Officer based on such evaluation;

- reviewing and making recommendations to our Board of Directors with respect to the compensation, and any incentive-compensation and equity-based plans that are subject to board approval of all of our other officers;
- reviewing our executive compensation policies and plans;
- implementing and administering our incentive compensation equity-based remuneration plans; assisting management in complying with our proxy statement and annual report disclosure requirements;
- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our officers and employees; and
- producing a report on executive compensation to be included in our annual proxy statement; and reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

The charter also provides that the compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser and is directly responsible for the appointment, compensation and oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the compensation committee will consider the independence of each such adviser, including the factors required by Nasdaq and the SEC.

Nominating and Governance Committee

Our nominating and governance committee is comprised of William Howard, Sanjay Shrestha and Timothy Hayes, with William Howard serving as the chair of the committee. We have adopted a nominating and corporate governance committee charter, which details the purpose and responsibilities of the nominating and corporate governance committee, including:

- identifying, screening and reviewing individuals qualified to serve as directors, consistent with criteria approved by the Board of Directors, and recommending to the Board of Directors candidates for nomination for election at the annual meeting of stockholders or to fill vacancies on the Board of Directors;
- developing and recommending to the Board of Directors and overseeing implementation of our corporate governance guidelines;
- coordinating and overseeing the annual self-evaluation of the Board of Directors, its committees, individual directors and management in the governance of the company; and
- reviewing on a regular basis our overall corporate governance and recommending improvements as and when necessary.

The charter also provides that the nominating and corporate governance committee may, in its sole discretion, retain or obtain the advice of, and terminate, any search firm to be used to identify director candidates, and is directly responsible for approving the search firm's fees and other retention terms.

We have not formally established any specific, minimum qualifications that must be met or skills that are necessary for directors to possess. In general, in identifying and evaluating nominees for director, the Board of Directors considers educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, and the ability to represent the best interests of our stockholders.

Insider Trading Policy

We have adopted insider trading policies and procedures governing the purchase, sale, and other dispositions of the our securities by directors, officers and employees. Such policies are reasonably designed to promote compliance with insider trading laws, rules and regulations, and the listing standards of Nasdaq. Our insider trading policy is filed as an exhibit to this Annual Report on Form 10-K.

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics that applies to all our employees, officers and directors, including those officers responsible for financial reporting. Our code of business conduct and ethics is available on the investor relations section of our website. We intend to disclose any amendments to the code, or any waivers of its requirements, on our website or in a Current Report on Form 8-K.

Clawback Policy

Our board of directors has adopted a clawback policy (the “Clawback Policy”) permitting the Company to seek the recoupment of incentive compensation received by any of the Company’s current and former executive officers (as determined by the board in accordance with Section 10D of the Exchange Act and the Nasdaq rules) and such other senior executives/employees who may from time to time be deemed subject to the Clawback Policy by the board (collectively, the “Covered Executives”). The amount to be recovered will be the excess of the incentive compensation paid to the Covered Executive based on the erroneous data over the incentive compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the board. If the board cannot determine the amount of excess incentive compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, requires our executive officers, directors and persons who beneficially own more than 10% of a registered class of our equity securities to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our shares of common stock and other equity securities. These executive officers, directors, and greater than 10% beneficial owners are required by SEC regulation to furnish us with copies of all Section 16(a) forms filed by such reporting persons.

Based solely on our review of such forms furnished to us and written representations from certain reporting persons, we believe that all filing requirements applicable to our executive officers, directors and greater than 10% beneficial owners were filed in a timely manner.

Item 11. Executive Compensation

Summary Compensation Table

The following table shows all of the compensation awarded to or earned by or paid to our three most highly compensated executive officers for 2024 and 2025.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stocks Award (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Tim Johnson	2025	420,000	—	394,880	—	—	814,880
Chief Executive Officer	2024	420,000	46,500	—	—	—	466,500
Julia (Linlin) Qian	2025	360,000	—	370,240	—	—	730,240
Chief Financial Officer	2024	360,000	47,500	—	—	—	407,500
Dustin Plantholt	2025	231,667	—	182,780	—	2,632	417,079
Chief AI & Marketing Officer	2024	—	—	—	—	—	—

Employment Agreements

We entered into executive employment agreements with each of senior executive officers in connection with their employment with us, the material terms of which are described below. Except as noted below, these executive employment agreements provide for “at will” employment.

Summary of Employment Agreement with Tim Johnson

Under the terms of Mr. Johnson's employment agreement dated July 27, 2023, Mr. Johnson is entitled to an annual base salary of \$420,000. Mr. Johnson is eligible to receive a discretionary annual cash bonus based on individual and company performance as determined by the Company's Board of Directors. During the term of his employment, Mr. Johnson is eligible to participate in the Company's equity incentive plan, as determined by the Company's board of directors or the compensation committee. Mr. Johnson is eligible to participate in regular health insurance, life insurance, and disability insurance offered by the Company and other employee benefit plans as established by the Company, as well as reimbursement of reasonable and pre-approved out-of-pocket business expenses incurred in the performance of services to the Company.

In addition, in consideration of the payments and benefits provided under his employment agreement, Mr. Johnson has agreed to certain invention assignment, confidentiality and other restrictive covenants, including, among other things, non-competition and non-solicitation provisions that apply during the term of Mr. Johnson's employment and for two (2) years thereafter.

Summary of Employment Agreement with Julia (Linlin) Qian

Under the terms of Ms. Qian's employment agreement dated July 27, 2023, Ms. Qian is entitled to an annual base salary of \$360,000. The remainder of the terms of the employment agreement are substantially the same as the terms of Mr. Johnson's employment agreement summarized above.

Summary of Employment Agreement with Jonathan (Del) Lockett

Under the terms of Mr. Lockett's employment agreement dated July 27, 2023, Mr. Lockett is entitled to an annual base salary of \$360,000. The remainder of the terms of the employment agreement are substantially the same as the terms of Mr. Johnson's employment agreement summarized above.

Summary of Employment Agreement with Dustin Plantholt

Under the terms of Mr. Plantholt's employment agreement dated March 17, 2025, Mr. Plantholt is entitled to an annual base salary of \$280,000. Effective November 2025, his annual base salary was increased to \$340,000. The remainder of the terms of the employment agreement are substantially the same as the terms of Mr. Johnson's employment agreement summarized above.

Summary of Employment Agreement with Lori Babcock

Under the terms of Ms. Babcock's employment agreement dated July 27, 2023, Ms. Babcock is entitled to an annual base salary of \$230,000. Effective October 2025, her annual base salary was increased to \$250,000. The remainder of the terms of the employment agreement are substantially the same as the terms of Mr. Johnson's employment agreement summarized above.

Summary of Employment Agreement with Zain Hasan

Under the terms of Mr. Hasan's employment agreement dated December 26, 2025, Mr. Hasan is entitled to an annual base salary of \$250,000 and a minimum sales commission of \$200,000 for the first twelve months. The remainder of the terms of the employment agreement are substantially the same as the terms of Mr. Johnson's employment agreement summarized above.

Summary of Employment Agreement with Michael Clarkson

Under the terms of Mr. Clarkson's employment agreement dated October 31, 2025, Mr. Clarkson is entitled to an annual base salary of \$240,000. The remainder of the terms of the employment agreement are substantially the same as the terms of Mr. Johnson's employment agreement summarized above.

Summary of Employment Agreement with Sri Rajagopalan

Under the terms of Mr. Rajagopalan's employment agreement dated October 2, 2025, Mr. Rajagopalan is entitled to an annual base salary of \$300,000. Effective February 2026, his annual base salary was increased to \$330,000. The remainder of the terms of the employment agreement are substantially the same as the terms of Mr. Johnson's employment agreement summarized above.

Outstanding Equity Awards as of December 31, 2025

The following table presents the outstanding equity incentive plan awards held by the named executive officers as of December 31, 2025.

Name	Grant Date	Option Awards ⁽¹⁾				Stock Awards ⁽¹⁾		
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable ⁽²⁾	Option Exercise Price Per Share (\$)*	Option Expiration Date	Grant Date	Number of Shares or Units of Stock that Have Not Vested*	Market Value of Shares or Units of Stock that Have Not Vested (\$) ⁽⁶⁾
Tim Johnson	7/1/2023	678,003	56,704	0.71	7/1/2028	7/1/2023	18,796 ⁽³⁾	29,886
						8/15/2025	34,000 ⁽⁴⁾	54,060
						9/24/2025	73,334 ⁽⁵⁾	116,601
Julia (Linlin) Qian. .	7/1/2023	654,806	56,704	0.71	7/1/2028	7/1/2023	18,796 ⁽³⁾	29,886
						8/15/2025	27,000 ⁽⁴⁾	42,930
						9/24/2025	73,334 ⁽⁵⁾	116,601
Dustin Plantholt . . .						9/24/2025	45,833 ⁽⁵⁾	72,874

* Shares and per share data are presented on a retroactive basis to reflect the effects of the stock split at a 1.5-for-1 ratio effected on June 4, 2024.

- (1) The awards were granted under the 2022 Plan and the 2024 Plan, the terms of which are described below under “— 2022 Equity Incentive Plan” and “— 2024 Equity Incentive Plan,” respectively.
- (2) These options have vesting conditions that require a certain duration of services from the grantee following our initial public offering.
- (3) These shares of restricted stock were granted under the 2022 Plan and have vesting conditions that require a certain duration of services from the grantee following our initial public offering.
- (4) These shares of restricted stock were granted under the 2024 Plan. They vest 50% upon achievement of each of two independent performance milestones. Each tranche vests ratably monthly over 12 months following the applicable milestone date, subject to continuous service.
- (5) These shares of restricted stock were granted under the 2024 Plan. They vest upon sequential achievement of three performance milestones. One-third vests following each milestone, and each tranche vests ratably monthly over 12 months, subject to continuous service. These restricted stock awards vest upon sequential achievement of three performance milestones. One-third vests following each milestone, and each tranche vests ratably monthly over 12 months, subject to continuous service.
- (6) Market value of restricted stock shares that have not vested is based on the closing price of our Class A common stock on Nasdaq on December 31, 2025, which was \$1.59 per share.

2022 Equity Incentive Plan

On June 4, 2024, we effected a 1.5-for-1 stock split of our common stock. All share, restricted stock, stock options and per share information throughout this Annual Report on Form 10-K has been retroactively adjusted to reflect the stock split. The shares of common stock retain a par value of \$0.001 per share.

On December 21, 2022, we adopted and approved the Health in Tech Equity Incentive Plan (the “2022 Plan”), which provided for the issuance of 4,501,683 shares of our Class A Common Stock for purposes of attracting, retaining, and motivating key employees, directors, and consultants. The 2022 Plan provided for the grant of incentive stock options, nonqualified stock options, restricted stock and restricted stock units. As of the date of this Annual Report on Form 10-K, we have granted an aggregate of 1,145,182 shares of restricted stock and 2,320,505 options to various key employees, directors, and consultants under the 2022 Plan. Upon the consummation of our initial public offering on December 24, 2024, the 2024 Equity Incentive Plan (the “2024 Plan”) went into effect. The terms of the 2022 Plan continue to govern the restricted stock and options outstanding in the plan as of December 31, 2025. There are no shares reserved for future issuance in the 2022 Plan.

2024 Equity Incentive Plan

Our board of directors and stockholders have adopted and approved the 2024 Plan. The 2024 Plan is a comprehensive incentive compensation plan under which we can grant equity-based and other incentive awards to our officers, employees, directors, consultants and advisers. The purpose of the 2024 Plan is to help us attract, motivate and retain such persons with awards under the 2024 Plan and thereby enhance shareholder value.

Administration. The 2024 Plan is administered by the compensation committee of the board, which consists of three members of the board, each of whom is a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Exchange Act and “independent” for purposes of any applicable listing requirements. If a member of the compensation committee is eligible to receive an award under the 2024 Plan, such compensation committee member shall have no authority under the plan with respect to his or her own award. Among other things, the compensation committee has complete discretion, subject to the express limits of the 2024 Plan, to determine the directors, employees and nonemployee consultants to be granted an award, the type of award to be granted the terms and conditions of the award, the form of payment to be made and/or the number of shares of Class A Common Stock subject to each award, the exercise price of each option and base price of each stock appreciation right (“SAR”), the term of each award, the vesting schedule for an award, whether to accelerate vesting, the value of the Class A Common Stock underlying the award, and the required withholding, if any. The compensation committee may amend, modify or terminate any outstanding award, provided that the participant’s consent to such action is required if the action would impair the participant’s rights or entitlements with respect to that award. The compensation committee is also authorized to construe the award agreements, and may prescribe rules relating to the 2024 Plan. Notwithstanding the foregoing, the compensation committee does not have any authority to grant or modify an award under the 2024 Plan with terms or conditions that would cause the grant, vesting or exercise thereof to be considered nonqualified “deferred compensation” subject to Code Section 409A, unless such award is structured to be exempt from or comply with all requirements of Code Section 409A.

Grant of Awards; Shares Available for Awards. The 2024 Plan provides for the grant of stock options, SARs, performance share awards, performance unit awards, distribution equivalent right awards, restricted stock awards, restricted stock unit awards and unrestricted stock awards to directors, officers, employees and nonemployee consultants of Health In Tech, Inc. or its affiliates. The aggregate number of shares of Class A Common Stock and Class B Common Stock reserved and available for grant and issuance under the 2024 Plan is 10,677,849 and 2,000,000, respectively. No more than 4,501,683 shares of Class A Common Stock in the aggregate may be issued under the 2024 Plan in connection with incentive stock options. Shares shall be deemed to have been issued under the 2024 Plan solely to the extent actually issued and delivered pursuant to an award. If any award granted under the 2024 Plan expires, is cancelled, or terminates unexercised or is forfeited, the number of shares subject thereto is again available for grant under the 2024 Plan. The 2024 Plan shall continue in effect, unless sooner terminated, until the tenth (10th) anniversary of the date on which it is adopted by the board of directors. The board of directors in its discretion may terminate the 2024 Plan at any time with respect to any shares for which awards have not theretofore been granted; provided, however, that the 2024 Plan’s termination shall not materially and adversely impair the rights of a holder, without the consent of the holder, with respect to any award previously granted.

Future new hires and additional non-employee directors and/or consultants would be eligible to participate in the 2024 Plan as well. The number of stock options and/or shares of restricted stock to be granted to executives and directors cannot be determined at this time as the grant of stock options and/or shares of restricted stock is dependent upon various factors such as hiring requirements and job performance.

Stock Options. The 2024 Plan provides for either “incentive stock options” (“ISOs”), which are intended to meet the requirements for special federal income tax treatment under Section 422 of the Code, or “nonqualified stock options” (“NQSOs”). Stock options may be granted on such terms and conditions as the compensation committee may determine, which shall be specified in the option agreement; provided, however, that the per share exercise price under a stock option may not be less than the fair market value of a share of Class A Common Stock on the date of grant and the term of the stock option may not exceed 10 years (110% of such value and five years in the case of an ISO granted to an employee who owns (or is deemed to own) more than 10% of the total combined voting power of all classes of capital stock of our Company or a parent or subsidiary of our Company). ISOs may only be granted to employees. In addition, the aggregate fair market value of Class A Common Stock covered by one or more ISOs (determined at the time of grant), which are exercisable for the first time by an employee during any calendar year may not exceed \$100,000. Any excess is treated as a NQSO.

Stock Appreciation Rights. A SAR entitles the participant, upon exercise, to receive an amount, in cash or stock or a combination thereof, equal to the increase in the fair market value of the underlying Class A Common Stock between the date of grant and the date of exercise. The compensation committee shall set forth in the applicable SAR award agreement the terms and conditions of the SAR, including the base value for the SAR (which shall not be less than the fair market value of a share on the date of grant), the number of shares subject to the SAR and the period during which the SAR may be exercised and any other special rules and/or requirements which the compensation committee imposes on the SAR. No SAR shall be exercisable after the expiration of ten (10) years from the date of grant. SARs may be granted in tandem with, or independently of, stock options granted under the 2024 Plan. A SAR granted in tandem with a stock option (i) is exercisable only at such times, and to the extent, that the related stock option is exercisable in accordance with the procedure for exercise of the related stock option; (ii) terminates upon termination or exercise of the related stock option (likewise, the Class A Common Stock option granted in tandem with a SAR terminates upon exercise of the SAR); (iii) is transferable only with the related stock option; and (iv) if the related stock option is an ISO, may be exercised only when the value of the stock subject to the stock option exceeds the exercise price of the stock option. A SAR that is not granted in tandem with a stock option is exercisable at such times as the compensation committee may specify.

Performance Shares and Performance Unit Awards. Performance share and performance unit awards entitle the participant to receive cash or shares of Class A Common Stock upon the attainment of specified performance goals. In the case of performance units, the right to acquire the units is denominated in cash values. The compensation committee shall set forth in the applicable award agreement the performance goals and objectives and the period of time to which such goals and objectives shall apply. If such goals and objectives are achieved, such distribution of shares, or payment in cash, as the case may be, shall be made no later than by the fifteenth (15th) day of the third (3rd) calendar month next following the end of the Company's fiscal year to which such performance goals and objectives relate, unless otherwise structured to comply with Code Section 409A.

Distribution Equivalent Right Awards. A distribution equivalent right award entitles the participant to receive bookkeeping credits, cash payments and/or Class A Common Stock distributions equal in amount to the distributions that would have been made to the participant had the participant held a specified number of shares of Class A Common Stock during the period the participant held the distribution equivalent right. A distribution equivalent right may be awarded as a component of another award (but not an option or SAR award) under the 2024 Plan, where, if so awarded, such distribution equivalent right will expire or be forfeited by the participant under the same conditions as under such other award. The compensation committee shall set forth in the applicable distribution equivalent rights award agreement the terms and conditions, if any, including whether the holder is to receive credits currently in cash, is to have such credits reinvested (at fair market value determined as of the date of reinvestment) in additional Class A Common Stock shares, or is to be entitled to choose among such alternatives.

Restricted Stock Awards. A restricted stock award is a grant or sale of Class A Common Stock to the holder, subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the compensation committee or the board of directors may impose, which restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such instalments or otherwise, as the compensation committee or the board of directors may determine at the date of grant or purchase or thereafter. If provided for under the restricted stock award agreement, a participant who is granted or has purchased restricted stock shall have all of the rights of a shareholder, including the right to vote the restricted stock and the right to receive dividends thereon (subject to any mandatory reinvestment or other requirement imposed by the compensation committee or the board of directors or in the award agreement). During the restricted period applicable to the restricted stock, subject to certain exceptions, the restricted stock may not be sold, transferred, pledged, exchanged, hypothecated, or otherwise disposed of by the participant.

Restricted Stock Unit Awards. A restricted stock unit award provides for a grant of shares or a cash payment to be made to the holder upon the satisfaction of predetermined individual service-related vesting requirements, based on the number of units awarded to the holder. The compensation committee shall set forth in the applicable restricted stock unit award agreement the individual service-based vesting requirements which the holder would be required to satisfy before the holder would become entitled to payment and the number of units awarded to the holder. The holder of a restricted stock unit shall be entitled to receive a cash payment equal to the fair market value of an ordinary share, or one ordinary share, as determined in the sole discretion of the compensation committee and as set forth in the restricted stock unit award agreement, for each restricted stock unit subject to such restricted stock unit award, if and to the extent the holder satisfies the applicable vesting requirements. Such payment or distribution

shall be made no later than by the fifteenth (15th) day of the third (3rd) calendar month next following the end of the calendar year in which the restricted stock unit first becomes vested, unless otherwise structured to comply with Code Section 409A. A restricted stock unit shall not constitute an equity interest in the Company and shall not entitle the Holder to voting rights, dividends or any other rights associated with ownership of Shares prior to the time the Holder shall receive a distribution of Shares.

Unrestricted Stock Awards. An unrestricted stock award is a grant or sale of shares of our Class A Common Stock to the employees, non-employee directors or non-employee consultants that are not subject to transfer, forfeiture or other restrictions, in consideration for past services rendered to the Company or an affiliate or for other valid consideration.

Change-in-Control Provisions. The compensation committee may, in its sole discretion, at the time an award is granted or at any time prior to, coincident with or after the time of a change in control, cause any award either (i) to be cancelled in consideration of a payment in cash or other consideration in amount per share equal to the excess, if any, of the price or implied price per share of Class A Common Stock in the change in control over the per share exercise, base or purchase price of such award, which may be paid immediately or over the vesting schedule of the award; (ii) to be assumed, or new rights substituted therefore, by the surviving corporation or a parent or subsidiary of such surviving corporation following such change in control; (iii) accelerate any time periods, or waive any other conditions, relating to the vesting, exercise, payment or distribution of an award so that any award to a holder whose employment has been terminated as a result of a change in control may be vested, exercised, paid or distributed in full on or before a date fixed by the compensation committee; (iv) to be purchased from a holder whose employment has been terminated as a result of a change of control, upon the holder's request, for an amount of cash equal to the amount that could have been obtained upon the exercise, payment or distribution of such rights had such award been currently exercisable or payable; or (v) terminate any then outstanding award or make any other adjustment to the awards then outstanding as the compensation committee deems necessary or appropriate to reflect such transaction or change. The number of shares subject to any award shall be rounded to the nearest whole number.

Amendment and Termination. The compensation committee may adopt, amend and rescind rules relating to the administration of the 2024 Plan, and amend, suspend or terminate the 2024 Plan, but no such amendment or termination will be made that materially and adversely impairs the rights of any participant with respect to any award received thereby under the 2024 Plan without the participant's consent, other than amendments that are necessary to permit the granting of awards in compliance with applicable laws.

Certain U.S. Federal Income Tax Consequences of the Plan

The following is a general summary of certain U.S. federal income tax consequences under current tax law to the Company (to the extent it is subject to U.S. federal income taxation on its net income) and to participants in the Plan who are individual citizens or residents of the United States for federal income tax purposes ("U.S. Participants") of stock options which are ISOs, or stock options which are NQSOs, unrestricted stock, restricted stock, restricted stock units, performance stock, performance units, SARs, and dividend equivalent rights. This summary does not purport to cover all of the special rules that may apply, including special rules relating to limitations on our ability to deduct certain compensation, special rules relating to deferred compensation, golden parachutes, U.S. Participants subject to Section 16(b) of the Exchange Act or the exercise of a stock option with previously-acquired Class A Common Stock shares. This summary assumes that U.S. Participants will hold their Class A Common Stock shares as capital assets within the meaning of Section 1221 of the Code. In addition, this summary does not address the foreign, state or local or other tax consequences, or any U.S. federal non-income tax consequences, inherent in the acquisition, ownership, vesting, exercise, termination or disposition of an award under the Plan, or Class A Common Stock shares issued pursuant thereto. Participants are urged to consult with their own tax advisors concerning the tax consequences to them of an award under the Plan or Class A Common Stock shares issued thereunder pursuant to the Plan.

A U.S. Participant generally does not recognize taxable income upon the grant of a NQSO if structured to be exempt from or comply with Code Section 409A. Upon the exercise of a NQSO, the U.S. Participant generally recognizes ordinary compensation income in an amount equal to the excess, if any, of the fair market value of the Class A Common Stock shares acquired on the date of exercise over the exercise price thereof, and the Company generally will be entitled to a deduction for such amount at that time. If the U.S. Participant later sells Class A Common Stock shares acquired pursuant to the exercise of a NQSO, the U.S. Participant recognizes a long-term or short-term capital

gain or loss, depending on the period for which the Class A Common Stock shares were held. A long-term capital gain is generally subject to more favorable tax treatment than ordinary income or a short-term capital gain. The deductibility of capital losses is subject to certain limitations.

A U.S. Participant generally does not recognize taxable income upon the grant or, except for purposes of the U.S. alternative minimum tax (“AMT”) the exercise, of an ISO. For purposes of the AMT, which is payable to the extent it exceeds the U.S. Participant’s regular income tax, upon the exercise of an ISO, the excess of the fair market value of the Class A Common Stock shares subject to the ISO over the exercise price is a preference item for AMT purposes. If the U.S. Participant disposes of the Class A Common Stock shares acquired pursuant to the exercise of an ISO more than two years after the date of grant and more than one year after the transfer of the Class A Common Stock shares to the U.S. Participant, the U.S. Participant generally recognizes a long-term capital gain or loss, and the Company will not be entitled to a deduction. However, if the U.S. Participant disposes of such Class A Common Stock shares prior to the end of either of the required holding periods, the U.S. Participant will have ordinary compensation income equal to the excess (if any) of the fair market value of such shares on the date of exercise (or, if less, the amount realized on the disposition of such shares) over the exercise price paid for such shares, and the Company generally will be entitled to deduct such amount.

A U.S. Participant generally does not recognize income upon the grant of a SAR. The U.S. Participant recognizes ordinary compensation income upon exercise of the SAR equal to the increase in the value of the underlying shares, and the Company generally will be entitled to a deduction for such amount.

A U.S. Participant generally does not recognize income on the receipt of a performance stock award, performance unit award, restricted stock unit award, unrestricted stock award or dividend equivalent rights award until a cash payment or a distribution of Class A Common Stock shares is received thereunder. At such time, the U.S. Participant recognizes ordinary compensation income equal to the excess, if any, of the fair market value of the Class A Common Stock shares or the amount of cash received over any amount paid therefor, and the Company generally will be entitled to deduct such amount at such time.

A U.S. Participant who receives a restricted stock award generally recognizes ordinary compensation income equal to the excess, if any, of the fair market value of such Class A Common Stock shares at the time the restriction lapses over any amount paid for the Class A Common Stock shares. Alternatively, the U.S. Participant may make an election under Section 83(b) of the Code to be taxed on the fair market value of such Class A Common Stock shares at the time of grant. The Company generally will be entitled to a deduction at the same time and in the same amount as the income that is required to be included by the U.S. Participant.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has at any time during the past fiscal year been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee. For a description of transactions between us and members of our compensation committee and affiliates of such members, see the section titled “*Certain Relationships and Related Party Transactions*”.

10b5-1 Plan

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our Class A Common Stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from the director or officer. The director or officer may amend or terminate the plan in limited circumstances. Our directors and executive officers may also buy or sell additional shares of our Class A Common Stock outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

Limitations of Liability and Indemnification Matters

Nevada law provides that our directors and officers will not be personally liable to us, our stockholders or our creditors for monetary damages for any act or omission of a director or officer other than in circumstances where the director or officer breaches his or her fiduciary duty to us or our stockholders and such breach involves intentional

misconduct, fraud or a knowing violation of law and the trier of fact determines that the presumption that he or she acted in good faith, on an informed basis and with a view to the interests of the corporation has been rebutted. Nevada law allows the Articles of Incorporation of a corporation to provide for greater liability of the corporation's directors and officers. Our Articles of Incorporation do not provide for greater liability of our officers and directors than is provided under Nevada law.

Nevada law allows a corporation to indemnify officers and directors for actions pursuant to which a director or officer either would not be liable pursuant to the limitation of liability provisions of Nevada law or where he or she acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to our best interests, and, in the case of an action not by or in the right of the corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. Our Articles of Incorporation and Bylaws provide indemnification for our directors, officers, employees, and agents to the fullest extent permitted by Nevada law. We have entered into indemnification agreements with each of our directors and executive officers that may, in some cases, be broader than the specific indemnification provisions contained under Nevada law. The indemnification agreements require us, among other things, to indemnify our directors against certain liabilities that may arise by reason of their status or service as directors and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified. In addition, as permitted by Nevada law, our Articles of Incorporation include provisions that eliminate the personal liability of our directors for monetary damages resulting from certain breaches of fiduciary duties as a director. The effect of these provisions is to restrict our rights and the rights of our stockholders in derivative suits to recover monetary damages against a director for breach of fiduciary duties as a director, except that a director will be personally liable for acts or omissions not in good faith or in a manner which he or she did not reasonably believe to be in or not opposed to the best interest of the corporation if, subject to certain exceptions, the act or failure to act constituted a breach of fiduciary duty and such breach involved intentional misconduct, fraud or knowing violations of law.

We are also expressly authorized to carry directors' and officers' insurance to protect our directors, officers, employees and agents against certain liabilities.

The limitation of liability and indemnification provisions under Nevada law and in our Articles of Incorporation and Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. However, these provisions do not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's fiduciary duties. Moreover, the provisions do not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Non-Employee Director Compensation

Our policy with respect to the compensation payable to our non-employee directors provides that each non-employee director will be eligible to receive compensation for his or her service consisting of cash and equity awards, including an annual board retainer of \$120,000 with \$40,000 in cash and \$80,000 in the form of restricted stock granted in quarterly installments, subject to continued service through each vesting date. Chairs of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committees will receive \$20,000, \$10,000 and \$10,000 per year, respectively. We intend to pay cash retainer and committee fees at the end of each quarter and grant equity awards in quarterly installments for continuing directors. Equity grants are prorated for new directors from date of appointment until the next annual meeting.

Directors may be reimbursed for travel, food, lodging and other expenses directly related to their service as directors. Directors will also be entitled to the protection provided by their indemnification agreements and the indemnification provisions in our Articles of Incorporation and Bylaws.

The following table provides the compensation earned by our non-employee directors during the fiscal year ended December 31, 2025.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾⁽²⁾	All Other Compensation (\$)	Total (\$)
Timothy Hayes	61,452	99,998	—	161,450
William D. Howard	51,210	99,998	—	151,208
Sanjay Shrestha	31,534	99,998	—	131,532
Chike Umemezia ⁽³⁾	38,979	80,000	—	118,979
Lynn Liang ⁽⁴⁾	35,968	—	—	35,968

- (1) Amounts in this column represent the aggregate grant date fair value of stock awards made to our non-employee directors in fiscal year 2025. These awards were reflected in our consolidated financial statements, based upon the applicable accounting guidance, at the fair market value of our Common Stock on the date of grant.
- (2) Portion of the restricted stock award vested pro rata upon the 2025 Annual Meeting of Shareholders and the remaining unvested portion was forfeited.
- (3) Mr. Chike Umemezia was not re-elected at the 2025 Annual Meeting of Shareholders and ceased service as a non-employee director.
- (4) Ms. Lynn Liang resigned from the Board effective April 18, 2025.

Granting of Certain Equity Awards Close in Time to the Release of Material Nonpublic Information

Equity awards are discretionary and are generally granted to our named executive officers and our employees on an ad hoc basis after approval of our board of directors, and after our initial public offering, by the compensation committee. We intend to grant equity awards at each annual meeting for continuing directors. Equity grants will be prorated for new directors from date of appointment until the next annual meeting. Our compensation committee did not take material nonpublic information into account when determining the timing and terms of equity awards in 2025, and we do not time the disclosure of material nonpublic information for the purpose of affecting the value of executive compensation.

Compensation Committee Report

The compensation committee of the Board has furnished the following report during the year ended December 31, 2025. The report is not deemed to be “soliciting material” or “filed” with the SEC or subject to the SEC’s proxy rules or to the liabilities of Section 18 of the Exchange Act, and the report shall not be deemed to be incorporated by reference into any prior or subsequent filing under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act except to the extent that the Company specifically incorporates it by reference into any such filing.

To the Directors of Health In Tech, Inc.:

We have reviewed and discussed the “Compensation Discussion and Analysis” required by Item 402(b) of Regulation S-K of the Securities Exchange Act of 1934, as amended, with management.

Based on the review and discussions described above, we recommended to the Board of Directors of Health In Tech, Inc. (the “Company”) that the “Compensation Discussion and Analysis” be included in the Company’s Annual Report on Form 10-K.

Compensation Committee

Sanjay Shrestha (Chair)

William Howard

Timothy Hayes

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information as of the date of March 25, 2026 regarding the beneficial ownership of our voting securities by:

- each person who is known by us, based solely on a review of public filings that is the beneficial owner of more than 5% of any class of our outstanding voting securities;
- each of our named executive officers and directors; and
- all our executive officers and directors as a group.

The percentage ownership information shown in the table is based upon 48,258,276 shares of Class A Common Stock, including 45,379,005 shares of Class A Common Stock outstanding and 2,879,271 shares of restricted stock outstanding, and upon 11,700,000 shares of Class B Common Stock.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Except as otherwise indicated, each person or entity named in the table has sole voting and investment power with respect to all shares of our capital shown as beneficially owned, subject to applicable community property laws.

In computing the number and percentage of shares beneficially owned by a person as of a particular date, shares that may be acquired by such person (for example, upon the exercise of options or warrants) within 60 days of such date are counted as outstanding, while these shares are not counted as outstanding for computing the percentage ownership of any other person.

The address of each holder listed below, except as otherwise indicated, is c/o Health In Tech, Inc., 701 S. Colorado Ave, Suite 1, Stuart, FL 34994.

Name and Address of Beneficial Owner ⁽¹⁾	Number of Shares of Class A Common Stock**	% of Class A Common Stock	Number of Shares of Class B Common Stock** ⁽²⁾	% of Class B Common Stock	% of Total Voting Power
Tim Johnson ⁽³⁾	24,241,920	49.52%	9,000,000	76.92%	68.84%
Julia (LinLin) Qian ⁽⁴⁾	9,797,537	20.02%	2,700,000	23.08%	22.18%
Jonathan (Del) Lockett ⁽⁵⁾	235,428	*	—	—	*
Dustin Plantholt ⁽⁶⁾	64,000	*	—	—	*
Lori Babcock ⁽⁷⁾	223,369	*	—	—	*
Zain Hasan ⁽⁸⁾	220,000	*	—	—	*
Michael Clarkson ⁽⁹⁾	8,000	*	—	—	*
Sri Rajagopalan ⁽¹⁰⁾	20,000	*	—	—	*
William D. Howard	106,045	*	—	—	*
Timothy Hayes	106,045	*	—	—	*
Sanjay Shrestha	68,735	*	—	—	*
All directors and executive officers as a group (11 individuals)	35,091,079	71.72%	11,700,000	100.00%	91.64%

* Less than 1%.

** Shares and per share data are presented on a retroactive basis to reflect the effects of the stock split at a 1.5-for-1 ratio effected on June 4, 2024.

(1) The address of each holder listed above, except as otherwise indicated, is c/o Health In Tech, Inc., 701 S. Colorado Ave, Suite 1, Stuart, FL 34994. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. In accordance with SEC rules, shares of common stock issuable upon the exercise of options or warrants which are currently exercisable or which become exercisable within 60 days following the date of the information in this table are deemed to be beneficially owned by, and outstanding with

respect to, the holder of such option or warrant. Subject to community property laws where applicable, to our knowledge, each person listed is believed to have sole voting and investment power with respect to all shares of common stock owned by such person.

- (2) Each share of Class B Common Stock is entitled to ten votes and is convertible at any time into one share of Class A Common Stock.
- (3) Includes 1,116,987 shares of restricted stock and 692,179 shares underlying stock options. Excludes 42,528 shares underlying stock options that vest after 60 days following the date hereof.
- (4) Includes 1,109,987 shares of restricted stock and 668,982 shares underlying stock options. Excludes 42,528 shares underlying stock options that vest after 60 days following the date hereof.
- (5) Includes 14,554 shares of restricted stock and 141,889 shares underlying stock options. Excludes 23,196 shares underlying stock options that vest after 60 days following the date hereof.
- (6) Includes 43,055 shares of restricted stock.
- (7) Includes 5,793 shares of restricted stock and 156,191 shares underlying stock options. Excludes 19,332 shares underlying stock options that vest after 60 days following the date hereof.
- (8) Includes 216,666 shares of restricted stock.
- (9) Includes 5,333 shares of restricted stock.
- (10) Includes 18,333 shares of restricted stock.

Equity Compensation Plan Information

The following table summarizes information about the Company's equity compensation plans as of December 31, 2025. All outstanding awards relate to the Company's Class A common stock. Shares issued under all of the following plans may be from the Company's treasury, newly issued or both.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights(A)	Weighted-Average Exercise Price of Outstanding Options and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(A))
Equity compensation plans approved by security holders. ⁽¹⁾ . .	2,151,947	\$ 0.76	8,195,051 ⁽²⁾

(1) The equity compensation plans approved by stockholders consist of our 2022 Plan and 2024 Plan.

(2) Consists of shares available for future issuance under the 2024 Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The following includes a summary of transactions since January 1, 2024, to which we have been a party in which the amount involved exceeded or will exceed the lesser of \$120,000 or one percent of the average of our total assets as of December 31, 2025 and 2024, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described under "Executive and Director Compensation."

Related Party Agreements

Related Party Transaction

There were no related party transactions during the years ended December 31, 2025 and 2024. No related party balances existed as of December 31, 2025 and 2024.

Policies and Procedures for Related Person Transactions

Our board of directors have adopted a written related person transaction policy setting forth the policies and procedures for the review and approval or ratification by our audit committee of related person transactions. This policy covers, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds the lesser of \$120,000 in any fiscal year or one percent of the average of our total assets as of the two previous fiscal years and a related person had, has or will have a direct or indirect material interest, including without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

Indemnification Agreements

We entered into indemnification agreements with each of our executive officers and directors in December 2024. We may, in our sole discretion, enter into indemnification agreements with executive officers and directors appointed or elected subsequent to December 2024. No such agreements were entered into with new executive officers or directors during the year ended December 31, 2025. The indemnification agreements provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted under Nevada law, subject to certain exceptions contained in those agreements.

Item 14. Principal Accounting Fees and Services

The following table sets forth the fees billed by Malone Bailey, our registered independent public accounting firms, for 2025 and 2024 for the categories of services indicated.

	Fiscal Year Ended December 31,	
	2025	2024
Audit fees	\$ 425,300	\$ 611,717
Tax Fees.	—	—
All Other Fees	—	—
Total All Fees	<u>\$ 425,300</u>	<u>\$ 611,717</u>

Audit fees consist of fees related to professional services rendered in connection with the audit of our annual financial statements, review of our quarterly financial statements and review of our registration statement on Form S-1 relating to our public offerings.

Audit Committee Pre-Approval Policies

The audit committee of our Board is directly responsible for the appointment, retention and termination, and for determining the compensation, of our independent registered public accounting firm. The audit committee pre-approves all auditing services and the terms thereof and non-audit services (other than non-audit services prohibited under Section 10A(g) of the Exchange Act or the applicable rules of the SEC or the PCAOB), except that pre-approval is not required for the provision of non-audit services if the "de minimis" provisions of Section 10A(i)(1)(B) of the Exchange Act are satisfied. The audit committee may delegate to the chairperson of the Audit Committee the authority to grant pre-approvals for audit and non-audit services, provided such approvals are presented to the audit committee at its next scheduled meeting. All services provided Malone Bailey during fiscal year 2025 were pre-approved by the audit committee in accordance with the pre-approval policy described above.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(1) Financial Statements

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(2) Financial Statement Schedules

See index to financial statements on page F-1. All schedules have been omitted because they are not required or are not applicable.

(3) Exhibits

Exhibit Number	Description of Document
3.1 ⁽¹⁾	Second Amended and Restated Articles of Incorporation of Health In Tech, Inc.
3.2 ⁽²⁾	Third Amended and Restated Bylaws of Health In Tech, Inc.
4.1 ⁽¹⁾	Description of Securities
10.1+ ⁽³⁾	Employment Agreement between Health In Tech, Inc. and Tim Johnson dated July 27, 2023.
10.2+ ⁽³⁾	Employment Agreement between Health In Tech, Inc. and Linlin Qian dated July 27, 2023.
10.3+ ⁽¹⁾	Employment Agreement between Health In Tech, Inc. and Chris Kurtenbach dated March 17, 2025.
10.4+ ⁽³⁾	Employment Agreement between Health In Tech, Inc. and Jonathan (Del) Lockett dated July 27, 2023.
10.5+ ⁽³⁾	Employment Agreement between Health In Tech, Inc. and Lori Babcock dated July 27, 2023.
10.6+ ⁽³⁾	Employment Agreement between Health In Tech, Inc. and Imran Yousuf dated July 16, 2024.
10.7+ ⁽⁴⁾	Form of Indemnification Agreement between the Company and each of its directors and executive officers.
10.8+ ⁽³⁾	Health In Tech, Inc. 2024 Equity Incentive Plan.
10.9+ ⁽³⁾	Form of Restricted Stock Purchase Agreement.
10.10+ ⁽⁵⁾	Health in Tech Equity Incentive Plan, as amended.
10.11 ⁽⁵⁾	Form of Lock-Up Agreement.
10.12 ⁽⁴⁾	Underwriting Agreement dated as of December 20, 2024 between the Company and American Trust Investment Services, Inc.
10.13+ ⁽¹⁾	Employment Agreement between Health In Tech, Inc. and Dustin Plantholt dated March 17, 2025.
19.1 ⁽¹⁾	Insider Trading Policy.
21.1 ⁽³⁾	List of Subsidiaries of the Registrant.
23.1*	Consent of Independent Registered Accounting Firm
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit Number	Description of Document
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97 ⁽¹⁾	Clawback Policy.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith.

+ Indicates management contract or compensatory plan.

- (1) Filed as an exhibit to the registrant's Annual Report on Form 10-K filed with the SEC on March 17, 2025.
- (2) Filed as an exhibit to the registrant's Current Report on Form 8-K filed with the SEC on February 27, 2025.
- (3) Filed as an exhibit to the registrant's Registration Statement on Form S-1 filed with the SEC on August 30, 2024.
- (4) Filed as an exhibit to the registrant's Current Report on Form 8-K filed with the SEC on December 26, 2024.
- (5) Filed as an exhibit to the registrant's Registration Statement on Form S-1 filed with the SEC on September 24, 2024.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Stuart, State of Florida, on March 25, 2026.

HEALTH IN TECH, INC.

By: /s/ Tim Johnson
Name: Tim Johnson
Title: Chief Executive Officer and Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Tim Johnson</u> Tim Johnson	Chairman and Chief Executive Officer and Director (Principal Executive Officer)	March 25, 2026
<u>/s/ LinLin Qian</u> LinLin Qian	Chief Financial Officer and Director (Principal Financial and Accounting Officer)	March 25, 2026
<u>/s/ William D. Howard</u> William D. Howard	Director	March 25, 2026
<u>/s/ Sanjay Shrestha</u> Sanjay Shrestha	Director	March 25, 2026
<u>/s/ Timothy Hayes</u> Timothy Hayes	Director	March 25, 2026

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Health In Tech, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Health In Tech, Inc. and its subsidiaries (collectively, the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in stockholders’ equity, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ MaloneBailey, LLP
www.malonebailey.com

We have served as the Company’s auditor since 2023.
Houston, Texas
March 25, 2026

Health In Tech, Inc.

Consolidated Balance Sheets

	December 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 7,669,754	\$ 7,849,248
Accounts receivable, net	756,288	1,647,103
Loans receivable, net.	815,995	—
Other receivables, net	3,467,814	500,252
Deferred offering costs	170,977	—
Prepaid expenses and other current assets	3,280,148	787,161
Total current assets	16,160,976	10,783,764
Non-current assets		
Software	6,530,894	3,962,461
Loans receivable, net.	—	815,995
Operating lease – right of use assets	139,940	206,269
Long-term prepaid expenses	258,151	—
Total non-current assets	6,928,985	4,984,725
Total assets	\$ 23,089,961	\$ 15,768,489
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued expenses	\$ 4,188,811	\$ 1,858,840
Income taxes payable	—	205,253
Operating lease liabilities – current	76,195	66,881
Other current liabilities	891,598	—
Total current liabilities	5,156,604	2,130,974
Non-current liabilities		
Deferred tax liabilities	757,675	328,676
Operating lease liabilities – non-current	63,617	139,811
Total non-current liabilities	821,292	468,487
Total liabilities	5,977,896	2,599,461
Commitments and contingencies (Note 6)		
Stockholders' equity		
Common stock, \$0.001 par value; Class A Common stock 150,000,000 shares authorized 46,006,000 and 42,914,870 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively*	46,006	42,915
Common stock, \$0.001 par value; Class B Common stock 50,000,000 shares authorized, 11,700,000 and 22,500,000 issued and outstanding as of December 31, 2025 and December 31, 2024, respectively*	11,700	11,700
Additional paid-in capital*	11,834,121	9,173,017
Retained earnings	5,220,238	3,941,396
Total stockholders' equity	17,112,065	13,169,028
Total liabilities and stockholders' equity	\$ 23,089,961	\$ 15,768,489

* Shares, common stock amount and additional paid-in capital data are presented on a retroactive basis to reflect the effects of the stock split at a 1.5-for-1 ratio effected on June 4, 2024.

The accompanying notes are an integral part of these consolidated financial statements.

Health In Tech, Inc.

Consolidated Statements of Operations

	Fiscal Year Ended December 31,	
	2025	2024
Revenues		
Revenues from underwriting modeling (ICE)	\$ 6,864,545	\$ 6,649,271
Revenues from fees	26,462,966	12,841,635
SMR	26,462,966	9,849,300
HI Card	—	2,992,335
Total revenues	<u>33,327,511</u>	<u>19,490,906</u>
Cost of revenues	<u>12,389,783</u>	<u>4,051,439</u>
Gross profit	<u>20,937,728</u>	<u>15,439,467</u>
Operating expenses		
Sales and marketing expenses	4,185,766	3,158,257
General and administrative expenses	13,654,262	8,477,407
Research and development expenses	1,569,262	2,813,899
Total operating expenses	<u>19,409,290</u>	<u>14,449,563</u>
Other income (expense):		
Interest income	409,922	122,885
Interest expenses	—	(495,000)
Other income	118,399	271,211
Other expense	(382,587)	—
Total other income (expense), net	<u>145,734</u>	<u>(100,904)</u>
Income before income tax expense	\$ 1,674,172	\$ 889,000
Provision for income taxes	<u>(395,330)</u>	<u>(218,523)</u>
Net income	<u>\$ 1,278,842</u>	<u>\$ 670,477</u>
Net income per share*:		
Basic	\$ 0.02	\$ 0.01
Diluted	<u>\$ 0.02</u>	<u>\$ 0.01</u>
Weighted average common stocks outstanding*:		
Basic	55,843,821	51,839,329
Diluted	<u>57,742,798</u>	<u>53,662,677</u>

* Shares and per share data are presented on a retroactive basis to reflect the effects of the stock split at a 1.5-for-1 ratio effected on June 4, 2024.

The accompanying notes are an integral part of these consolidated financial statements.

Health In Tech, Inc.

Consolidated Statements of Changes in Stockholders' Equity For the Years Ended December 31, 2025 and 2024

	Common Stock				Additional Paid-in Capital*	Retained Earnings	Total Stockholders' Equity
	Class A Shares*	Amount*	Class B Shares*	Amount*			
Balance as of December 31, 2023.	29,269,358	\$ 29,269	22,500,000	\$ 22,500	\$ 2,770,538	\$ 3,270,919	\$ 6,093,226
Conversion of Class B common stock to Class A common stock	10,800,000	10,800	(10,800,000)	(10,800)	—	—	—
Issuance of common stock in connection with initial public offering, net of offering costs, underwriting discounts and commissions . . .	2,300,000	2,300	—	—	5,934,536	—	5,936,836
Stock-based compensation	545,512	546	—	—	467,943	—	468,489
Net income	—	—	—	—	—	670,477	670,477
Balance as of December 31, 2024.	42,914,870	\$ 42,915	11,700,000	\$ 11,700	\$ 9,173,017	\$ 3,941,396	\$ 13,169,028
Issuance of common stock upon exercise stock options	33,000	33	—	—	23,397	—	23,430
Stock-based compensation	3,058,130	3,058	—	—	2,637,707	—	2,640,765
Net income	—	—	—	—	—	1,278,842	1,278,842
Balance as of December 31, 2025.	46,006,000	\$ 46,006	11,700,000	\$ 11,700	\$ 11,834,121	\$ 5,220,238	\$ 17,112,065

* Shares, common stock amount and additional paid-in capital data are presented on a retroactive basis to reflect the effects of the stock split at a 1.5-for-1 ratio effected on June 4, 2024.

The accompanying notes are an integral part of these consolidated financial statements.

Health In Tech, Inc.

Consolidated Statements of Cash Flows

	Fiscal Year Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 1,278,842	\$ 670,477
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debt expense (recovery)	(16,234)	1,878
Amortization expense	900,577	541,141
Provision for refund liability	3,891,598	—
Provision for credit losses on other receivables	377,587	—
Deferred tax expenses (benefits)	428,999	(93,304)
Amortization of debt discount	—	495,000
Interest income	(64,000)	(63,996)
Stock-based compensation expense	1,570,419	468,489
Changes in operating assets and liabilities:		
Accounts receivable	907,049	586,685
Other receivables	(3,345,149)	1,180,848
Prepaid expenses and other assets	(1,948,184)	(514,242)
Operating lease right-of-use assets and liabilities, net	(551)	1,889
Accounts payable and accrued expenses	2,358,113	(851,963)
Income taxes payable	(205,253)	(246,693)
Other current liabilities	(3,000,000)	—
Net cash provided by operating activities	3,133,813	2,176,209
CASH FLOWS FROM INVESTING ACTIVITIES:		
Development of software	(3,189,921)	(900,755)
Interest received from loans receivable	64,000	64,000
Net cash used in investing activities	(3,125,921)	(836,755)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Class A common stock in connection with initial public offering, net of underwriting discounts and commissions	—	8,214,000
Proceeds from stock option exercises	23,430	—
Payments of deferred offering costs	(210,816)	(1,975,556)
Repayments of notes payable	—	(2,145,000)
Net cash provided by (used in) financing activities	(187,386)	4,093,444
Increase (decrease) in cash and cash equivalents	(179,494)	5,432,898
Cash and cash equivalents, beginning of year	7,849,248	2,416,350
Cash and cash equivalents, end of year	<u>7,669,754</u>	<u>7,849,248</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ —	\$ —
Cash paid for income taxes	\$ 830,726	\$ 558,521
Summary of noncash investing and financing activities:		
Accrued deferred offering costs included in accounts payable and accrued expenses	\$ —	\$ 39,839
Accrued development of software included in accounts payable and accrued expenses	\$ 38,363	\$ 50,000
Issuance of Class A common stock for future service	\$ 1,219,300	—
Reclassification of deferred offering costs to additional paid-in capital upon initial public offering	\$ —	\$ 2,277,164
Stock-based compensation capitalized for software development	\$ 290,726	\$ —

The accompanying notes are an integral part of these consolidated financial statements

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

1. Organization

Description of Business

Health in Tech, Inc. (collectively with SMR, Hi Card, and ICE (defined below) “HIT” or the “Company”) through its subsidiaries, simplifies sales, service processes and reduces sales cycle time for third-party administrators and brokers. HIT was incorporated in November 2021 in the State of Nevada, and is based in Stuart, Florida. The Company was created with the intention of consolidating each of three standalone entities into a single organization: Stone Mountain Risk, LLC (“SMR”), Health Intelligence Card, LLC (“Hi Card”), and International Captive Exchange, LLC (“ICE”) (the “subsidiaries”).

The Company’s consolidated financial statements include the accounts of HIT and its wholly owned subsidiaries.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company’s consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The consolidated financial statements include the accounts of the Company and its fully owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Segments

The Company’s chief operating decision maker (“CODM”), the Chief Executive Officer and executive committee, manages the Company’s business activities as a single operating and reportable segment from continuing operations at the consolidated level. Accordingly, the CODM uses consolidated net income to measure segment profit or loss, allocate resources and assess performance. Further, the CODM reviews and utilizes functional expenses (cost of revenues, sales and marketing, research and development, and general and administrative expenses) at the consolidated level to manage the Company’s operations. As of December 31, 2025 and December 31, 2024, the Company did not have a material balance of long-lived assets located outside of the United States.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Making estimates requires management to exercise significant judgment. Significant items subject to such estimates and assumptions include, but are not limited to, accounts receivable allowance for revenue billing changes driven by headcount changes during the billable period, allowance for credit losses, useful lives of software, variable consideration of revenues from underwriting modeling and stock-based compensation expense. It is at least reasonably possible that the estimates of the effect of conditions, situations or sets of circumstances that existed at the date of the financial statements, which management considered in formulating its estimates, could change in the near term due to one or more future confirming events. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposit with original maturities less than three months, which are unrestricted as to withdrawal or use.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, accounts receivable and loans receivable for financial periods ended December 31, 2025 and 2024. The Company further manages its credit risk on liquid funds through diversification of investment type and credit exposures. For cash, the Company places cash deposits with large financial institutions. For accounts receivable, the credit risk is managed through the use of mitigating controls, including the use of credit checks and credit limits on customers. For loans receivable, the Company monitors the exposures and counterparty credit risk on a regular basis.

Concentration of customers

Revenues from Stop-Loss Insurance Carriers

For the year ended December 31, 2025, one stop-loss insurance carrier (“Carrier A”) individually represented greater than 10% of Company’s total gross revenues, accounting for 27.3% of total gross revenues. The Company began this relationship in August 2024. The amount due from Carrier A was approximately 47.1% of accounts receivable as of December 31, 2025. For the year ended December 31, 2024, a different stop-loss insurance carrier (“Carrier B”) individually represented greater than 10% of the Company’s total gross revenues, accounting for 27.2% of total revenues. The amount due from Carrier B was approximately 26.5% of accounts receivable as of December 31, 2024. While the Company is working to cooperate with more stop-loss insurance carriers, it may experience temporary service disruptions in the event the Company deems it necessary to cease use of a stop-loss insurance carrier.

Revenues from Business Employers Customers

The Company does not have significant concentrations of revenues from any of its business employer customers. The Company has a diversified customer base and did not have any business employer that accounted for more than 1.5% or 1.0% of the Company’s total gross revenues for the years ended December 31, 2025 and 2024, respectively. No business employers accounted for more than 3.5% or 2.0% of accounts receivable, net as of December 31, 2025 and 2024, respectively.

Concentration of Cost of Revenues Service Providers

For the year ended December 31, 2025, the Company’s three primary service providers (including one data service provider, disclosed in “Concentration of Data Service Providers from Third Party Artificial Intelligence Providers”) accounted for 77.6%, 5.8% and 4.8% of the Company’s cost of revenues, respectively. As of December 31, 2025, they accounted for 62.2%, 3.4% and 0.0% of accounts payable balance, respectively. For the year ended December 31, 2024, the Company’s three primary service providers (including one data service provider, disclosed in “Concentration of Data Service Providers from Third Party Artificial Intelligence Providers”) represented 10.6%, 61.2% and 8.3% of the Company’s cost of revenues, respectively. As of December 31, 2024, these three primary service providers accounted for 36.8%, 16.0% and 0.0% of accounts payable balance, respectively. The Company, if necessary, could utilize others as part of its service offerings with a limited impact to the Company’s operations.

Concentration of Data Service Providers from Third Party Artificial Intelligence Providers

The Company currently utilizes one 3rd party Artificial Intelligence (“AI”) data service providers. For the year ended December 31, 2025, this provider accounted for 5.8% of the Company’s cost of revenues. As of December 31, 2025, this provider accounted for 3.4% of accounts payable balance. For the year ended December 31, 2024, the Company’s two providers presented 8.3% and 2.4% of the Company’s cost of revenues, respectively.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

As of December 31, 2024, no balance was due to these two providers. The Company previously utilized these AI data services companies as the pricing in which to procure the services was more advantageous than utilizing other vendors within this sector. While the Company historically utilized these two AI data service companies, the Company, if necessary, could utilize others as part of its service offerings with a limited impact on the Company's operations.

Leases

The Company accounts for its leases under the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") ASC 842, *Leases* ("ASC 842").

The Company assesses its contracts at inception to determine whether the contract contains a lease, including evaluation of whether the contract conveys the right to control an explicitly or implicitly identified asset for a period of time. The Company recognizes right-of-use assets and lease liabilities that represent the net present value of future lease payments utilizing a discount rate corresponding to the Company's incremental borrowing rate and amortizing over the remaining terms of the leases, which was determined to be 10% during 2025 and 2024. The Company accounts for the leases of less than twelve months as short-term leases and does not recognize right-of-use assets and corresponding lease liabilities. During the year ended December 31, 2024, the Company entered into a 12-month short-term lease agreement with a monthly fixed rent payable, commencing in December of 2024. Upon its expiration, the Company entered into a new 12-month short-term lease agreement with a different lessor, commencing in December 2025. The Company had one lease classified as short-term leases as of December 31, 2025 and 2024, respectively.

Accounts Receivable and Allowance for Credit Losses and for Revenue Billing Adjustments

Accounts receivable are carried at original invoice amount, less any estimate made for doubtful accounts or credit losses. In accordance with ASC 326, *Financial Instruments — Credit Losses*, the allowance for credit losses is the Company's best estimate of the amount of expected credit losses in the Company's existing receivables over the contractual term. The Company evaluates its exposure to credit loss on both a collective and individual basis. The Company evaluates such receivables on an individual customer basis and takes into account any relevant available information, which begins with historical credit loss experience and consideration of current and expected conditions and market trends (such as general economic conditions, other microeconomic and macroeconomic considerations, etc.) and reasonable and supportable forecasts that could impact the collectability of such receivables over the contractual term individually or in the aggregate. Changes in circumstances relating to these factors may result in the need to increase or decrease the allowance for credit losses in the future. The allowance for credit losses was \$0 as of December 31, 2025 and 2024, respectively.

The Company also makes the allowance for revenue billing adjustments, under the consideration of the revenues associated with enrolled customers would have changed during the 12-month contractual term. The final reconciliation with the customers is on the 14th month. During the year ended December 31, 2024, the Company made monthly contra revenue provision which was 0.8% of total revenues. The provision for customers ending their 12-month plan with balances of less than \$10,000 as of December 31, 2024 without completion of reconciliation was \$91,799. The total provision amounted to \$249,285 or 1.3% of total revenues for the year ended December 31, 2024. The balance of accounts receivable allowance for revenue billing adjustments related to current year enrollment adjustment was \$185,560 as of December 31, 2024. During the year ended December 31, 2025, the Company completed reconciliations for customer policies that ended as of December 31, 2024. The balance of accounts receivable allowance for revenue billing adjustments related to prior year enrollment adjustment was \$0 as of December 31, 2025. Starting from January 2025, the Company's monthly revenue provision was 1.3% of total revenues, which was based on the full review of 2024 revenue adjustments.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

The provision for customers ending their 12-month plan as of December 31, 2025 without completion of reconciliation was \$143,251. The total provision amounted to \$634,982 or 1.7% of total revenues for the year ended December 31, 2025. The balance of accounts receivable allowance for revenue billing adjustments related to current year enrollment adjustment was \$287,651 as of December 31, 2025. This incorporates three separate categories:

- There is a revenue adjustment that is driven by enrollment changes. It is based upon the actual individuals enrolled in a plan throughout the term compared to the initial employees enrolled in the first month.
- There is a revenue adjustment that is determined at the cancellation of a policy due to delayed payment. Specifically, a Carrier may cancel a plan when the customer does not remit payment in accordance with the respective agreement for a certain period of time (approximately three months). This may be adjusted if there is a slight delay in the completion and execution of required legal documents.
- There is a revenue adjustment and change triggered by re-underwrite of stop loss insurance policy, as defined by the Carrier's underwriting guideline.

Other Receivables, net

Certain business customers elect to receive a discount on premiums payable to carriers. In return, carriers can collect and retain these customers' positive claim fund balance amounts. The positive claim fund is maintained in a designated account specifically earmarked for claims, held by the employer, known as "Deferred Administrative Surplus." As the platform company, the Company tracks and processes claims for carriers. With necessary information for collection available on our platform, the Company signed an agreement on December 28, 2023 with the third-party Roscommon Captive Management and Roscommon Insurance Company (collectively the "Carrier"), to purchase the rights, title, interest, and collection rights to fees totaling \$3,100,000 in Deferred Administrative Surplus for \$1,650,000, which is 53% of the total collection rights (the "2023 Purchase"). Additionally, the Company entered into a separate agreement with the Carrier on March 18, 2025, to purchase the final batch of Deferred Administrative Surplus totaling \$17,408,421 for \$3,481,684, which is 20% of the total collection rights (the "2025 Purchase"). Subsequent to the purchase, following the final review and net of inactive insurance policies, the face value of the 2025 Purchase was approximately \$13.8 million. This final batch includes stop-loss insurance policies unexpired as of the date of the 2025 Purchase ("active policies"), which were not present in the 2023 Purchase.

When entering into a stop-loss insurance policy, a business employer can elect to purchase discounted stop-loss insurance policies premiums from the Carrier by agreeing to return any positive balance in claim fund. These claim funds are held in the name of the business employer, and the Carrier has no claim to these funds until the policy and the policy run-out period ends, which is 18 months following commencement of the policy term (the "Policy End Date"). The "run-out period" refers to six month period after the policy or plan has expired during which claims can still be submitted and processed. After the Policy End Date, any funds remaining in the claim fund belong to the Carrier. The Carrier will provide the business employers with a reconciliation of what amounts are specifically owed. This is based on the amount of funds in the business employers' claim fund account, and the value of claims incurred during the policy and run-out period (the "Deferred Administrative Surplus"). The Deferred Administrative Surplus is owned by the Carrier and not subject any contingencies other than the ability to collect from the business employer.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

As part of the Company's services to the Carrier, ICE contracted with the Carrier to collect premium and process claims expense. Therefore, in its internal system, the Company can calculate the approximate amount of positive balance in claims fund. The exact amount will be determined after full reconciliation of the claims fund after completion of the run out period.

In the case of the 2023 Purchase, the Company purchased the policies with related run-out periods that had lapsed and had positive claim fund balances according to the Company's internal system. As such, the Company knows the value of the Deferred Administrative Surplus purchased. The 2025 Purchase includes all the remaining policies with deferred administrative surplus as a product feature from carrier. Collectively, carrier and HIT platform has stopped offering this feature in August 2024. Thus 2025 purchased policies are in different periods and stages. Including in policy coverage period, in the run-out period and out of run-out periods. For policies in coverage period and in the run-out periods, the final Deferred Administrative Surplus cannot be determined until the Policy complete the run-out period and finalize the reconciliation. Following the purchase, the Deferred Administrative Surplus was transferred to the Company for collection. After the transfer, the Company performs the relevant reconciliations to demonstrate to the business employers the amount of the Deferred Administrative Surplus now owed to the Company from the claim fund balance. The Company asks the business owners to pay back the Deferred Administrative Surplus within 30 days of the collection requests sent.

The key risks associated with the collection of the Deferred Administrative Surplus relate to the Company's limited collections experience related to the Deferred Administrative Surplus at the time of purchase from the Carrier. To reduce the Company's collection risk, the Company negotiated with the Carrier to purchase the Deferred Administrative Surplus at 53% the estimated face value of the 2023 Purchase and 20% of estimated face value of 2025 Purchase. This was due to the Carrier does not have the sufficient resources and procedures to collect the Deferred Administrative Surplus. Moreover, the 2025 Purchase was the final batch of policies with the Deferred Administrative Surplus. The Company would have to collect less than 53% of the Deferred Administrative Surplus balance for the 2023 Purchase to incur a loss, and less than 20% for the 2025 Purchase to incur a loss. As of December 31, 2025, the Company collected \$1,272,413 for the 2023 Purchase and \$278,058 for the 2025 Purchase. The lower collection amount related to the 2025 Purchase is a result of a substantial majority of the underlying policies remaining in the reconciliation process of the Deferred Administrative Surplus, for which the Company initiates collection requests to business employers only upon the completion of such reconciliations.

The purchase of the Deferred Administrative Surplus does not represent a purchase of a financial asset with credit deterioration as defined in accordance with ASC 326, *Financial Instruments-- Credit Losses*. Furthermore, the Company only has approximately three months of historical collection success rates at the time of entering into the 2023 Purchase contract. These collection success rates are based upon limited experience given the Company has only collected on these types of assets for a short period of time. Moreover, the historical collection success rates for the 2023 Purchase were not applicable for the 2025 Purchase at contract inception, due to the differing components of the two purchases, such as active policies in the 2025 Purchase. As such, the Company has accounted for these assets under a nonaccrual approach. The Company will continue to assess this policy as additional collection information is received and collection trends are identified. The Company recorded the consideration as other receivables as of December 31, 2025 and 2024, respectively. The Company collected \$280,877 and \$1,269,595 under the Deferred Administrative Surplus during the years ended December 31, 2025 and 2024, respectively. Payments made for purchases and collections from the Deferred Administrative Surplus are included in the "other receivables" line of operating activities in the Company's Consolidated Statements of Cash Flows.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

The Company separately assessed if an allowance for credit losses was necessary for this Other Receivables. The Company assess its historical credit loss experience and consideration of current and expected conditions and market trends (such as general economic conditions, other microeconomic and macroeconomic considerations, etc.) and reasonable and supportable forecasts that could impact the collectability of such receivables over the contractual term individually or in the aggregate. Other Receivables are written off after all collection attempts have been exhausted. Credit loss expense recognized on Deferred Administrative Surplus, which is presented in Other expense in the Company's Consolidated Statements of Operations, was \$377,587 and \$0 for the years ended December 31, 2025 and 2024, respectively. The 2025 credit loss expense of \$377,587 relates to the 2023 Purchase and no credit loss expense was recognized in 2025 associated with the 2025 Purchase.

Loans Receivable, Net

On October 10, 2023, the Company entered into a Promissory Note Agreement with Kang Youle Limited, unsecured lending. Under this Promissory Note Agreement, the Company agreed to lend \$800,000 in principal amount, which bears 8% interest per annum. The note's maturity date is October 10, 2026. The Company has assessed this receivable for potential credit losses, noting none as of December 31, 2025 and 2024, respectively. The Company recorded this loan receivable at amortized cost on the consolidated balance sheets. See Note 4.

Software Capitalization

The Company incurs certain costs associated with the development of its Hi-Card, eDIYBS systems and other systems. In accordance with ASC 350-40, the Company capitalizes certain costs associated with the development of its internal-use software after the preliminary project stage is complete and until the design, coding, installation, and testing of the software have been completed. Upgrades and enhancements are capitalized if they will result in added functionality. Capitalized costs are amortized over an expected three-year period. In May of 2023, the Company determined that its eDIYBS system was ready for its intended use. In September 2025, an expansion of the eDIYBS system was also completed and placed into service. As such, the Company has entered the eDIYBS system in the post-implementation phase. For the years ended December 31, 2025 and 2024, the Company has amortized \$900,577 and \$541,141 of the capitalized costs associated with eDIYBS and other systems respectively, which is included in the cost of revenues line item of the Company's Consolidated Statements of Operations. During the years ended December 31, 2025 and 2024, the Company capitalized \$3,469,010 and \$942,217 respectively of software development costs.

Impairment of Long Lived Assets

In accordance with ASC 360, *Property, Plant, and Equipment*, the Company evaluates the recoverability of amortizable long-lived assets whenever events or changes in circumstances indicate the carrying value of such asset may not be recoverable. Should there be an indication of impairment, the Company tests recoverability by comparing the estimated undiscounted future cash flows expected to result from the use of the asset to the carrying amount of the asset or asset group. If the asset or asset group is determined to be impaired, any excess of the carrying value of the asset or asset group over its estimated fair value is recognized as an impairment loss. There were no impairment losses recognized on long-lived assets during the years ended December 31, 2025 and 2024.

Revenue Recognition

The objective of ASC 606, *Revenue from Contracts with customers* ("ASC 606") is to establish the principles that an entity shall apply to report useful information to users of the financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. An entity

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, as defined in ASC 606-10-10-1 and ASC 606-10-10-2.

This evaluation under ASC 606 follows a five-step model, including:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

In general, ASC 606's core principle is to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Required disclosures under ASC 606 include qualitative and quantitative information about contracts with customers and significant judgments and estimates as to the application of the 5-step revenue recognition analysis, among others.

The Company accounts for its revenue under the accounting guidance of ASC 606. The Company's contracts that are within the scope of ASC 606 specifically relate to the services that are associated with customers who purchase self-funded benefits plans. These plans are facilitated through a network of brokers, TPAs, MGUs, carriers, and other third-party agents.

Identification of the Performance Obligations

The Company analyzes each of the deliverables pursuant to its contracts with customers. For each of the deliverables, the Company performs a detailed analysis to determine whether the deliverables are separately identifiable. The Company notes that although the deliverables can vary from day to day, all specifically relate to one kind of service, representing one performance obligation that is provided by each of its subsidiaries (HI Card, SMR, and ICE), as further described below.

HI Card and SMR Specific Considerations

Generally, the Company's insurance marketplace allows brokers to customize an employer's self-funded benefits plan and stop loss insurance policies. When licensed brokers log in to the Company's platform, they upload an employee census representing the employee base of the business employer, select which network they wish to use, what plan designs they want to offer to the business employer and then quickly obtain a bindable self-funded medically underwritten stop loss quote they can provide to their business customers. The chosen vendors provide benefit services as outlined on the platform. The fees that the Company and others charge for the service offerings within the quote are outlined and expressly agreed to by the employer. The employer customizes their health insurance plan and executes an annual agreement. This agreement includes a sold case breakdown (SCB) that outlines the individual stop loss insurance and benefits service offerings selected by the employer and the cost of each, including any optional services offered by the Company or other vendors. Through this, the Company is aware of the services that the broker is offering to the employer for the health insurance plan period, which is normally twelve (12) months. This includes each of the performance obligations provided by its subsidiaries as further outlined below. Subsequent to the execution of the initial bindable SCB with its customers, the Company may modify the health insurance plan during the plan period when a non qualified event occurs based on the definition provided by the carriers. For example, if there is a significant fluctuation or changes of enrolled employees (EEs) from the first month.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

The Company has business relationships with licensed brokers, as licensed brokers register on the Company's platform to select and sell benefits plans and stop loss policies to employers as discussed above. However, there is no contractual relationship between the Company or any of its subsidiaries and the brokers. The Company's platform provides credentialing for licensed brokers, allowing them to access its marketplace to select and sell self-funded benefits plans for the business employer at no cost. Brokers are paid by the businesses, with no contractual relationship between the Company and the brokers, only a credentialing process, and free access is provided.

TPAs are contracted and authorized by the business employers to enter into service contracts with SMR and HI Card on behalf of the business employers. ASC 606 defines a customer as a party that has contracted with an entity to obtain goods or services that are an output of the ordinary activities of the company in exchange for consideration. SMR and HI Card are not providing services to the TPAs, but instead, have contracts to collaborate with the TPAs to facilitate the administration of health benefit plans and stop-loss insurance policies to its customers, which are the business employers. The TPA will administer the purchased health benefits plan and manage the multiple service providers associated with the health benefits plan and stop-loss insurance policy. Such service providers are listed on the bindable quotes via the bindable sold case breakdown, which outlines the individual stop loss insurance and benefits service offerings selected by the business and the cost of each. Only the business employer can start or terminate the relationship with SMR and HI Card. The TPA cannot start or terminate the relationship with the SMR or HI Card. As such, the Company has concluded that the TPA's are not customers and that the business employers are the customers of SMR and HI Card pursuant to ASC 606.

ICE Specific Considerations

ICE has contractual relationships with carriers. ICE underwrites a stop-loss insurance policy and processes claims per the respective carrier's underwriting guideline and claims processing guideline. In these instances, the carrier is the Company's customer.

The Company's performance obligations related to its revenue can be summarized as follows:

Claims negotiation services: The claims negotiation services performance obligation is offered as a part of the Company's overall marketplace service offering and is performed specifically by the Company's HI Card subsidiary. These services require the Company to negotiate the cost and facilitate employer's claims negotiation process with hospitals and physician facilities on behalf of the employer. This service is optional. Revenue related to these services are included in the "Revenues from fees" within the Consolidated Statements of Operations.

Access to medical claims data: Access to medical claims data performance obligations is offered as a part of the Company's overall insurance marketplace offering and is performed specifically by the Company's HI Card subsidiary. The access to medical claims data performance obligation is not required to be selected by an employer, its customer, when selecting their health insurance plan, but it is provided as an option. Revenue related to these services are included in the "Revenues from fees" within the Consolidated Statements of Operations.

Underwriting modeling and risk services: As a part of the Company's overall insurance marketplace, ICE provides underwriting modelling, machine learning-driven underwriting services, and risk services to its customers. Through its web-based SaaS quoting platform, eDIYBS (Enhance Do It Yourself Benefit System), brokers log in to eDIYBS, upload census, select plans and generate bindable quotes. eDIYBS medically underwrites each employer. ICE continues to assess risks and may re-underwrite based on underwriting risk guidelines provided by carriers. Any enrollment changes in a business can have large fluctuations during a policy period that may trigger a re-underwrite. ICE not only monitors and manages these activities but also facilitates insurance reporting. Revenue related to these services are included in the "Revenues from underwriting modeling" within the Consolidated Statements of Operations. These services are provided by ICE for carriers. Unlike the Company's other performance obligations, the Company's

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

agreements for its underwriting modeling and risk performance obligations are with stop loss carriers. Under these agreements, the Company develops and maintains all underwriting models, designs risk criteria, assesses the risk to underwrite a policy, monitors claims activities, provides reinsurance reporting, and provides monthly reinsurance filings. The purpose of these services is to ensure that the stop loss carrier is assuming an appropriate amount of risk when taking on a new insurance policy, and further that the premiums being charged are appropriate based upon the population of the new insurance policy (age, demographic, etc.).

Program and platform management services: As a part of the Company's overall insurance marketplace, SMR is a program manager specializing in customized self-funded benefits programs for businesses. SMR's expertise in health benefits enables the Company to analyze, review and select vendors that have sufficient experience, which is an essential component of a health plan that is constantly evolving with its business employers based on factors such as employee headcount and a specific employee's geographic location. SMR will then design health plans, select networks, manage vendors, and ultimately construct the benefits plans for the business employers. Licensed brokers log in to the marketplace to select and sell self-funded benefits plans to businesses. The Company throughout the contract period is actively working with the TPA to assist administration of the plan specifically due to headcount changes. SMR also serves as the total program manager coordinate between the Carrier, the TPA, the Broker, and the business employer, the Company's customer. The Company's service offerings encompass reference-based pricing, group insurance captives, community health plans, and association health programs. This service is performed for employers to ensure that they have access to a customized health benefits program. Throughout the term of the policy, SMR is ensuring all covered employees meet the requirements and guidelines of carriers to ensure such employees of the business employer remain covered under the respective insurance policy. The Company accounts for these services under ASC 606-10-25-14(b) as a series of distinct services that are substantially the same per enrolled employee and have the same pattern of transfer as the delivery of the specified services is satisfied over time, and each service is substantially the same and has the same measure of progress. Revenue related to these services are included in the "Revenues from fees" within the Consolidated Statements of Operations.

Each of the services above allows for the customers to simultaneously receive and consume the benefits of the Company's performance as it performs. Program services provided by SMR and underwriting activities provided by ICE (including eDIYBS) are interdependent, as they cannot function effectively without being combined. Services provided by HI Card are optional add-on to the Company's services, and it cannot be offered on a standalone basis. Brokers are not obligated to utilize HI Card services for employers.

As such, the Company has determined that it is appropriate to recognize revenue over a period of the defined contractual term. The Company has determined that the pattern of transfer control to the customers are commensurate with its right to invoice given the fact that at the end of each reporting period ended December 31, all performance obligations of the Company have been satisfied and provided to the Company's customers, and as such, the Company records its revenue based on the sold policy enrollment, which is provided by the third-party administrator upon the execution of a policy and enrollment outlines the total breakdown of the fees remitted by the third-party administrator.

Payments required throughout the duration of the policy start once a policy has become effective, and are subsequently due on policy effective date of the month through the duration of the policy. Given the Company's policy terms, there are no performance obligations that remain unperformed at the end of each reporting period.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

Disaggregation of Revenue

A summary of the Company's disaggregated revenues are as follows:

	Fiscal Year Ended December 31,	
	2025	2024
Revenues:		
Revenues from underwriting modeling (ICE)	\$ 10,756,143	6,649,271
Revenues from fees	26,807,708	12,941,492
SMR	26,807,708	9,949,157
HI Card	—	2,992,335
Subtotal	<u>37,563,851</u>	<u>19,590,763</u>
Contra revenue for billing adjustments	(344,742)	(99,857)
Contra revenue for refund liability	(3,891,598)	—
Total revenues	<u><u>\$ 33,327,511</u></u>	<u><u>19,490,906</u></u>

Variable Consideration

Except one particular carrier, business relationship ended in 2024, the Company does not have variable consideration that would require constraint from the transaction price of its contracts with customers as the Company receives monthly payments either based on a fixed percentage of the monthly premiums paid by the carrier, or a fixed dollar amount based on the end users serviced during a given month.

For this particular carrier, the relationship had ended in 2024, the Company has an agreement that includes an unprecedented clause allowing for a potential adjustment to be evaluated in May 2026 based on evaluations to be provided by the carrier at the end of the reconciliation stage 24th month (the "Adjustment"). The agreement period consists of three stages: (i) the policy in-effect stage, covering the first 12 months from each policy effective date month (August 2023 to May 2025); (ii) the run-out stage, a six month period from the end of the policy term, covering the 13th to 18th months from each policy effective date month (August 2024 to November 2025); and (iii) the reconciliation stage, covering the 19th to 24th months from each policy effective date month (February 2025 to May 2026). The agreement covers stop-loss policies with 11 consecutive policy effective date months, and each policy is subject to all three stages. The Adjustment is assessed based on the carrier's portfolio evaluation at the end of the reconciliation stage in May 2026. This Adjustment represents variable consideration under ASC 606.

For the year ended December 31, 2024, as all policies sold had not reached the end of the run-out stage and based on historical data, approximately 50% to 70% of claims expenses are processed within the six-month run-out stage, the Company concluded that it was probable that there was no significant Adjustment for the period.

In February 2025, the stop-loss policies with the first effective date month ended their run-out stage and entered the reconciliation stage. The Company commenced internal assessments by policy effective date month and began including the Adjustment in the transaction price. This decision was based on updated information from the first stop-loss policies that had completed their six-month run-out stage. The Company has reasonable data to make preliminary estimates of the Adjustment by policy effective date month in lieu of the carrier's evaluation is at portfolio level.

For the year ended December 31, 2025, the Company estimated contra revenue of \$3,891,598, related to the Adjustment. These amounts reduced revenue from underwriting modeling services provided to the carrier. As of December 31, 2025, a refund liability of \$891,598 related to the Adjustment was recorded in other current liabilities. No such liability existed as of December 31, 2024. As of December 31, 2025, the Company made interim payments of \$3,000,000 to the carrier in connection with the Adjustment, subject to final reconciliation.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

The Company retains the right to recover any overpaid amounts. The final amount is expected to be finalized upon the carrier's evaluation and verification in May 2026, at which time a final true-up will occur. The Company will update its estimate quarterly to reflect ongoing changes in circumstances until finalization.

Contract Assets and Contract Liabilities

Contract assets represent the Company's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. Contract liabilities represent the Company's obligation to transfer goods or services to a customer for which the entity has received consideration. As of December 31, 2025 and 2024, the Company did not have contract assets or liabilities.

Costs to Obtain a Contract

Under ASC 340-40, *Other Assets and Deferred Costs — Contracts with Customers* ("ASC 340") incremental costs of obtaining a contract, such as sales commissions and bonus programs afforded to brokers, are capitalized if they are expected to be recovered. The Company elected the practical expedient under ASC 340 to expense the costs to obtain a contract as incurred when the expected amortization period is one year or less. As of December 31, 2025 and 2024, there were no such capitalized costs. During the years ended December 31, 2025 and 2024, the Company expensed \$0 and \$(47,002) related to the Company's broker bonus program as the expected amortization period of these costs was expected to be less than one year. These costs have been included in sales and marketing expenses on the Company's Consolidated Statements of Operations for the years ended December 31, 2025 and 2024.

Significant Financing Components

The Company elected the practical expedient that allows the Company to not assess a contract for a significant financing component if the period between the customer's payment and the transfer of the goods or services is one year or less. There was no significant financing components during the years ended December 31, 2025 and 2024.

Cost of Revenues

The Company's cost of revenues primarily consists of infrastructure costs to operate its platform such as hosting fees and fees paid to various third-party partners for access to their technology, services and amortization expenses of the Company's capitalized internal-use software related to its platform. The captive management activities include introducing new carriers, conducting due diligence on carriers, conducting feasibility studies to determine the viability to be a stop-loss carrier on the platform, negotiating terms and contracts, coordinating audit requests, managing relationship with unrelated carriers and their regulators and auditor firms to ensure that the risk associated with the Company's service offerings is minimized.

General and Administrative Expenses

General and administrative expenses primarily consist of personnel-related costs and related expenses for the Company's executives, finance, legal, human resources, technical support, and administrative personnel as well as the costs associated with professional fees for external legal, accounting and other consulting services, insurance premiums.

Research and Development Expenses

Research and development expenses primarily consist of personnel-related costs, including salaries, stock-based compensation expense and benefits for the Company's research and development personnel. Additional expenses include costs related to research, design, and preliminary planning of new technology, as well as routine maintenance of its existing platform.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

Sales and Marketing Expenses

Sales and marketing expenses primarily consist of personnel-related costs including salaries, stock-based compensation expense, benefits and commissions cost for the Company's sales and marketing personnel. Sales and marketing expenses also include the costs for advertising, promotional and other marketing activities, as well as certain fees paid to various third-party for sales and customer acquisition. Advertising expenses were \$1,000 and \$61,533 for the years ended December 31, 2025 and 2024, respectively.

Stock-Based Compensation Expense

In accordance with ASC 718, *Compensation — Stock Compensation*, the Company's share-based compensation program grant awards include stock options, restricted stock awards ("RSAs") and unrestricted stocks to officers, employees, directors and non-employees. The fair value of stock options granted in July 2023 and August 2024 was determined using the Binomial option-pricing model. The fair value of RSAs granted before the IPO was based on the fair value of the Company's common stock on the date of the grant, using the DCF method and back-solve method, respectively. The fair value of unrestricted and restricted stocks granted after the IPO is based on the closing market price on the date of the grant.

The Company grants stock options and RSAs that are subject to either service or service and performance-based vesting conditions. Compensation expense for awards to officers, employees and directors with service-based vesting conditions is recognized using the straight-line method over the requisite service period, which is generally the vesting period of the respective award. Forfeitures are estimated at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical data to estimate awards' forfeitures and records stock-based compensation expense only for those awards that are expected to vest. Compensation expense for awards to non-employees with service-based vesting conditions is recognized in the same manner as if the Company had paid cash in exchange for services, which is generally over the vesting period of the award. Should the Company terminate any of its consulting agreements, the unvested options and RSAs underlying the agreements would be cancelled. Compensation expense for awards to officers, employees, directors and non-employees with service and performance-based vesting conditions is recognized based on the grant-date fair value over the requisite service period on a straight-line basis to the extent achievement of the performance condition is probable. The Company reassesses the probability of achieving the performance condition at each reporting date and begins recognizing expense only when it is probable that the condition will be met.

The Company's expected stock price volatility assumption is based on the volatility of comparable public companies. The expected term of a stock option granted to employees and directors (including non-employee directors) is based on the average of the contractual term (generally 5 years) and the vesting period. For non-employee options, the expected term is the contractual term. The risk-free interest rate is based on the yield of U.S. Treasury securities consistent with the life of the option. The expected dividend yield was set to zero as the Company does not pay dividends on its common stock and there was no expectation of doing so as of the respective grant dates.

Interest income

Interest income consists of interest earned on savings accounts, interest accrued on outstanding loans receivable, and interest earned on trust accounts managed on behalf of third parties for which the Company is contractually entitled to the related interest earnings. Interest income is recognized on an accrual basis based on the outstanding principal balances and the applicable interest rates.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

Other income

Other income consists of miscellaneous non-operating income, including service fees generated from ancillary activities not part of the Company's primary business operations. Other income is recognized when earned.

Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes as required by ASC 740, *Income Taxes*. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities as well as net operating loss carryforwards and tax credits and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that these assets may not be realized.

The Company determines whether it is more likely than not that a tax position will be sustained upon examination. If it is not more likely than not that a position will be sustained, none of the benefit attributable to the position is recognized. The tax benefit to be recognized for any tax position that meets the more-likely-than-not recognition threshold is calculated as the largest amount that is more than 50% likely of being realized upon resolution of the contingency. The Company accounts for interest and penalties related to uncertain tax positions as part of its provision for income taxes.

The Company has no accruals for interest or penalties related to income tax matters. Tax years subsequent to 2024 remain open to examination by federal and state authorities.

Net Income Per Share

Net income per share is provided in accordance with ASC 260, *Earnings per Share*. The Company computes basic net income per share by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. The Company's Class A and Class B Common Stock have identical dividend and liquidation rights and are therefore considered a single class for purposes of calculating earnings per share.

Diluted net income per share includes the potential dilutive effect of common stock equivalents as if such securities were converted or exercised during the period, when the effect is dilutive, including unvested RSAs and outstanding stock options. For the purpose of computing diluted net income per share, RSAs and options with a performance-based vesting condition are considered contingently issuable, and such contingent shares are included in the denominator for computing diluted net income per share only once the performance condition is met, and only to the extent such RSAs and options are dilutive. For the year ended December 31, 2025, diluted shares attributable to 417,795 RSAs and 1,481,182 options were included in the calculation of net income per share. For the year ended December 31, 2024, diluted shares attributable to 816,102 RSAs and 1,007,246 options were included in the calculation of net income per share.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies (cont.)

The following table sets forth the computation of basic and diluted net income per share of common stock for the years ended December 31, 2025 and 2024:

	Fiscal Year Ended December 31,	
	2025	2024
Net income	\$ 1,278,842	\$ 670,477
Weighted average shares outstanding*		
Basic	55,843,821	51,839,329
Total dilutive effect of outstanding equity awards	1,898,977	1,823,348
Diluted	57,742,798	53,662,677
Net income per share*		
Basic	\$ 0.02	\$ 0.01
Diluted	\$ 0.02	\$ 0.01

The following outstanding stock awards were not considered in the computation of diluted net income per share attributable to holders of common stock as they had antidilutive effects for the years ended December 31, 2025 and 2024:

	Fiscal Year Ended December 31,	
	2025	2024
Restricted stock awards	97,024	110,000

* Shares and per share data are presented on a retroactive basis to reflect the effects of the stock split at a 1.5-for-1 ratio effected on June 4, 2024.

Recently Adopted Accounting Standards

In December 2023, the FASB issued ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The purpose of this guidance is to enhance the transparency and usefulness of income tax disclosures and provide comprehensive income tax information, particularly in relation to rate reconciliation and income taxes paid in the U.S. and foreign jurisdictions. The amendments are effective for fiscal years beginning after December 15, 2024. The Company has adopted this accounting pronouncement on the accompanying financial statements prospectively to the current annual period. Prior period disclosures have not been adjusted to reflect the new disclosure requirements.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB issued *ASU 2024-03 Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This standard calls for enhanced disclosures about components of expense captions on the face of the income statement. This standard will be effective for fiscal years beginning after December 15, 2026, with the option to apply it retrospectively. Early adoption is allowed. Currently, the Company is assessing the potential impact of this guidance on its consolidated financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06 Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, which amends certain aspects of the accounting for and disclosure of software costs under ASC 350-40. The new standard is effective for annual periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is allowed. The new standard may be applied prospectively, retrospectively, or via a modified prospective transition method. Currently, the Company is assessing the potential impact of this guidance on its condensed consolidated financial statement disclosures.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

3. Notes Payable

On December 28, 2023, the Company entered into a Promissory Note Agreement with LEAZ Enterprises LLC, Series 2. Under this Promissory Note Agreement, the Company borrowed \$1,650,000 in principal amount. There is no interest on the loan, however there is a repayment premium of \$495,000 finalized in January 2024 that is treated as interest expense in financial statements of 2024. This repayment premium is accrued through the effective interest method from January 2024 through the date of maturity. The note matured on September 28, 2024 and the Company fully repaid the principal and repayment premium. As of December 31, 2025 and 2024, the outstanding principal amount was \$0.

4. Loans Receivable, Net

On October 10, 2023, the Company entered into a Promissory Note Agreement with Kang Youle Limited, which constitutes an unsecured lending arrangement. Under this Promissory Note Agreement, the Company agreed to lend \$800,000 in principal amount, which bears 8% interest per annum. The note's maturity date is October 10, 2026. As of December 31, 2025 and 2024, the outstanding principal amount was \$800,000. The Company accrued interest that is due and receivable in the amount of \$15,995 as of December 31, 2025 and 2024, respectively. This amount is included within "Loans receivable, net" on the consolidated balance sheets. For the years ended December 31, 2025 and 2024, the Company recognized interest income of \$64,000 and \$63,996, respectively, in connection with this loan receivable.

Although not part of HIT's core business, the Company will strategically invest its assets in a manner to maximize risk-adjusted return and promote shareholder wealth. The Company provided the promissory note to Kang Youle Limited, an independent third party with access to a network of insurance sectors internationally.

5. Stockholders' Equity

The Company has three classes of stock: (1) Class A Common Stock; (2) Class B Common Stock, and (3) Series A Preferred Stock.

The total number of shares of stock that the Company has authority to issue is 220,000,000, consisting of 150,000,000 shares of Class A Common Stock, \$0.001 par value per share, 50,000,000 shares of Class B Common Stock, \$0.001 par value per share ("Class B Common Stock" and together with the Class A Common Stock, the "Common Stock"), and 20,000,000 shares of Series A Preferred Stock, \$0.001 par value per share.

Holders of Class B Common Stock are entitled to ten votes per share while holders of Class A Common Stock are entitled to one vote per share. Both classes of Common Stock will vote collectively with the holders of Series A Preferred Stock. Each share of Series A Preferred Stock is entitled to one vote. In addition, the affirmative vote of a majority of the outstanding Series A Preferred Stock is required to approve certain fundamental corporate actions, including mergers, liquidations, the issuance of senior or parity equity securities, and any amendments to the Company's governing documents that would adversely affect the rights of Series A Preferred Stockholders.

Holders of Class A and Class B Common Stock are entitled to dividends when, and if, declared at the discretion of the Company. However, Series A Preferred Stockholders are entitled to receive non-cumulative dividends prior and in priority to any dividends declared on the Common Stock. Accordingly, no dividends may be paid on Common Stock unless all declared dividends on the Series A Preferred Stock have been paid or set aside for payment.

On June 4, 2024, the Company effected a 1.5-for-1 stock split of the common stock. All share, restricted stock, stock options and per share information throughout this annual report has been retroactively adjusted to reflect the stock split. The shares of common stock retain a par value of \$0.001 per share.

On August 9, 2024, two holders of the Company's Class B Common Stock converted 10,800,000 shares of Class B Common Stock on a one to one basis into Class A Common Stock.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

5. Stockholders' Equity (cont.)

On December 24, 2024, the Company completed its IPO in which it issued and sold 2,300,000 shares of Class A common stock, at a public offering price of \$4.00 per share. The Company received net proceeds of \$8,214,000 after deducting underwriting discounts and commissions of \$986,000.

The RSAs granted to employees under the Company's 2022 Equity Incentive Plan all contain a vesting condition that is associated with a successful IPO, with certain of these awards having vesting conditions that further require a certain duration of services from the grantee, or for the Company to meet certain performance metrics in order to vest. During the years ended December 31, 2025 and 2024, the Company issued 575,332 and 545,512 shares of Class A Common Stock, par value \$0.001 per share, respectively, related to these RSAs. Shares underlying unvested RSAs are legally outstanding but remain subject to forfeiture until the applicable vesting conditions are met.

On March 25, 2025, the Company granted 14,000 shares of Class A Common Stock to the new executive officer, with a total fair value of \$10,780 based on the closing market price on the grant date. The shares were fully vested as of the grant date, resulting in full recognition of the related compensation expense during the year ended December 31, 2025.

During the year ended December 31, 2025, the Company granted 1,274,000 shares of Class A Common Stock to third-party service vendors in exchange for 12-month or 24-month services commencing in 2025. The awards were fully vested on the grant date. The total fair value was based on the closing market price of Class A Common Stock on the grant date and was recorded as a prepaid expense, which is amortized to expense over the respective service periods.

From time to time, the Company issues shares of common stock in connection with the granting of RSAs and the exercise of stock options under its equity incentive plans. For a detailed summary of these issuances and related stock-based compensation, please refer to Note 8.

As of December 31, 2025 and 2024, 46,006,000 and 42,914,870 shares of Class A Common Stock were issued and outstanding, respectively. As of December 31, 2025 and 2024, 11,700,000 shares of Class B Common Stock were issued and outstanding, respectively. As of December 31, 2025 and 2024, no shares of Series A Preferred Stock were issued and outstanding.

6. Commitments and Contingencies

Legal Proceedings

From time to time, the Company is party to various litigation matters incidental to the conduct of its business. The Company is not presently party to any legal proceedings the resolution of which it believes would have a material adverse effect on its business, prospects, financial condition, liquidity, results of operation, cash flows or capital levels.

Leases

The Company entered into a five-year lease for its corporate headquarters in Stuart, Florida, commencing in November of 2022. The Company's real estate lease also includes executory costs such as common area maintenance (non-lease component) and real estate taxes (not considered a component of the Company's lease). As a practical expedient permitted under ASC 842, the Company has elected to account for the lease and non-lease components as a single lease component. The rent-related expense for this lease was \$83,247 for both the years ended December 31, 2025 and 2024. The Company had one lease classified as short-term leases as of December 31, 2025 and 2024, respectively.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

6. Commitments and Contingencies (cont.)

The Company's office lease is classified as an operating lease. At the inception date of the office lease, the Company recorded a right-of-use asset of \$330,554 in operating lease right-of-use asset, as well as an operating lease liability of \$324,021. This lease liability represented the net present value of future lease payments for the lease utilizing a discount rate of 10%, which corresponded to the Company's incremental borrowing rate.

During the years ended December 31, 2025 and 2024, the Company made cash payments of \$83,798 and \$81,358 for amounts included in the measurement of lease liabilities, respectively.

The following table reconciles the undiscounted lease liabilities to the total lease liabilities recognized on the Consolidated Balance Sheet as of December 31, 2025:

2026.	86,312
2027.	66,180
Total undiscounted lease liabilities	\$ 152,492
Less effects of discounting	(12,680)
Total lease liabilities	\$ 139,812

The remaining lease term was 1.8 years and 2.8 years as of December 31, 2025 and 2024, respectively.

The discount rate used to determine the operating lease liability was 10% as of December 31, 2025 and December 31, 2024.

7. Income Taxes

Income before income taxes consists of the following:

	Fiscal Year Ended December 31,	
	2025	2024
Federal.	1,674,172	889,990
Foreign	—	—
Income before income taxes	<u>1,674,172</u>	<u>889,990</u>

During the years ended December 31, 2025 and 2024, the Company incurred \$395,330 and \$218,523 of income tax expense, respectively.

The Company's income tax provision consists of the following for the years ended December 31, 2025 and 2024:

	Fiscal Year Ended December 31,	
	2025	2024
Current income tax expense (benefit)		
Federal.	\$ (70,137)	\$ 261,196
State.	36,468	50,631
Total current income tax expense (benefit)	<u>\$ (33,669)</u>	<u>\$ 311,827</u>
Deferred income tax expense (benefit)		
Federal.	376,733	(82,620)
State.	52,266	(10,684)
Total deferred income tax expense (benefit)	<u>\$ 428,999</u>	<u>\$ (93,304)</u>
Total income tax provision	<u><u>\$ 395,330</u></u>	<u><u>\$ 218,523</u></u>

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

7. Income Taxes (cont.)

Beginning in 2025 annual reporting, the Company adopted ASU 2023-09 on a prospective basis. The following table presents the reconciliation of income taxes computed at the U.S. federal statutory tax rate to income tax provision for the year ended December 31, 2025 after the adoption of ASU 2023-09:

	Fiscal Year Ended December 31, 2025	
	Amount	Rate
Statutory federal income tax rate	351,576	21.0%
State taxes (net of federal benefit)	63,778	3.8
Permanent difference	28,306	1.7
Return to provision true up	(56,699)	(3.4)
Deferred rate change	8,369	0.5
Effective tax rate	<u>395,330</u>	<u>23.6%</u>

The following table presents the reconciliation of income taxes computed at the U.S. federal statutory tax rate to income tax provision for the year ended December 31, 2024 prior the adoption of ASU 2023-09:

	Fiscal Year Ended December 31, 2024
Statutory federal income tax rate	21.0%
State taxes (net of federal benefit)	3.2
Permanent difference	0.7
Other	(0.3)
Effective tax rate	<u>24.6%</u>

The Company's net deferred tax assets and liabilities consisted of the following as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
Deferred tax assets:		
Net Operating Loss	388,182	—
Stock-based compensation	53,586	47,585
Bad debt allowance	91,828	—
Accrued liability	8,140	—
Gross deferred tax assets	<u>\$ 541,736</u>	<u>\$ 47,585</u>
Deferred tax liabilities:		
Research and Development costs	(1,299,380)	(376,261)
ROU/Lease Liability	(31)	—
Total deferred tax liabilities	<u>\$ (1,299,411)</u>	<u>\$ (376,261)</u>
Net deferred tax liabilities:	<u>\$ (757,675)</u>	<u>\$ (328,676)</u>

As of December 31, 2025, the Company had federal net operating loss carryforwards of \$1,531,800, which may be carried forward indefinitely to offset future taxable income, but are subject to the 80% taxable income limitation upon utilization. Additionally, the Company had state net operating loss carryforwards of approximately \$1.5 million as of December 31, 2025, which will begin to expire in 2045.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

7. Income Taxes (cont.)

In general, under Section 382 of the U.S. Internal Revenue Code of 1986, as amended, a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its pre-change net operating loss carryforwards (“NOLs”) to offset future taxable income. As of December 31, 2025, the Company has not performed such an analysis evaluation the potential limitation of the Company’s net operating loss carryforwards due to the “Change in ownership” as defined under Section 382 of the Internal Revenue Code.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was signed into law, introducing significant and wide-ranging changes to the U.S. federal tax system. Significant components include the return to immediate expensing of domestic research and experimental expenditures (“R&E”) which in some cases may include retroactive application back to 2021 for businesses with gross receipts of less than \$31 million or accelerated tax deductions of R&E that was previously capitalized for larger businesses. The legislation also reinstates EBITDA-based interest deductions for tax purposes and makes several business tax incentives permanent. Less favorable business provisions include limitations on tax deductions for charitable contributions. The OBBBA did not have a material impact on income tax benefit or expense or related tax assets or liabilities, as the Company does not have significant NOLs, interest expense or charitable contributions. The Company has reviewed the various elections available under the OBBBA for the treatment of domestic research and development expenses and plans to expense domestic research and development costs starting in 2025 along with accelerating the amortization of previously capitalized and unamortized research and development costs. The Company will not apply retroactive treatment to any prior tax periods.

The amounts of cash income taxes paid by the Company were as follows:

	Fiscal Year Ended December 31, 2025
Federal.	\$ 711,000
State.	119,726
Foreign	—
Total	<u>\$ 830,726</u>

8. Stock-Based Compensation

2022 Equity Incentive Plan

On June 4, 2024, the Company effected a 1.5-for-1 stock split of the common stock. All share, restricted stock, stock options and per share information throughout this annual report has been retroactively adjusted to reflect the stock split. The shares of common stock retain a par value of \$0.001 per share.

On December 21, 2022, the Company adopted and approved the Health in Tech Equity Incentive Plan (the “2022 Plan”), which provides for the issuance of 4,501,683 shares of Class A Common Stock for purposes of attracting, retaining, and motivating key employees, directors, and consultants. The 2022 Plan provides for the grant of incentive stock options, nonqualified stock options, restricted stock and restricted stock units. Upon the consummation of the Company’s initial public offering on December 24, 2024, the 2024 Equity Incentive Plan (the “2024 Plan”) went into effect. The terms of the 2022 Plan continue to govern the restricted stock and options outstanding in the plan as of December 31, 2025 and 2024. There are no shares reserved for future issuance in the 2022 Plan.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

8. Stock-Based Compensation (cont.)

2024 Equity Incentive Plan

On December 24, 2024, the Company adopted and approved the 2024 Plan. The 2024 Plan is a comprehensive incentive compensation plan under which the Company can grant 7,677,849 shares of equity-based and other incentive awards to officers, employees, directors, consultants and advisers. On October 3, 2025, the Company's stockholders approved an amendment to the 2024 Plan to (i) increase the total number of shares of Class A common stock authorized for issuance pursuant to awards granted thereunder from 7,677,849 shares to 10,677,849 shares and (ii) to include the issuance of up to 2,000,000 shares of Class B common stock, and options convertible into Class B common stock to executive officers of the Company. The purpose of the 2024 Plan is to help the Company attract, motivate and retain such persons with awards under the 2024 Plan and thereby enhance shareholder value. The 2024 Plan provides for the grant of stock options, stock appreciation rights, performance share awards, performance unit awards, distribution equivalent right awards, restricted stock awards, restricted stock unit awards and unrestricted stock awards. Under the 2024 Plan, 1,288,000 shares of unrestricted stock awards and 1,363,744 shares of restricted stock awards were granted as of December 31, 2025, and no awards were granted as of December 31, 2024.

During the year ended December 31, 2022, the Company issued 361,650 RSAs (355,650 restricted stock awards remaining as of December 31, 2023 due to employee termination) under the 2022 Plan, which have a five-year contractual term. These RSAs vest upon a successful initial public offering. Additionally, on July 1, 2023, the Company issued 631,532 RSAs and 2,220,505 stock options under the 2022 Plan. During the year ended December 31, 2024, the Company issued 177,500 RSAs and 100,000 stock options under the 2022 Plan. These share-based awards all contain a vesting condition that is associated with a successful initial public offering, with certain of these awards having vesting conditions that further require a certain duration of services from the grantee, or for the Company to meet certain performance metrics in order to vest.

Given that all of the Company's share-based compensation have a vesting condition that requires the Company to complete a successful IPO, the Company started to recognize the stock-based compensation expense upon the completion of its IPO on December 24, 2024.

The majority of the RSAs granted under the 2024 Plan have service-based vesting conditions and vest over a period from one to two years. Some RSAs granted under the 2024 Plan are subject to both service and performance-based vesting conditions. These awards vest upon the achievement of specified metrics. Depending on the award, these metrics are either measured over a concurrent service period, or act as a prerequisite that must be met to initiate a subsequent 12-month service-based vesting schedule, with the awards vesting in equal monthly installments. The assessment for this prerequisite may occur within a fixed period or be indefinite. Compensation expense for awards with service and performance-based vesting conditions is recognized based on the grant-date fair value over the requisite service period on a straight-line basis to the extent achievement of the performance condition is probable. As of each reporting date, the Company estimates the probability that specified performance criteria will be met and does not recognize compensation expense until it is probable that the performance-based vesting condition will be achieved.

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

8. Stock-Based Compensation (cont.)

Restricted Stock Awards

The table below identifies the RSAs activity under the 2022 Plan and 2024 Plan for the relevant periods presented:

	Numbers of RSAs	Weighted Average Fair Value Per RSA
Unvested as of December 31, 2023.	987,182	\$ 0.56
Granted	177,500	1.51
Vested	(545,512)	0.46
Canceled/Forfeited	(19,500)	0.30
Unvested as of December 31, 2024.	599,670	\$ 0.94
Granted	1,363,744	1.42
Vested	(1,062,302)	0.94
Canceled/Forfeited	(193,284)	1.08
Unvested as of December 31, 2025.	707,828	\$ 1.83

As of December 31, 2025, there was \$181,175 of unrecognized compensation cost, adjusted for estimated forfeitures based on historical data, related to non-vested service-based RSAs. The RSAs are expected to be recognized over a weighted-average remaining requisite service period of 0.7 years, using the straight-line method. The total fair value of the RSAs vested was \$455,823 and \$0 during the years ended December 31, 2025 and 2024, respectively. The weighted-average grant-date fair value per share of RSAs granted was \$0.89 during the year ended December 31, 2025. No service-based RSAs were granted during the year ended December 31, 2024.

As of December 31, 2025, there was \$255,112 of unrecognized compensation cost, adjusted for estimated forfeitures based on historical data, related to non-vested service and performance-based RSAs that were considered probable of achievement. The RSAs are expected to be recognized over a weighted-average remaining requisite service period of 0.7 years, using the straight-line method. The total fair value of the RSAs vested was \$541,806 and \$248,794 during the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, there was \$732,928 of unrecognized compensation expense related to non-vested service and performance-based RSAs that were considered not probable of achievement. The weighted-average grant-date fair value per share of RSAs granted was \$2.88 and \$1.51 during the years ended December 31, 2025 and 2024, respectively.

Options

The table below identifies the stock options activity under the 2022 Plan for the relevant periods presented:

	Outstanding stock options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Balance as of December 31, 2023.	2,220,505	\$ 0.71	4.5	\$ —
Granted	100,000	1.80		
Exercised.	—	—		
Canceled/Forfeited	—	—		
Balance as of December 31, 2024.	2,320,505	\$ 0.76	3.5	\$ 10,669,746
Vested as of December 31, 2024.	573,726	\$ 0.71	3.5	\$ 2,664,957
Vested and expected to vest as of December 31, 2024.	2,318,091	\$ 0.76	3.5	\$ 10,658,533

Health In Tech, Inc.

Notes to the Consolidated Financial Statements

8. Stock-Based Compensation (cont.)

	Outstanding stock options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Granted	—	—		
Exercised	(33,000)	0.71		
Canceled/Forfeited	(135,558)	0.71		
Balance as of December 31, 2025	2,151,947	\$ 0.76	2.4	\$ 1,805,713
Vested as of December 31, 2025	1,939,059	\$ 0.77	2.4	\$ 1,618,372
Vested and expected to vest as of December 31, 2025	2,126,171	\$ 0.76	2.4	\$ 1,783,030

The intrinsic value of a stock option is calculated as the difference between the per share exercise price of the underlying stock option award and the closing stock price on the last trading day in fiscal year. The total intrinsic value of stock options exercised during the year ended December 31, 2025 was \$73,590. Cash received from option exercises for the year ended December 31, 2025 was \$23,430. There were no stock options exercised during the year ended December 31, 2024. There were no stock options granted during the year ended December 31, 2025. The weighted-average fair value of options granted during the year ended December 31, 2024 was \$0.83. The total fair value of options vested during the years ended December 31, 2025 and 2024 was \$517,041 and \$178,219, respectively.

As of December 31, 2025, there was \$58,265 of unrecognized compensation cost, adjusted for estimated forfeitures based on historical data, related to non-vested service and performance-based stock options, which is expected to be recognized over a weighted-average remaining requisite service period of 0.6 years, using the straight-line method.

9. Subsequent Events

On January 6, 2026, the Company granted an aggregate of 2,200,000 shares of RSAs to its three executive officers under the 2024 Plan, subject to both service and performance-based vesting conditions. On February 27, 2026, the Compensation Committee approved a modification to the performance conditions applicable to such awards to better align with the Company's strategic initiatives.

On February 24, 2026, the Company appointed Sri Rajagopalan as Chief Technology Officer, effective as of February 23, 2026. In connection with his appointment, on February 23, 2026, the Company granted Mr. Rajagopalan 20,000 shares of RSAs under the 2024 Plan. These awards shall vest in equal monthly installments over a twelve-month period, commencing from the grant date, subject to his continued service through each applicable vesting date.