

Trickle Research

Every raging river, every great lake, every
deep blue sea starts ... with a trickle



Allocation Increase



Horizon Aircraft New Horizon Aircraft Ltd.

(OTC: HOVR)

Report Date: 05/16/25

12- 24 month Price Target: \$1.60

Allocation: *5

Closing Stock Price at Initiation (Closing Px: 04/17/25): \$.45

Closing Stock Price at This Allocation Increase (Closing Px: 05/15/25): \$.59

**Prepared By:
David L. Lavigne
Senior Analyst, Managing Partner
Trickle Research**

Disclosure: Portions of this report are excerpted from New Horizon's filings, website(s), presentations or other public collateral. We have attempted to identify those excerpts by *italicizing* them in the text.

Horizon made the following announcement yesterday morning (May, 15, 2025):

~ Horizon Aircraft's unique Cavorite X7 eVTOL becomes the first aircraft in the world to achieve a stable transition using a novel fan-in-wing design ~

TORONTO, May 15, 2025 (GLOBE NEWSWIRE) -- New Horizon Aircraft (NASDAQ: HOVR), doing business as Horizon Aircraft, an advanced aerospace engineering company and developer of one of the world's first hybrid eVTOL aircraft, announces that it has achieved full wing transition of its large-scale prototype aircraft.

"Today we join a very small group of companies worldwide that have achieved this critical technical milestone," said Brandon Robinson, CEO and co-founder of Horizon Aircraft. "From the beginning, we have focused on innovations that make the most operational sense with the best available technology. We are looking forward to proving this next on our full-scale, piloted technical demonstrator that is currently under construction."

"This incredible achievement validates our unique and robust approach to the transition phase of flight," said Brian Robinson, Chief Engineer and co-founder. "In our aircraft, the transition phase was designed from the beginning to be a non-event, as there are no complicated multi-copter rotating nacelles or heavy tilt-wing mechanisms, and we have multiple layers of redundancy. The result is an extremely safe and stable transition, a vital part of eVTOL operations, and an area in which many of our competitors have faced serious challenges."

Horizon Aircraft's patented fan-in-wing technology is based on proven technology that leverages the advantages of modern electric motors and batteries to create a next-generation eVTOL system that enables a simpler, safer, and more efficient way to fly. With projected enroute speeds up to 250 mph and operational ranges over 500 miles with fuel reserves, the hybrid electric Cavorite X7 aims to be a disruptive force in the emerging Regional Air Mobility (RAM) market.

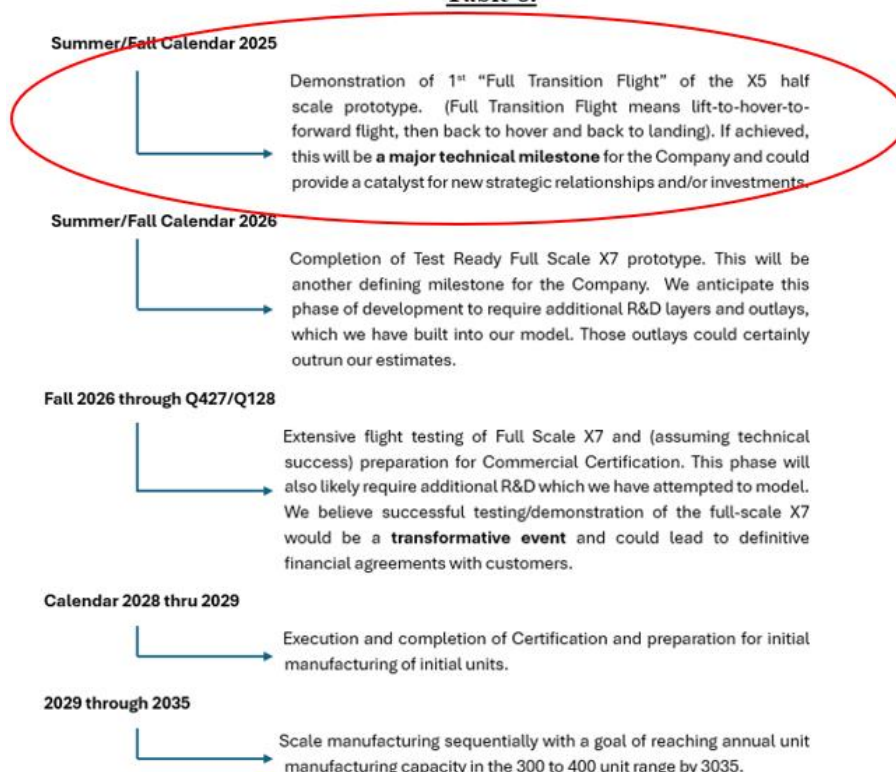
For more information about Horizon Aircraft, please see the Company's website or watch its innovative technology in action on the Company's YouTube channel. [Historic eVTOL Transition Flight - Founders React](#).

In our initiating coverage just a few weeks ago, we provided a timeline of events that we viewed (view) as critical to the success of HOVR. We have provided a copy of that timeline from the initiating coverage below, which we labeled "**Table 8**". The announcement above refers to the first of our timeline items, which at the time we noted we were anticipating in "Summer/Fall Calendar 2025". Obviously, the Company was able to deliver this milestone ahead of schedule and in our view, this is a big accomplishment towards their goal of delivering a commercial aircraft.

As **Table 8** describes, and in conjunction with the announcement above, the HOVR team just executed their first "full transition flight" with their ½ half scale prototype. We would encourage readers to visit the YouTube link provided above and watch the flight. It is very encouraging and, in our view, validating in terms of the platform they are building and their potential to ultimately deliver a full scale commercial product. To reiterate, we think this is a watershed event that should provide a basis for higher valuations for the Company, and/or help them attract additional capital to further advance the platform. We would also suggest that the acceleration of the timeline we provided below may portend the acceleration of other

milestones we have noted (and others we did not), which we submit, will be predicated in part on the timing of additional capital. This was a very good day for HOVR.

Table 8.



As a result of this announcement/milestone, which we think mitigates some of the technology risk we highlighted in the initial report as associated with the business, we are increasing our allocation from 4 to *5. To that end and referring back to the initiating coverage, we continue to believe that *the current market capitalization of Horizon (USD\$18 million) may provide markedly discounted exposure to the evolving and anticipated growth of the AAM/RAM/UAM space*, and when compared to prevailing industry comps like Joby Aviation, Inc. (NYSE: JOBY) and/or Eve Holding, Inc. (NYSE: EVEX), *which carry market caps of \$5.7 billion and \$1.3 billion respectively*. To be clear, it is not lost on us that these names enjoy major sponsorship that HOVR does not, we just think HOVR's relative market cap is stark given their relative technical success to these comps'. Frankly, while the same logic probably dictates that we revisit (increase) the price target as well, given that the current target is 3X the current price of the shares, we will revisit that another day.

New Horizon Aircraft Ltd.							
Projected Operating Statement							
By: Trickle Research							
	(Actual)	(Actual)	(Estimate)	(Estimate)	(Estimate)	(Estimate)	(Estimate)
	<u>8/31/24</u>	<u>11/30/24</u>	<u>2/28/25</u>	<u>5/31/25</u>	<u>Fiscal 2025</u>	<u>Fiscal 2026</u>	<u>Fiscal 2027</u>
Net Revenues			\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:							
Research and development	\$ 297	\$ 427	\$ 500	\$ 600	\$ 1,824	\$ 5,000	\$ 10,800
General and administrative	2,408	2,847	\$ 2,000	\$ 2,000	\$ 9,255	\$ 8,000	\$ 8,900
Total operating expenses	2,705	3,274	\$ 2,500	\$ 2,600	\$ 11,079	\$ 13,000	\$ 19,700
Loss from operations	(2,705)	(3,274)	\$ (2,500)	\$ (2,600)	\$ (11,079)	\$ (13,000)	\$ (19,700)
Other income	29	(47)	\$ -	\$ -	\$ (18)	\$ -	\$ -
Interest expenses (income), net	(11)	(13)	\$ -	\$ -	\$ (24)	\$ -	\$ -
Change in fair value of Warrants	5	(2,035)	\$ -	\$ -	\$ (2,030)	\$ -	\$ -
Change in fair value of Forward Purchase Agreement	183	557	\$ -	\$ -	\$ 740	\$ -	\$ -
Termination of Forward Purchase Agreement		(21,400)	\$ -	\$ -	\$ (21,400)	\$ -	\$ -
Total other expenses	206	(22,938)	\$ -	\$ -	\$ (22,732)	\$ -	\$ -
Income (Loss) before income taxes	(2,911)	19,664	\$ (2,500)	\$ (2,600)	\$ 11,653	\$ (13,000)	\$ (19,700)
Income tax expense					\$ -	\$ -	\$ -
Net Income (Loss)	\$ (2,911)	\$ 19,664	\$ (2,500)	\$ (2,600)	\$ 11,653	\$ (13,000)	\$ (19,700)
Income (loss) per share:							
Basic: (in Dollars per share)	\$ (0.15)	\$ 0.83	\$ (0.07)	\$ (0.08)	\$ 0.42	\$ (0.30)	\$ (0.33)
Diluted: (in Dollars per share)	\$ (0.15)	\$ 0.80	\$ (0.07)	\$ (0.07)	\$ 0.41	\$ (0.30)	\$ (0.32)
Shares used in computing Income (loss) per share:							
Basic: (in Shares)	19,246,089	23,599,144	34,599,144	34,599,144	28,010,880	42,762,409	59,814,444
Diluted: (in Shares)	19,246,089	24,574,247	35,599,144	35,599,144	28,754,656	43,762,409	60,814,444

General Disclaimer:

Trickle Research LLC produces and publishes independent research, due diligence and analysis for the benefit of its investor base. Our publications are for information purposes only. Readers should review all available information on any company mentioned in our reports or updates, including, but not limited to, the company's annual report, quarterly report, press releases, as well as other regulatory filings. Trickle Research is not registered as a securities broker-dealer or an investment advisor either with the U.S. Securities and Exchange Commission or with any state securities regulatory authority. Readers should consult with their own independent tax, business and financial advisors with respect to any reported company. Trickle Research and/or its officers, investors and employees, and/or members of their families may have long/short positions in the securities mentioned in our research and analysis and may make purchases and/or sales for their own account of those securities. David Lavigne does not hold a position in New Horizon Aircraft Ltd.

Trickle Research holds two microcap conferences each year. Trickle Research encourages its coverage companies to present at those conferences and Trickle charges them a fee to do so. Companies are under no obligation to present at these conferences. New Horizon Aircraft Ltd. has paid fees to present at Trickle co-sponsored conferences and we will encourage them to do so in the future.

Reproduction of any portion of Trickle Research's reports, updates or other publications without written permission of Trickle Research is prohibited.

All rights reserved.

Portions of this publication excerpted from company filings or other sources are noted in *italics* and referenced throughout the report.

Rating System Overview:

There are no letters in the rating system (Buy, Sell Hold), only numbers. The numbers range from 1 to 10, with 1 representing 1 "investment unit" (for my performance purposes, 1 "investment unit" equals \$250) and 10 representing 10 investment units or \$2,500. Obviously, a rating of 10 would suggest that I favor the stock (at respective/current levels) more than a stock with a rating of 1. As a guideline, here is a suggestion on how to use the allocation system.

Our belief at Trickle is that the best way to participate in the micro-cap/small cap space is by employing a diversified strategy. In simple terms, that means you are generally best off owning a number of issues rather than just two or three. To that point, our goal is to have at least 20 companies under coverage at any point in time, so let's use that as a guideline. Hypothetically, if you think you would like to commit \$25,000 to buying micro-cap stocks, that would assume an investment of \$1000 per stock (using the diversification approach we just mentioned, and the 20-stock coverage list we suggested and leaving some room to add to positions around allocation upgrades. We generally start initial coverage stocks with an allocation of 4. Thus, at \$1000 invested per stock and a typical starting allocation of 4, your "investment unit" would be the same \$250 we used in the example above. Thus, if we initiate a stock at a 4, you might consider putting \$1000 into the position ($\250×4). If we later raise the allocation to 6, you might consider adding two additional units or \$500 to the position. If we then reduce the allocation from 6 to 4 you might consider selling whatever number of shares you purchased with 2 of the original 4 investment units. Again, this is just a suggestion as to how you might be able to use the allocation system to manage your portfolio.

For those attached to more traditional rating systems (Buy, Sell, Hold) we would submit the following guidelines.

A Trickle rating of 1 thru 3 would best correspond to a "Hold" although we would caution that a rating in that range should not assume that the stock is necessarily riskier than a stock with a higher rating. It may carry a lower rating because the stock is trading closer to a price target we are unwilling to raise at that point. This by the way applies to all of our ratings.

A Trickle rating of 4 thru 6 might best (although not perfectly) correspond to a standard "Buy" rating.

A Trickle rating of 7 thru 10 would best correspond to a "Strong Buy" however, ratings at the higher end of that range would indicate something that we deem as quite extraordinary..... an "Extreme Buy" if you will. You will not see a lot of these.