

Trickle Research

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



Allocation and Price Target Upgrades



Horizon Aircraft

New Horizon Aircraft Ltd.

(Nasdaq: HOVR)

Report Date: 06/02/26

12- 24 month Price Target: **\$7.50

Allocation: *5

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

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

Closing Price at Allocation Decrease and Price Target Increase (Closing Px: 10/13/25): \$3.67

Closing Stock Price at This Allocation and Price Target Increases (Closing Px: 06/01/26) \$2.53

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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.

HOVR has made a few announcements recently that we think are highly constructive, and those developments have led us to update some of our model assumptions and resulting price targets. Here is a brief overview of each:

May 27, 2026 / *New Horizon Aircraft Ltd. ("Horizon Aircraft" or the "Company") (NASDAQ:HOVR), an advanced aerospace company developing one of the first hybrid-electric Vertical Takeoff and Landing (VTOL) aircraft, today announced the closing of its previously announced registered direct offering pursuant to a definitive agreement with the same institutional investors from its May 08, 2026 offering for the purchase and sale of an aggregate of 9,960,160 Class A Ordinary Shares ("Common Shares") (or Common Share equivalents). **The gross proceeds to the Company were approximately \$25 million, before deducting offering expenses...**The offering was made pursuant to a shelf registration statement on Form S-3 (File No. 333-285000) initially filed with the Securities and Exchange Commission ("SEC") on February 14, 2025, and declared effective by the SEC on March 25, 2025 (the "Registration Statement").*

May 11, 2026 / *New Horizon Aircraft Ltd. ("Horizon Aircraft" or the "Company") (NASDAQ:HOVR), an advanced aerospace company developing one of the first hybrid-electric Vertical Takeoff and Landing (VTOL) aircraft, today announced the closing of its previously announced registered direct offering pursuant to a definitive agreement with certain institutional investors for the purchase and sale of an aggregate of 9,254,889 Class A Ordinary Shares ("Common Shares"). **The gross proceeds to the Company were approximately \$20 million, before deducting offering expenses.** The Company intends to use the net proceeds from the offering to fund and accelerate development and buildout of the Cavorite X7 aircraft program, as well as for working capital and general corporate purposes...The offering was made pursuant to a shelf registration statement on Form S-3 (File No. 333-285000) initially filed with the Securities and Exchange Commission ("SEC") on February 14, 2025, and declared effective by the SEC on March 25, 2025 (the "Registration Statement").*

Clearly, these raises bolster the Company's cash position, allowing them to continue its research and development toward their goal, which is demonstrating (and ultimately commercializing) their X7 hybrid-electric VTOL. Specifically, the Company ended 3QF26 (ended February 28, 2026) with cash of \$19.7 million. That cash was raised throughout F26 primarily via the sale of shares (\$21.4 million) and the exercise of outstanding warrants (\$3.3 million). The cash balance, combined with the two offerings above, should put cash at something around \$60 million. Further, for Q3F26, the Company's operating expenses were \$7.6 million, which was less than our estimate of \$9 million. Moreover, the cash used in operations was about \$7 million for 3QF26, so applying the \$60 million cash figure to the \$7 million quarterly operating burn, would imply that the new capital provides them with cash for the next 8+ quarters, although there are some nuances to that as well.

To reiterate something we noted in our last update, subsequent to their success raising capital in the first half of fiscal 2026, one of our major concerns at the time of our initiation was the Company's requirements for capital to fund the R&D required to get them to a commercial ready aircraft. Looking at the cash burn since that time and extrapolating the cash burn going forward, that required capital was a big hill to climb. To that end, being able to raise gross proceeds of nearly \$70 million during that time was beyond our expectations and changes a number of our original assessments, some of which we have already worked into our conclusions, higher price targets for instance. However, their success raising capital has also, in our view, created some additional data points that may be less obvious but highly topical. That brings us to another recent announcement that we found constructive.

May 21, 2026 / *New Horizon Aircraft Ltd. ("Horizon Aircraft" or the "Company") (NASDAQ:HOVR) announces that through its close, ongoing partnership with Flight Centre of Excellence (dba Cert Center Canada, "3C") the Company has advanced the dual-use certification pathway for its hybrid-electric VTOL (Vertical Take-Off and Landing) aircraft, the Cavorite X7.*

Horizon Aircraft has been targeting dual-use certification from the beginning, recognizing that a high-speed, quieter VTOL aircraft would significantly improve both civil and defense missions. Partnering early with 3C, Canada's only independent flight test and certification Design Approval Organization (DAO) approved by Transport Canada, enabled the integration of comprehensive dual-use certification considerations into the Company's initial design, leveraging 3C's extensive experience across military and civilian programs.

Founder of 3C, Dr. John Maris stated, "The dual-use certification pathway requires specific considerations such as design for compliance to applicable military and civilian standards as well as development testing and evaluation tailored to unique military operational scenarios. Through 3C's guidance, Horizon Aircraft has carefully designed the Cavorite X7 for dual-use certification and we are truly privileged to be included as an integral part of this project from inception through to commercial and military development."

Developing a streamlined pathway to dual-use certification is relevant now more than ever as the Government of Canada prioritizes national security and sovereignty through the procurement of Canadian aircraft and technologies, as outlined in its Defence Industrial Strategy launched in February 2026...

Horizon Aircraft Co-Founder and CEO Brandon Robinson commented, "As our government looks to invest in Canadian aerospace OEMs, our strong relationship with 3C will be important to ensure we remain on track for dual-use certification. Their deep experience with novel aerospace technologies, a track record spanning dozens of advanced military and civilian programs, and a forward-looking ability to anticipate regulatory evolution makes them a critical partner for our Company."

In retrospect, *one of* our concerns around HOVR's access to capital was the pace at which they would be able to advance the project. In that regard, R&D expenses have tracked considerably higher than our original estimates, but that is largely because our original estimates included R&D expenses that were tied to our capital assumptions. That is, we basically assumed the cadence of R&D would depend on how much capital they had available to commit to it. In short, their access to capital has accelerated the timelines of nearly all of our original assumptions. For instance, assuming continued technical success, we think 3C's input at this phase of the project may result in a faster path to certification(s) than might occur without their participation at this stage of the project. That does not seem provocative to us. We think our acceleration view is getting validated on other fronts as well. For example, aside from 3C, looking back at the announcements over the past few months reveals several new collaborations that are all aimed at advancing the X7. We believe these collective new relationships may accelerate the Company's timeline for commercialization or at least support the existing timeline. Moreover, while we do not know the minutia of these collaborations, our sense is that the Company's new working capital posture has likely impacted the creation of some or all of them. Here are some of these new relationships:

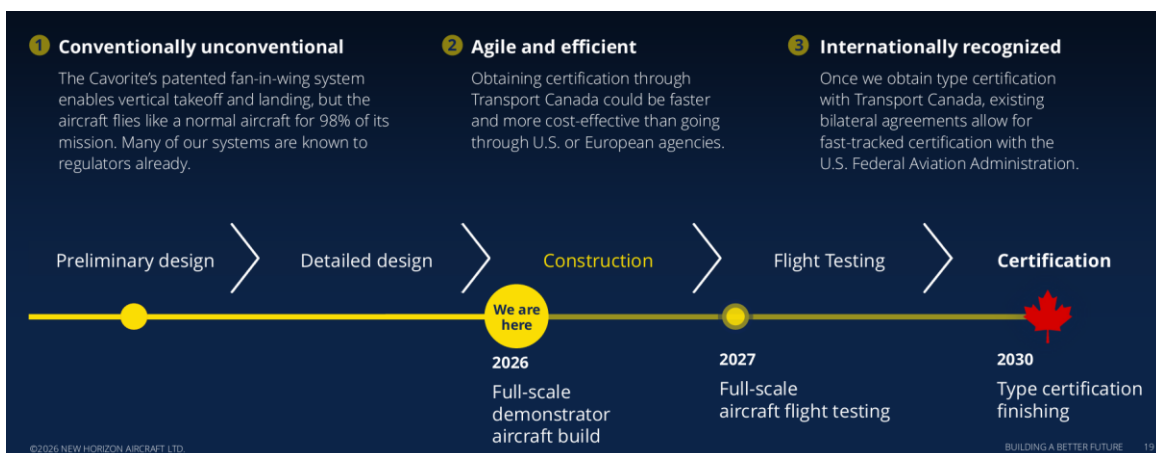
- ***The MHI RJ Aviation Group (MHIRJ)*** provides comprehensive critical operational, engineering and customer support solutions including maintenance, refurbishment, technical publications, marketing and sales activities for the global regional aircraft

industry. Headquartered in the Montréal area, Canada, and bolstered by an Aerospace Engineering Centre, MHIRJ's network of service centers, support offices and parts depots are positioned in important aviation hubs in Canada, the U.S. and Germany. A wholly-owned group of subsidiaries of Mitsubishi Heavy Industries, Ltd., the MHI RJ Aviation Group includes MHI RJ Aviation ULC (Canada), MHI RJ Aviation Inc. (U.S.A.) and MHI RJ Aviation GmbH (Germany). For more information about MHI RJ Aviation Group, please visit: mhirj.com.

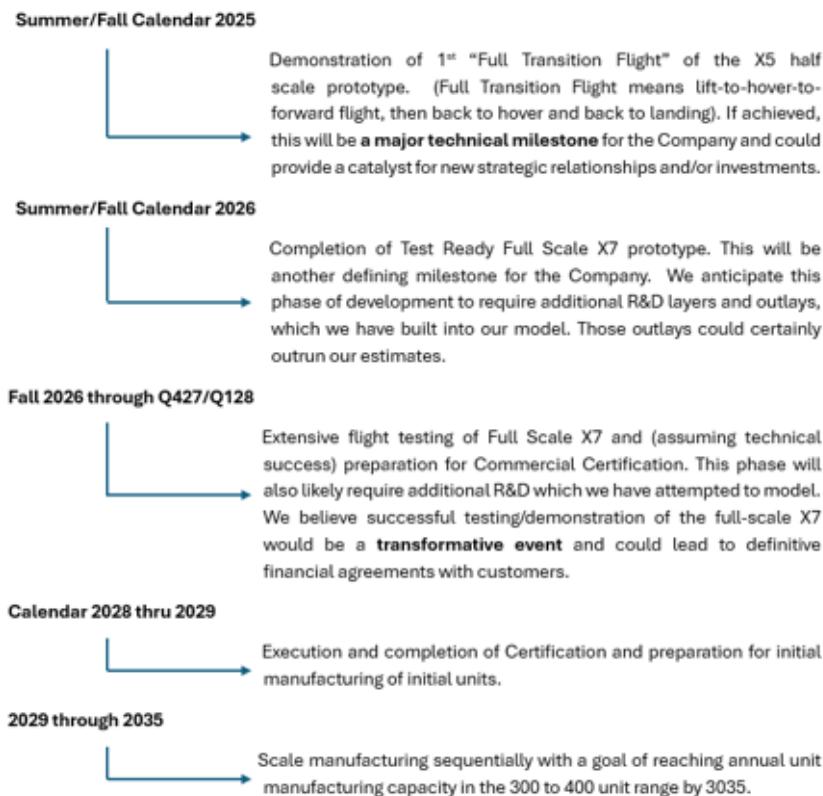
- **North Aircraft Industries** is a Canadian aerospace manufacturer specializing in the development and production of composite primary structures and complete components for aircraft. Established in 2018 and headquartered in London, Ontario, the company delivers lightweight, strong, and cost-effective solutions that support customers in flying more efficiently, longer, and farther.
- **RAMPF Composite Solutions, Inc.** based in Burlington, Ontario, Canada, is a leading expert in the manufacture of carbon fiber and fiberglass composites parts for the aerospace, defense, consumer products, and medical industries. RAMPF Composite Solutions redefines composite manufacturing through advanced processes that deliver lightweight, high-strength components while minimizing waste and reducing cost.
- **Motion Applied** is a UK-based technology company offering leading onboard and offboard electrification products, including a range of AC and DC electric vehicle charging equipment, and the AMPEX family of SiC inverters, a next-generation Silicon Carbide platform that delivers outstanding efficiency, power density, and flexibility for automotive, motorsport, aerospace, and marine applications.

Beyond the above fundamentals, the chronology of our target and allocation changes are also topical to some of our new conclusions herein. To recap, we initiated the coverage on 04/21/25 at \$.45 with an allocation of 4 and a 12-24 month price target of \$1.60. On 05/15/25, with the stock at \$.59, we raised our allocation from 4 to 5 following the announcement of their successful full wing transition demonstration of their large scale X5 prototype. Thereafter, on 10/14/25 following a marked advance in the shares throughout the summer, we lowered our allocation from 5 back to 4 and established a new 12-24 month price target of \$5.50, which was a considerable bump from our prior target of \$1.60. We would add, we lowered our allocation purely on the advance of the shares well beyond the original target. Recall, the shares closed at \$3.67 on 10/13/25, the day prior to our update. That noted, as we will delineate in the summary below, we believe a new (higher) allocation and a new (higher) price target are once again appropriate.

Lastly, the Company's most recent presentation reflects the following timeline:



We have added the above for comparison to the timeline we provided in our initiating coverage which is below:



To clarify, these timelines remain relatively similar. That is, the timeline today is not markedly different than that which we laid out in May 2025, however, one of these items (demonstration of the X5) has come to pass. What *is different*, in our view between then and now, is that for all of the reasons we covered above, the *visibility* and *probability* that the rest of these items will also come to pass is much greater today than it was in May 2025. Succinctly, the probability of success is always a major consideration in the valuation of any project, so when those probabilities improve, the underlying valuation assessments improve with them. We believe that is the case with HOVR today.

In summary, HOVR management has made marked progress over the past year, and that includes success in various aspects of the business, which we believe collectively point to the potential for the last bullet point from our timeline above – commercialization. For perspective, considering the price of existing competing products (comparable helicopters) and in conjunction with our discussions with management, our modeling assumes a \$6 million price point per aircraft. In that case, the production of 300 aircraft per year would generate *\$1.8 billion annually*. That math is the basis for our view that HOVR may ultimately become a billion dollar company, which we think continues to reflect a very favorable risk/reward profile relative to the current (post raises) market cap of about \$150 million. We submit risks remain, most notably their ability to clear any technical hurdles and successfully develop/test the full scale X7 and thereafter achieve certification. However, all told from our perspective, the stars continue to align here as the Company achieves increasingly measurable progress. As a result, we are raising our allocation from 4 back to *5, and we are establishing a new 12-24 month price target of **\$7.50. Further, we believe the next 6 to 12 months are likely to include additional milestones that will underpin these new assessments.

Projected Operating Model

New Horizon Aircraft Ltd.						
Projected Operating Statement (Canadian Dollars)						
By: Trickle Research						
	(Actual)	(Actual)	(Actual)	(Estimate)	(Estimate)	(Estimate)
	<u>8/31/25</u>	<u>11/30/25</u>	<u>2/28/26</u>	<u>5/31/26</u>	<u>Fiscal 2026</u>	<u>Fiscal 2027</u>
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:						
Research and development	\$ 2,719	\$ 2,608	\$ 4,283	\$ 5,097	\$ 14,707	\$ 22,087
General and administrative	\$ 3,190	\$ 2,509	\$ 3,306	\$ 3,529	\$ 12,534	\$ 15,526
Total operating expenses	\$ 5,909	\$ 5,117	\$ 7,589	\$ 8,626	\$ 27,241	\$ 37,613
Loss from operations	\$ (5,909)	\$ (5,117)	\$ (7,589)	\$ (8,626)	\$ (27,241)	\$ (37,613)
Other Expense (Income)	\$ (25)	\$ (265)	\$ 487	\$ -	\$ 197	\$ -
Interest expenses (income), net	\$ (118)	\$ (194)	\$ (182)	\$ -	\$ (494)	\$ -
Change in fair value of Warrants	\$ 5,137	\$ -	\$ (995)	\$ -	\$ 4,142	\$ -
Change in fair value of Forward Purchase Agreement	\$ -	\$ 3,992	\$ -	\$ -	\$ 3,992	\$ -
Termination of Forward Purchase Agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total other expenses	\$ 4,994	\$ 3,533	\$ (690)	\$ -	\$ 7,837	\$ -
Income (Loss) before income taxes	\$ (10,903)	\$ (8,650)	\$ (6,899)	\$ (8,626)	\$ (35,078)	\$ (37,613)
Income tax expense					\$ -	\$ -
Net Income (Loss)	\$ (10,903)	\$ (8,650)	\$ (6,899)	\$ (8,626)	\$ (35,078)	\$ (37,613)
Income (loss) per share:						
Basic: (in Dollars per share)	\$ (0.28)	\$ (0.21)	\$ (0.15)	\$ (0.14)	\$ (0.76)	\$ (0.63)
Diluted: (in Dollars per share)	\$ (0.27)	\$ (0.21)	\$ (0.15)	\$ (0.14)	\$ (0.75)	\$ (0.61)
Shares used in computing Income (loss) per share:						
Basic: (in Shares)	37,135,908	42,081,417	44,958,889	59,766,091	45,985,576	60,071,701
Diluted: (in Shares)	37,135,908	42,081,417	46,836,982	61,609,287	46,915,899	62,111,792

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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.