Trickle Research

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

Fiscal 2026 Earnings Update

Horizon Aircraft

New Horizon Aircraft Ltd.

(Nasdaq: HOVR)

Report Date: 07/21/26

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

Closing Stock Price at This Update (Closing Px: 07/20/26) $1.66

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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.

For fiscal 2026 (ended May 31, 2026) New Horizon Aircraft Ltd. ("HOVR"), reported an operating loss of $35.6 million, or slightly more than our estimate of $35.1 million. HOVR's operating expenses (largely R&D plus G&A), ended a bit lower than we anticipated. As they noted on the call, they expect expenses to expand as they continue to advance the technology towards the demonstration of a full-scale aircraft and ultimately to certification. To that end, as they also noted on the call, they believe recent equity sales have provided them with sufficient capital to get beyond the next two years. That guidance aligns with our current modeling, as we believe the current cash at May 31, 2026 ($78 million) should get them into the second half of *calendar 2028*. However, that remains a moving target. As we have noted in prior updates, the Company's access to capital has in our view considerably derisked the story, and much of the money was raised at prices well beyond our initiating price. We submit, the recent retracing of the shares from the late May highs may have something to do with the digestion of that dilution, but the fact that they are capitalized through much of the upcoming critical R&D is highly positive.

One of the discussions from the call that we found particularly interesting was the potential for some sort of licensing arrangements. That is a possibility we have not spent much time thinking about, as we have generally viewed it as early in the trajectory. However, given the Company's announcement today Horizon Aircraft Secures LOI with V-Star Powered Lift Aviation for the Purchase of Up to 100 Hybrid eVTOLs for $600 Million, we are not so sure that anything is too early.

In short, outside of trying to measure cash in the context of anticipated burn, the quarterly results are not particularly telling. However, the announcements along the way regarding (additional) collaborations and other milestones toward advancing the X7 to full transition flight, and ultimately certification and commercialization *are* telling. We believe the Company has continued to make considerable progress to that end, and we suspect that will continue (again, see today's announcement). We remain very constructive on HOVR's future. As a result, we reiterate our allocation of 5 and our 12-24 month price target of $7.50 and frankly, our bias to each is higher.

Projected Operating Model

New Horizon Aircraft Ltd. Projected Operating Statement (Canadian Dollars) By: Trickle Research	(Estimate) 8/31/26	(Estimate) 11/30/26	(Estimate) 2/28/27	(Estimate) 5/31/27	(Estimate) Fiscal 2027	(Estimate) Fiscal 2028
Net Revenues	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenses:						
Research and development	$ 5,983	$ 5,896	$ 5,807	$ 5,720	$ 23,406	$ 25,581
General and administrative	$ 3,197	$ 3,479	$ 3,461	$ 3,444	$ 13,581	$ 15,351
Total operating expenses	$ 9,179	$ 9,375	$ 9,269	$ 9,163	$ 36,987	$ 40,932
Loss from operations	$ (9,179)	$ (9,375)	$ (9,269)	$ (9,163)	$ (36,987)	$ (40,932)
Other Expense (Income)	$ -	$ -	$ -	$ -	$ -	$ -
Interest expenses (income), net	$ -	$ -	$ -	$ -	$ -	$ -
Change in fair value of Warrants	$ -	$ -	$ -	$ -	$ -	$ -
Change in fair value of Forward Purchase Agreement	$ -	$ -	$ -	$ -	$ -	$ -
Termination of Forward Purchase Agreement	$ -	$ -	$ -	$ -	$ -	$ -
Total other expenses	$ -	$ -	$ -	$ -	$ -	$ -
Income (Loss) before income taxes	$ (9,179)	$ (9,375)	$ (9,269)	$ (9,163)	$ (36,987)	$ (40,932)
Income tax expense					$ -	$ -
Net Income (Loss)	$ (9,179)	$ (9,375)	$ (9,269)	$ (9,163)	$ (36,987)	$ (40,932)
Income (loss) per share:						
Basic: (in Dollars per share)	$ (0.15)	$ (0.15)	$ (0.15)	$ (0.15)	$ (0.60)	$ (0.55)
Diluted: (in Dollars per share)	$ (0.14)	$ (0.15)	$ (0.14)	$ (0.14)	$ (0.58)	$ (0.54)
Shares used in computing Income (loss) per share:						
Basic: (in Shares)	61,891,134	62,013,234	62,129,520	62,240,268	62,068,539	73,825,283
Diluted: (in Shares)	63,894,326	64,041,822	64,182,295	64,316,078	64,108,630	75,988,901

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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.