Horizon Aircraft

Japanese Investors Believe Increased Global Urbanisation is Set to Fuel Growth in eVTOL Sector

65% of Japanese professional investors believe the need to address transportation issues amidst increasing urban populations will be a key driver of eVTOL market growth

More than two in five (43%) Japanese investors predict the first eVTOL commercial passenger routes to be operational by 2026

TORONTO, March 19, 2024 (GLOBE NEWSWIRE) -- New Horizon Aircraft Ltd. (NASDAQ: HOVR), doing business as Horizon Aircraft ("Horizon Aircraft" or the "Company"), a leading hybrid electric Vertical TakeOff and Landing ("eVTOL") aircraft developer, publishes new global research* that indicates the global trend towards urbanisation is believed by Japanese private equity, venture capital and family office investors to be a key driver behind the anticipated growth in the eVTOL. The study from PureProfile, commissioned by the Company, surveyed investors in Japan responsible for more than $423 billion assets under management.

It has been predicted** that 65% of the global population will be living in cities by 2050, compared to 55% today, which equates to almost 2.3 billion people set to move into cities over the next 30 years. This population concentration in cities, equivalent to an additional 76 million people moving into urban areas across the globe each year, will give rise to escalating congestion in ground transportation. The need to address such transportation issues is believed by 65% of Japanese professional investors to be a key driver behind the growth of the eVTOL market.

The study reveals increasing optimism about the Urban Air Mobility (UAM) market with more than two in five (43%) Japanese professional investors stating they think the first commercial UAM routes will be operational by 2026, and 18% believing that the first commercial flights could be as early as 2025. Only 5% of professional investors in Japan believe the debut date for commercial passenger routes will extend beyond 2030.

The future of urban mobility will require a greater reliance on eco-friendly and reliable alternative modes of transport. The study reveals that 83% of Japanese professional investors agree that regulators' support of the eVTOL market will be important in the drive to reduce the overall carbon footprint of the aviation sector.

Roughly three out of four (78%) Japanese investors believe public support for eVTOLs will grow over the next three years with 18% anticipating a dramatic increase in public confidence. Just 8% of the private equity, venture capital and family office investors questioned believe public confidence in the sector will decline as the launch of the first services comes closer to reality. Around 15% do not see any change in public confidence happening or did not express an opinion.

More than three in four (77%) of Japanese investors identified the use of pilots as the key to guaranteeing increased public confidence while 61% say more successful trials of passenger and drone services will be important. The same number (61%) want evidence of more regulatory improvements. Around 55% point to more news about successes in the sector and 45% are hoping for the endorsement of the sector by major companies and investors.

The study found 23% of Japanese investors believe search and rescue will be the first practical use of eVTOLs while 18% think eVTOLs will be used first for supplying remote areas and 15% believe they will first be used for disaster relief. The same number (15%) believe the first use of eVTOLS will be for passenger transport and 13% believe they will be used first for organ transport.

Horizon is targeting the future production of a manned seven-seat capacity hybrid electric eVTOL called the Cavorite X7 which includes room for a pilot and six passengers. It has been developed in response to demand from potential

customers in the medevac, business aviation and commercial cargo sectors.

Brandon Robinson, CEO of Horizon Aircraft, said: "As cities globally grapple with surging populations and escalating traffic congestion, Japanese investors are increasingly recognising the transformative potential of eVTOLs in addressing these challenges. Many believe they are witnessing an acceleration toward the launch of the first commercial eVTOL passenger routes, and with substantial investment already pouring in, the sector is poised for further growth as ongoing developments in technology and regulation create new investment opportunities in this emerging market that is set to revolutionise urban transportation."

Its Cavorite X7 aircraft is expected to have a gross weight of an estimated 5,500 lbs with a projected useful load of 1,500 lbs. With an estimated maximum speed of 250 miles per hour and an average range of over 500 miles with fuel reserves, Horizon believes that this experimental aircraft, if eventually licensed for commercial use, would be well-positioned to excel in medical evacuation, critical supply delivery, disaster relief, and special military missions. The Company believes that the proposed aircraft would also be attractive for Regional Air Mobility - moving people and cargo 50 to 500 miles.

Unlike many in its category, the Cavorite X7 is being designed with a hybrid electric power system. The Company is designing the Cavorite X7 such that it could, after its vertical takeoff, re-charge its batteries enroute when it is flying in a configuration like a traditional aircraft. After a vertical landing and completion of a mission, the Company is designing the Cavorite X7 to recharge its battery array in under 30 minutes to be ready for its next mission.

Horizon believes that its innovative approach and technology will allow the Cavorite X7 to fly 98% of its mission in a very low-drag configuration like a traditional aircraft. The Company believes that flying most of the time as a normal aircraft is also safer and will make the aircraft easier to certify than other radical new eVTOL designs. The Cavorite X7 will be powered by a hybrid electric system that will recharge the battery array in-flight and post-flight, while also providing significant system redundancy. The Company is continuing the testing of its 50%-scale aircraft that it believes will reduce technical risk moving forward as it continues to develop its full- scale aircraft.

Notes to Editors

* Horizon Aircraft commissioned the market research company PureProfile to survey 40 senior private equity, venture capital and family office professionals based in Japan representing institutions managing more than $423 billion assets under management to capture their views on their eVTOL market. The survey was conducted online in November 2023.
** 68% of the world population projected to live in urban areas by 2050, says UN | UN DESA | United Nations Department of Economic and Social Affairs

About Horizon Aircraft

Horizon Aircraft (NASDAQ: HOVR) is an advanced aerospace engineering company that is developing one of the world's first hybrid eVTOL that is to be able to fly most of its mission exactly like a normal aircraft while offering industry-leading speed, range, and operational utility. Horizon's unique designs put the mission first and prioritize safety, performance, and utility. Horizon hopes to successfully complete testing and certification of its Cavorite X7 eVTOL quickly and then enter the market and service a broad spectrum of early use cases. Visit www.horizonaircraft.com for more information.

Forward-Looking Statements

The information in this press release contains certain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "aim," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result" and similar expressions, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Actual results may differ from their expectations,

estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: (i) changes in the markets in which Horizon competes, including with respect to its competitive landscape, technology evolution or regulatory changes; (ii) the risk that Horizon will need to raise additional capital to execute its business plans, which may not be available on acceptable terms or at all; (iii) the ability of the parties to recognize the benefits of the business combination agreement and the business combination; (iv) the lack of useful financial information for an accurate estimate of future capital expenditures and future revenue; (v) statements regarding Horizon's industry and market size; (vi) financial condition and performance of Horizon, including the anticipated benefits, the implied enterprise value, the expected financial impacts of the business combination, the financial condition, liquidity, results of operations, the products, the expected future performance and market opportunities of Horizon; (vii) Horizon's ability to develop, certify, and manufacture an aircraft that meets its performance expectations; (viii) successful completion of testing and certification of Horizon's Cavorite X7 eVTOL; (ix) the targeted future production of Horizon's Cavorite X7 aircraft; and (x) those factors discussed in our filings with the SEC. You should carefully consider the foregoing factors and the other risks and uncertainties that will be described in the "Risk Factors" section of the Proxy Statement and other documents to be filed by New Horizon from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward- looking statements, and while Horizon may elect to update these forward-looking statements at some point in the future, they assume no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law. Horizon does not give any assurance that Horizon will achieve its expectations.

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