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DELTA REPORT

10-Q

NEW HORIZON AIRCRAFT LTD.

10-Q - NOVEMBER 30, 2024 COMPARED TO 10-Q - AUGUST 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 412

█ CHANGES 68

█ DELETIONS 223

█ ADDITIONS 121

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **August 31, 2024** **November 30, 2024**

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 **001-41607**

NEW HORIZON AIRCRAFT LTD.

(Exact name of registrant as specified in its charter)

British Columbia, Canada

(State or other jurisdiction of
incorporation or organization)

98-1786743

(IRS Employer
Identification No.)

3187 Highway 35
Lindsay, Ontario

(Address of principal executive offices)

K9V 4R1

(Postal Code)

(613) 866-1935

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 Ordinary Share, no par value	HOVR	The Nasdaq Stock Market LLC
Warrants, each warrant exercisable for one Class A Ordinary Share at an exercise price of \$11.50 per share	HOVRW	The Nasdaq Stock Market LLC

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 (Section 232.405 of this chapter) during the preceding 12 months (or 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). No Yes

As of **October 10, 2024** **January 13, 2025**, there were **24,574,247** **31,230,914** of the registrant's Class A ordinary shares, issued and outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

NEW HORIZON AIRCRAFT LTD.
CONDENSED INTERIM CONSOLIDATED **INTERIM** BALANCE SHEETS
AS AT **AUGUST 31, NOVEMBER 30, 2024 AND MAY 31, 2024**
EXPRESSED IN CANADIAN DOLLAR 000's, EXCEPT PER SHARE AMOUNTS; UNAUDITED

	August 31, 2024	May 31, 2024
Assets:		
Current assets:		
Cash and cash equivalents	\$ 3,822	\$ 1,816
Prepaid expenses	2,118	2,431
Other receivables	59	417
Total current assets	5,999	4,664
Operating lease assets	63	75
Property and equipment, net	175	205
Total Assets	\$ 6,237	\$ 4,944
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable	\$ 1,235	\$ 715
Accrued liabilities	212	574
Operating lease liabilities	36	44
Total current liabilities	1,483	1,333
Forward Purchase Agreement	21,121	20,938
Warrant liabilities	5,741	576
Operating lease liabilities	25	30
Total Liabilities	28,370	22,877
Shareholders' Equity (Deficit):		
Class A ordinary shares, no par value; 100,000,000 shares authorized; 21,519,247 issued and outstanding (18,607,931 as of May 31, 2024)	76,323	74,406
Additional paid-in capital	(80,862)	(77,656)
Accumulated deficit	(17,594)	(14,683)
Total Shareholders' Equity (Deficit)	(22,133)	(17,933)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 6,237	\$ 4,944
	November 30, 2024	May 31, 2024
Assets:		
Current assets:		
Cash and cash equivalents	\$ 887	\$ 1,816
Prepaid expenses	851	2,431
Accounts receivable	23	417
Total current assets	1,761	4,664
Operating lease assets	50	75
Property and equipment, net	151	205
Total Assets	\$ 1,962	\$ 4,944
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable	\$ 374	\$ 715
Accrued liabilities	236	574
Operating lease liabilities	29	44
Total current liabilities	639	1,333
Forward Purchase Agreement	-	20,938
Warrant liabilities	3,657	576
Operating lease liabilities	19	30
Total Liabilities	4,315	22,877
Shareholders' Equity (Deficit):		
Class A ordinary shares, no par value; 100,000,000 shares authorized; 24,574,247 issued and outstanding (18,607,931 as of May 31, 2024)	78,307	74,406
Additional paid-in capital	(82,730)	(77,656)
Retained Earnings (Deficit)	2,070	(14,683)
Total Shareholders' Equity (Deficit)	(2,353)	(17,933)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 1,962	\$ 4,944

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

NEW HORIZON AIRCRAFT LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
EXPRESSED IN CANADIAN DOLLAR 000'S, EXCEPT PER SHARE AMOUNTS; UNAUDITED

	Three months ended		For the three months ended		For the six months ended	
	August 31, 2024	August 31, 2023	November 30, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Operating expenses						
Research and development	\$ 297	\$ 145	\$ 427	\$ 219	\$ 724	\$ 419
General and administrative	2,408	235	2,847	605	5,255	840
Total operating expenses	2,705	380	3,274	824	5,979	1,259
Loss from operations	(2,705)	(380)	(3,274)	(824)	(5,979)	(1,259)
Other expenses (income)	29	(2)				
Other income			(47)	(227)	(18)	(229)
Interest expenses (income), net		(11)	38	(13)	143	(24)
Warrant expense (income)	5	-				
Change in fair value of Warrants			(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	36	(22,938)	(84)	(22,732)	(48)
Loss before income taxes	(2,911)	(416)				
Income (Loss) before income taxes			19,664	(740)	16,753	(1,211)
Income tax expense	-	-	-	-	-	-
Net Loss	\$ (2,911)	\$ (416)				
Net Income (Loss)			\$ 19,664	\$ (740)	\$ 16,753	\$ (1,211)
Basic and diluted weighted average Common shares outstanding	19,246,089	5,075,420				
Basic and diluted net loss per share, Common shares	\$ (0.15)	\$ (0.08)				
Income (loss) per share:						
Basic:			\$ 0.83	\$ (0.15)	\$ 0.79	\$ (0.24)
Diluted:			\$ 0.80	\$ (0.15)	\$ 0.76	\$ (0.24)
Shares used in computing Income (loss) per share:						
Basic:			23,599,144	5,075,420	21,246,788	5,075,420
Diluted:			24,574,247	5,075,420	21,930,531	5,075,420

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

NEW HORIZON AIRCRAFT LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN
SHAREHOLDERS' EQUITY (DEFICIT)
EXPRESSED IN CANADIAN DOLLAR 000'S, EXCEPT SHARE AMOUNTS; UNAUDITED

	Total Shareholders' Equity										Class A Ordinary Shares				Class B Ordinary Shares				Non-Voting Common Shares		Additional Paid-in Capital	
	Class A Ordinary Shares		Class B Ordinary Shares		Non-Voting Common Shares		Additional Paid-in		Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit														
Balance at May 31, 2024	18,607,931	\$ 74,406	—	\$ —	—	\$ —	\$ (77,656)	\$ (14,683)	\$ (17,933)	18,607,931	\$ 74,406	—	\$ —	—	\$ —	—	\$ —	\$ (77,656)				
Stock-based Compensation	—	—	—	—	—	—	26	—	26	—	—	—	—	—	—	—	—	26				
Net Loss	—	—	—	—	—	—	—	(2,911)	(2,911)	—	—	—	—	—	—	—	—	—				
Incentive Shares Issued	66,316	74	—	—	—	—	—	—	74	66,316	74	—	—	—	—	—	—	—				
Class A Shares Issued	2,800,000	1,799	—	—	—	—	—	—	1,799	2,800,000	1,799	—	—	—	—	—	—	—				
Warrant Exercise	45,000	44	—	—	—	—	—	—	44	45,000	44	—	—	—	—	—	—	—				
Pre-Funded Warrants	—	—	—	—	—	—	1,925	—	1,925	—	—	—	—	—	—	—	—	1,925				
Warrant Issuance	—	—	—	—	—	—	(5,157)	—	(5,157)	—	—	—	—	—	—	—	—	(5,157)				
Balance at August 31, 2024	21,519,247	\$ 76,323	—	\$ —	—	\$ —	\$ (80,862)	\$ (17,594)	\$ (22,133)	21,519,247	\$ 76,323	—	\$ —	—	\$ —	\$ —	\$ (80,862)					
Stock-based Compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13				
Net Income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Warrant Exercise	—	—	—	—	—	—	55,000	59	—	—	—	—	—	—	—	—	—	44				
Pre-Funded Warrants Exercised	—	—	—	—	—	—	3,000,000	1,925	—	—	—	—	—	—	—	—	—	(1,925)				
Balance at November 30, 2024	24,574,247	\$ 78,307	—	\$ —	—	\$ —	\$ —	\$ —	\$ (82,730)	—	—	—	—	—	—	—	—					
	Total Shareholders' Equity										Class A Ordinary Shares				Class B Ordinary Shares				Non-Voting Common Shares		Additional Paid-in Capital	
	Class A Ordinary Shares		Class B Ordinary Shares		Non-Voting Common Shares		Additional Paid-in		Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit											(Deficit)			
Balance at May 31, 2023	5,075,420	\$ 5,083	1,062,244	\$ —	168,832	\$ —	\$ 55	\$ (6,523)	\$ (1,385)	5,075,420	\$ 5,083	1,062,244	\$ —	168,832	\$ —	—	\$ —					
Stock-based Compensation	—	—	—	—	—	—	13	—	13	—	—	—	—	—	—	—	—	—				
Net Loss	—	—	—	—	—	—	—	(416)	(416)	—	—	—	—	—	—	—	—	—				
Balance at August 31, 2023	5,075,420	\$ 5,083	1,062,244	\$ —	168,832	\$ —	\$ 68	\$ (6,939)	\$ (1,788)	5,075,420	\$ 5,083	1,062,244	\$ —	168,832	\$ —	—	—	—				
Stock-based Compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Conversion of Convertible Debentures	—	—	—	—	—	—	—	—	—	—	517,532	1,496	—	—	—	—	—	—				
Net Loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Balance at November 30, 2023	5,075,420	\$ 5,083	1,579,776	\$ 1,496	168,832	\$ —	—	—	—	—	—	—	—	—	—	—	—					

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

NEW HORIZON AIRCRAFT LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
EXPRESSED IN CANADIAN DOLLAR 000'S; UNAUDITED

	Three months ended		Six months ended	
	August 31, 2024	August 31, 2023	November 30, 2024	November 30, 2023
Cash Flows from Operating Activities:				
Net loss	\$ (2,911)	\$ (416)	\$ 16,753	\$ (1,211)
Net Income (loss)				
Depreciation and amortization	30	6	61	19
Non-cash lease expense	—	14	—	28
Stock-based compensation	100	13	118	47
Non-cash interest	—	30	—	113
Registered Share offering costs	290	—		
Registered Share Offering Costs			290	—
Change in fair value of Forward Purchase Agreement	183	—	740	—
Gain on Termination of Forward Purchase Agreement				(21,400)
Change in Warrant liability	5	—	(2,030)	—
Changes in operating assets and liabilities:				
Prepaid expenses	313	(33)	1,580	(90)
Accounts receivable	358	—	394	(252)
Accounts payable	520	(6)	(341)	33
Accrued liabilities	(362)	—	(346)	—
Operating leases	(1)	(13)	(3)	(27)
Net cash used in operating activities	(1,475)	(405)	(4,184)	(1,340)
Cash Flows used in Investing Activities:				
Purchase of property and equipment	—	(16)	(7)	(54)
Net cash used in investing activities	—	(16)	(7)	(54)
Cash Flows from Financing Activities:				
Finance lease payments	—	(3)	—	(3)
Proceeds from issuance of Convertible debentures	—	300	—	7,122
Repayment of notes payable				(75)
Proceeds from Registered Securities Offering	3,947	—	3,947	—
Registered Share Offering Costs				(510)
Forward Purchase Agreement termination	—			(278)
Proceeds from warrants exercised	44	—	103	—
Ordinary Share offering costs	(510)	—		
Net cash provided by financing activities	3,481	297	3,262	7,044
Net Change in Cash and Cash Equivalents	2,006	(124)	(929)	5,650
Cash and Cash Equivalents - Beginning of period	1,816	228	1,816	228
Cash and Cash Equivalents - End of period	\$ 3,822	\$ 104	\$ 887	\$ 5,878
Supplemental cash flow information				
Taxes paid	\$ —	\$ —	\$ —	\$ —
Interest paid	\$ 1	\$ —	\$ 1	\$ —

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

NEW HORIZON AIRCRAFT LTD.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1. Organization and Nature of Business

Organization and Nature of Business

New Horizon Aircraft Ltd. (the “Company”, or “Horizon”, “we,” “us” or “our”), a British Columbia corporation, with our headquarters located in Lindsay, Ontario, is an aerospace company. The Company is a former blank check company incorporated on March 11, 2022, under the name Pono Capital Three, Inc. (“Pono”), as a Delaware corporation, subsequently redomiciled in the Cayman Islands on October 14, 2022, and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or similar business combination with one or more businesses.

The Company’s objective is to significantly advance the benefits of sustainable air mobility. In connection with this objective, we have designed and developed a cost-effective and energy efficient hybrid-electric vertical takeoff and landing (“eVTOL”) prototype aircraft for use in future regional air mobility (“RAM”) networks.

Business Combination

On February 14, 2023, we consummated an initial public offering (“IPO”). On January 12, 2024 (the “Closing date”), we consummated a merger (the “Merger”) with Pono Three Merger Acquisitions Corp., a British Columbia company (“Merger Sub”) and wholly-owned subsidiary of Pono, with and into Robinson Aircraft Ltd. (“Robinson”) pursuant to an agreement and plan of merger, dated as of August 15, 2023, (as amended by a Business Combination Agreement Waiver, dated as of December 27, 2023) by and among Pono, Merger Sub, Horizon, and Robinson.

The Merger and other transactions contemplated thereby (collectively, the “Business Combination”) closed on January 12, 2024, when, pursuant to the Business Combination Agreement, Merger Sub merged with and into Robinson, surviving the Merger as a wholly owned subsidiary of Pono. Pono changed its name to “New Horizon Aircraft Ltd.” and the business of Robinson became the business of New Horizon Aircraft Ltd.

The unaudited condensed interim consolidated financial statements reflect (i) the historical operating results of Robinson prior to the Business Combination (“Legacy Horizon”); (ii) the combined results of Pono and Legacy Horizon following the closing of the Business Combination; (iii) the assets and liabilities of Legacy Horizon at their historical cost; and (iv) the Company’s equity structure for all periods presented.

NOTE 2. Going Concern and Liquidity

The accompanying unaudited condensed interim consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) which contemplates continuation of the Company as a going concern and the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred and expects to continue to incur significant costs in pursuit of the Company’s development plans. We have devoted many resources to the design and development of our eVTOL prototype. Funding of these activities has primarily been through the net proceeds received from the issuance of related and third-party debt and the sale of Class A ordinary shares to related and third parties.

Through August 31, 2024, we have incurred cumulative losses from operations, negative cash flows from operating activities, and have an accumulated deficit of \$17.6 million. Horizon is a pre-revenue organization in a research and development and flight-testing phase of operations. While management estimates that the net cash proceeds from a fiscal 2025 Q1 sale of securities will be sufficient to fund our current operating plan for at least the next 12 months from the date these unaudited condensed interim consolidated financial statements were available to be issued, there is substantial doubt around the Company's ability to meet the going concern assumption beyond that period without raising additional capital. On December 20, 2024, the Company received an investment of \$8.4 million in exchange for a combination of common and preferred shares.

There can be no assurance that we will be successful in achieving our business plans, that our current capital will be sufficient to support our ongoing operations, or that any additional financing will be available in a timely manner or on acceptable terms, if at all. If events or circumstances occur such that we do not meet our business plans, we may be required to raise additional capital, alter, or scale back our aircraft design, development, and certification programs, or be unable to fund capital expenditures. Any such events would have a material adverse effect on our financial position, results of operations, cash flows, and ability to achieve our intended business plans.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Principles of Consolidation and Financial Statement Presentation

The accompanying unaudited condensed interim consolidated financial statements are presented in Canadian dollars in conformity with GAAP and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). These unaudited condensed interim consolidated financial statements include all the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated on consolidation. These unaudited condensed interim consolidated financial statements include all adjustments necessary for the fair presentation of the Company's financial position, results of operations, and cash flows for the periods presented. Certain prior period amounts have been reclassified to conform to the current year's presentation. All figures are in thousands of Canadian dollars unless noted otherwise. **The unaudited**

There have been no changes to the Company's significant accounting policies described in Note 3 "Summary of Significant Accounting Policies" to the audited Consolidated Financial Statements in the Company's annual report on Form 10-K for the year ended May 31, 2024, that have had a material impact on the Condensed Consolidated Financial Statements and related notes.

Certain information and footnote disclosures normally included in the Company's annual audited Consolidated Financial Statements and accompanying notes have been condensed or omitted in these accompanying interim consolidated financial statements Condensed Consolidated Financial Statements and footnotes. Accordingly, these interim Condensed Consolidated Financial Statements should be read in conjunction with the Company's audited consolidated financial statements as of and for the fiscal year ended May 31, 2024, set forth in the Company's Annual Report on Form 10-K filed with the SEC on August 15, 2024.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may 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, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (specifically, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

Reverse Recapitalization

Pursuant to Accounting Standards Codification ("ASC") 805, for financial accounting and reporting purposes, Robinson was deemed the accounting acquirer with Pono being treated as the accounting acquiree, and the Merger was accounted for as a reverse recapitalization (the "Reverse Recapitalization"). Accordingly, these unaudited condensed interim consolidated financial statements of the Company represent a continuation of the financial statements of Robinson, with the Merger being treated as the equivalent of Robinson issuing stock for the net assets of Pono, accompanied by a recapitalization. The net assets of Pono were stated at historical costs, with no goodwill or other intangible assets recorded, and were consolidated with Robinson financial statements on the Closing Date. Operations prior to the Closing Date are presented solely as those of Legacy Horizon. The number of Legacy Horizon common shares for all periods prior to the Closing Date have been retrospectively decreased using an exchange ratio that was established in accordance with the Merger Agreement (the "Exchange Ratio").

Upon the consummation of the Merger, the Company gave effect to the issuance of 7,251,939 Class A ordinary shares for the previously issued Pono ordinary shares and Private Investment in Public Equity ("PIPE") Shares that were outstanding at the Closing Date. The Company raised \$4 in proceeds, net of redemptions of Pono public stockholders of \$140.0 million and reimbursements for Pono's expenses of \$4.5 million, and \$2.7 million of cash in connection with the PIPE Financing.

Robinson incurred \$3.1 million of transaction costs, satisfied by a combination of cash and common stock, consisting of banking, legal, and other professional fees, and assumed a \$16.6 million derivative liability related to a Forward Purchase Agreement, \$1.0 million warrant liability, and \$0.4 million of accounts payable from Pono.

	January 12, 2024
Forward Purchase Agreement	\$ 16,596
Warrant Liability	970
Accounts Payable	360
Net Liabilities Assumed	\$ 17,926

Use of Estimates

The preparation of these unaudited condensed interim consolidated financial statements in conformity with GAAP requires the Company's 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 unaudited condensed interim consolidated financial statements and the reported amounts of expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the unaudited condensed interim consolidated financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ from those estimates.

On an ongoing basis, management evaluates its estimates and believes significant estimates for the period include those related to Financial Instruments, Business Combinations, Going Concern, Warrant Liabilities, and Stock-based compensation. These estimates include the (i) realization of deferred tax assets and estimates of tax liabilities, (ii) fair value of share-based payments, (iii) valuation of leased assets and liabilities, (iv) volatility, (v) future cash flows, and (vi) estimated useful lives of long-lived assets. These estimates are based on historical data and experience, as well as various other factors that management believes to be appropriate under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Such estimates often require the selection of appropriate valuation methodologies and models and may involve significant judgment in evaluating ranges of assumptions and financial inputs. Actual results may differ from those estimates under different assumptions, financial inputs, or circumstances.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of August 31, 2024, and May 31, 2024.

Income Taxes

Income taxes are provided in accordance with ASC Topic 740, *Income Taxes* ("ASC 740"). A deferred tax asset or liability is recorded for all temporary differences between income for financial statement purposes and income for tax purposes as well as operating loss carry forwards. Deferred tax expenses or recovery result from the net change during the year of deferred tax assets and liabilities. Any interest and penalties are recorded as part of income tax expense.

Deferred tax assets are reduced by a valuation allowance, when, in the opinion of management, it is likely that some portion of the deferred tax asset will not be realized. Deferred taxes are adjusted for the effects of changes in tax laws and rates. Interest and penalties, if applicable, are recorded in the Company's statements of operations. Areas of estimation include consideration of future taxable income.

Net Income (loss) Per Share

Basic net loss per share is calculated by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding. Stock options, convertible debentures, and warrants were excluded from the computation of diluted net income (loss) per share as including them would have been anti-dilutive. As we reported net losses for all periods presented, diluted loss per share is the same as basic loss per share.

Fair Value of Financial Instruments

The Company applies ASC Topic 820, *Fair Value Measurement* ("ASC 820"), which establishes a framework for measuring fair value and clarifies the definition of fair value within that framework. ASC 820 defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value hierarchy established in ASC 820 generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability and are to be developed based on the best information available in the circumstances.

The carrying amounts reflected in the balance sheet for current assets and current liabilities approximate fair value due to their short-term nature.

Level 1 — Assets and liabilities with unadjusted, quoted prices listed on active market exchanges. Inputs to the fair value measurement are observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs to the fair value measurement are determined using prices for recently traded assets and liabilities with similar underlying terms, as well as direct or indirect observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 — Inputs to the fair value measurement are unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities. Areas of estimation include expected volatility, discount rate, and quantum of shares subject to the Forward Purchase Agreement.

Research and Development Costs

The research and development costs are accounted for in accordance with ASC 730, *Research and Development*, which requires all research and development costs be expensed as incurred.

Stock-based Compensation

Our stock-based compensation awards consist of stock options granted to employees and non-employees. We recognize stock-based compensation expense in accordance with the provisions of ASC 718, *Compensation - Stock Compensation* ("ASC 718"). ASC 718 requires the measurement and recognition of compensation expense for all stock-based compensation awards to be based on the grant date fair values of the awards. We estimate the fair value of share options using the Black-Scholes option-pricing model. The value of the award is recognized as expense over the requisite service period on a straight-line basis. Determining the grant date fair value of the awards using the Black-Scholes option-pricing model requires management to make assumptions and estimates, including but not limited to the following:

Expected term — The estimate of the expected term of employee awards is determined in accordance with the simplified method, which estimates the term based on an averaging of the vesting period and contractual term of the option grant.

Expected volatility — Expected volatility used is based on the volatility of similar entities (referred to as “guideline companies”) for a period consistent with the expected term of the award.

Risk-free interest rate — The risk-free interest rate used to value awards is based on the Treasury yields in effect at the time of grant for a period consistent with the expected term of the award.

Dividend yield — We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future.

Forfeiture rate — We have elected to account for forfeitures as they occur and will record stock-based compensation expense assuming all option holders will complete the requisite service period. If an employee forfeits an award because they fail to complete the requisite service period, we will reverse stock-based compensation expense previously recognized in the period the award is forfeited.

Property and Equipment, Net

Property and equipment is stated at historical cost less accumulated depreciation. Expenditures for major renewals and betterments are capitalized, while minor replacements, maintenance, and repairs, which do not extend the asset lives, are charged to operations as incurred. Upon sale or disposition, the cost and related accumulated depreciation is removed from the accounts, and any difference between the selling price and net carrying amount is recorded as a gain or loss in the statements of operations and comprehensive loss. Depreciation on property and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

Impairment of Long-Lived Assets

We review our long-lived assets, consisting primarily of property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such triggering events or changes in circumstances may include: a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being or intended to be used, a significant adverse change in legal factors or in the business climate, the impact of competition or other factors that could affect the value of a long-lived asset, a significant adverse deterioration in the amount of revenue or cash flows expected to be generated from an asset group, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development of a long-lived asset, current or future operating or cash flow losses that demonstrate continuing losses associated with the use of a long-lived asset, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. We perform impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows attributable to such assets including any cash flows upon their eventual disposition to their carrying value. If the carrying value of the assets exceeds the forecasted undiscounted cash flows, then the assets are written down to their fair value. We determined there was no impairment of long-lived assets during all periods presented.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, *Derivatives and Hedging* (“ASC 815”). For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value on the grant date and is then re-valued at each reporting date, with changes in the fair value reported in the unaudited condensed interim consolidated statements of operations. For derivative instruments that are classified as equity, the derivative instruments are initially measured at fair value (or allocated value), and subsequent changes in fair value are not recognized so long as the contracts continue to be classified in equity.

The Company's Forward Purchase Agreement is recognized as a derivative liability in accordance with ASC 815. Accordingly, the Company recognizes the instrument as an asset or liability at fair value and with changes in fair value recognized in the Company's unaudited condensed interim consolidated statements of operations. The estimated fair value of the Forward Purchase Agreement is measured at fair value using a simulation model. At the settlement date, the Forward Purchase Agreement will be recognized as a derivative asset at the value of cash paid based on the number of shares, with any changes in fair value recognized in the Company's unaudited condensed interim consolidated statements of operations.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480 and ASC 815. The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own ordinary shares, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as liabilities at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the unaudited condensed interim consolidated statements of operations. Areas of estimation include expected volatility, expected life of the warrants, and discount rate. Existing warrants outstanding were determined to be liabilities.

Public Warrants

The measurement of the public warrants as of August 31, 2024, is classified as Level 1 due to the use of an observable market quote in an active market under the ticker "HOVRW." The quoted price of the public warrants was \$0.03 USD per warrant as of August 31, 2024.

Government Grants

The Company receives payments from government entities primarily for research and development deliverables as part of ongoing development of the Company's technology and future services offering. Under the Company's accounting policy for government grants received as a payment for research and development services, grants are recognized on a systematic basis over the periods in which these services are provided and are presented as other income in the unaudited condensed interim consolidated statement of operations. Effective June 1, 2021, the Company adopted *Accounting Standards Update ("ASU") 832, Government Assistance ("ASU 832")* and has disclosed the transactions with government organizations in Note 10.

Recent Accounting Standards

No recently issued accounting pronouncements have had or are expected to have a material impact on the Company's unaudited condensed interim consolidated financial statements.

NOTE 4. Balance Sheet Components**Property and Equipment, net**

Property and equipment consist of the following:

	August 31, 2024	May 31, 2024	November 30, 2024	May 31, 2024
Computer Equipment	\$ 66	\$ 66	\$ 66	\$ 66
Leasehold Improvements	17	17	24	17
Tools and Equipment	48	48	48	48
Website Development	152	152	152	152
Vehicles	16	16	16	16
	299	299	306	299
Accumulated Depreciation	(124)	(94)	(155)	(94)
Total Property and Equipment, net	\$ 175	\$ 205	\$ 151	\$ 205

Depreciation expenses of \$30 \$31 and \$61 for the three and six months ended August 31, 2024 (August 31, November 30, 2024 (November 30, 2023 - \$6) \$6 and \$19), respectively, has been recorded in General and Administrative expenses in the unaudited condensed interim consolidated statements of operations.

Prepaid Expenses

Prepaid Expenses consisted of the following:

	August 31, 2024	May 31, 2024	November 30, 2024	May 31, 2024
Prepaid insurance	\$ 377	\$ 482	\$ 272	\$ 482
Prepaid rent	1	1	1	1
Prepaid software	7	10	4	10
Prepaid capital market services	1,733	1,938	574	1,938
Total Prepaid expenses	\$ 2,118	\$ 2,431	\$ 851	\$ 2,431

Accrued Expenses

Accrued Expenses consisted of the following:

	August 31, 2024	May 31, 2024
Accrued professional fees	\$ 92	\$ 406
Accrued employee costs	8	84
Other accrued expenses	112	84
Total Accrued expenses	\$ 212	\$ 574

Leases

The Company has previously entered into multiple lease agreements for the use of certain property and equipment under operating and finance leases. Property leases include hangars, storage, offices, and other space.

The Company records the initial right-to-use asset and lease liability at the present value of lease payments scheduled during the lease term. Unless the rate implicit in the lease is readily determinable, the Company discounts the lease payments using an estimated incremental borrowing rate at the time of lease commencement. The Company estimates the incremental borrowing rate based on the information available at the lease commencement date, including the rate the Company could borrow for a similar amount, over a similar lease term with similar collateral. The Company's weighted-average discount rate for operating and finance leases during all periods presented was 10%.

Operating lease expense is recognized on a straight-line basis over the lease term. The weighted-average remaining lease term is 2 years as of August 31, 2024. There are no finance leases remaining as of August 31, 2024.

	November 30, 2024	May 31, 2024
Accrued professional fees	\$ 60	\$ 406
Accrued employee costs	7	84
Other accrued expenses	169	84
Total Accrued expenses	\$ 236	\$ 574

The Company's lease costs were as follows:

	Quarter-Ended	
	August 31, 2024	August 31, 2023
Operating lease cost	\$ 14	\$ 14
Short-term lease cost	1	2
Total Lease cost	\$ 15	\$ 16

The Company's weighted-average remaining lease term and discount rate as of August 31, 2024, and May 31, 2024 was as follows:

	August 31, 2024	May 31, 2024
Weighted-average remaining lease term (years)	2	2
Weighted-average discount rate	10 %	10 %

The minimum aggregate future obligations under the Company's non-cancellable operating leases as of August 31, 2024 were as follows (in 000's):

	August 31, 2024
fiscal 2025	\$ 37
fiscal 2026	24
fiscal 2027	8
Total future lease payments	<u>69</u>
Less: imputed interest	<u>(7)</u>
Present value of future lease payments	\$ 62

NOTE 5. Convertible Promissory Notes

In May 2022, the Company approved the issuance of a series of Convertible Promissory Notes (collectively, the "Notes") carrying a one-year term with interest on the outstanding principal amount from the date of issuance accrued at the rate of 10% per annum.

On or before the date of the repayment in full of the Notes, in the event the Company issued shares of its equity securities to investors (the "Investors") in gross proceeds of at least \$2.0 million (a "Qualified Financing"), the outstanding principal and unpaid accrued interest balance of the Notes would convert into common shares at a conversion price equal to the lesser of (i) 80% of the per share price paid by the Investors; and (ii) a price equal to \$15.0 million divided by the aggregate number of outstanding common shares of the Company immediately prior to the closing of the Qualified Financing on the same terms and conditions as provided to the Investors.

During the year ended May 31, 2023, the Company issued Convertible Promissory Notes in the amount of \$1,035 (2022 - \$50).

During the year ended May 31, 2024, the Company issued an additional Convertible Promissory Note in the amount of \$300, with the same terms as the previously issued convertible promissory notes.

The following table presents the principal amounts and accrued interest of the Convertible Promissory Notes as of May 31, 2024:

	Amount
Convertible Promissory Notes May 31, 2022	\$ 50
Issuance of additional Convertible Promissory Notes	1,035
Accrued interest	57
Convertible Promissory Notes May 31, 2023	\$ 1,142
Issuance of additional Convertible Promissory Notes	300
Accrued interest	54
Conversion of Promissory Notes	(1,496)
Convertible Promissory Notes May 31, 2024	\$ -

There was \$24 and \$30 of interest recorded in the quarter three and six months ended August 31, 2023, November 30, 2023, respectively.

In October 2023, the Company completed a Qualified Financing and based on the terms of the Notes all Convertible Promissory Notes were converted into 517,532 common shares of the Company.

NOTE 6. Fair Value Measurements

The following table presents information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis as of August 31, 2024 November 30, 2024, and May 31, 2024, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Amount at Fair Value	Level 1		Level 2		Level 3		Amount at Fair Value	Level 1	Level 2	Level 3					
August 31, 2024																
November 30, 2024																
Liabilities																
Derivative Liability - Forward Purchase Agreement	\$ 21,121	\$ —	\$ —	\$ —	\$ 21,121											
Derivative Liability - Warrants	\$ 5,741	\$ 419	\$ —	\$ —	\$ 5,322	\$ 3,657	\$ 352	\$ —	\$ 3,305							
Total	\$ 26,862	\$ 419	\$ —	\$ 26,443	\$ 3,657	\$ 352	\$ —	\$ 3,305								

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Description	Amount at Fair Value	Level 1	Level 2	Level 3
May 31, 2024				
Liabilities				
Derivative Liability - Forward Purchase Agreement	\$ 20,938	\$ —	\$ —	\$ 20,938
Derivative Liability - Warrants	\$ 576	\$ 549	\$ —	\$ 27
Total	\$ 21,514	\$ 549	\$ —	\$ 20,965

The following table provides quantitative information regarding Level 3 fair value measurements inputs related to the Forward Purchase Agreement at their measurement dates:

	August 31, 2024	May 31, 2024	November 1, 2024	May 31, 2024
Redemption Price (USD)	\$ 10.61	\$ 10.61	\$ 10.61	\$ 10.61
Stock Price (USD)	\$ 0.99	\$ 0.80	\$ 0.28	\$ 0.80
Volatility	76 %	53 %	76 %	53 %
Term (years)	1.93	2.18	1.76	2.18
Risk-free rate	3.61 %	4.51 %	4.40 %	4.51 %

As outlined in note 7, 5,800,000 warrants were issued on August 21, 2024. The following table provides quantitative information regarding Level 3 fair value measurements inputs related to these Warrant liabilities at their measurement dates:

	August 31, 2024	August 21, 2024	November 30, 2024	August 21, 2024
Redemption Price (USD)	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75
Stock Price (USD)	\$ 0.99	\$ 0.96	\$ 0.67	\$ 0.96
Volatility	76 %	76 %	76 %	76 %
Term (years)	4.9	5.0	4.7	5.0
Risk-free rate	3.61 %	3.61 %	4.18 %	3.61 %

The change in the fair value of the assets and liabilities measured with Level 3 inputs, for the **quarter** three and six months ended **August 31, 2024** **November 30, 2024**, is summarized as follows:

	August 31, 2024	August 21, 2024	November 30, 2024	August 21, 2024
Fair value Derivative Liability - May 31, 2024	\$ 20,965			
Change in fair value of Forward Purchase Agreement		740		
Termination of Forward Purchase Agreement			(21,678)	
Additional Warrant Liabilities incurred			5,157	
Change in fair value of Warrant Liabilities			(1,879)	
Fair value Derivative Liability - November 30, 2024	\$ 3,305			

	August 31, 2024
Fair value Derivative Liability - May 31, 2024	\$ 20,965
Change in fair value of Forward Purchase Agreement	183
Additional Warrant Liabilities incurred	5,157
Change in fair value of Warrant Liabilities	138
Fair value Derivative Liability - August 31, 2024	\$ 26,443

The estimated fair value of the Forward Purchase Agreement was measured at fair value using a simulation model, which was determined using Level 3 inputs. Inherent in a simulation are assumptions related to expected stock-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its Class A ordinary shares based on implied volatility from the Company's traded Class A ordinary shares and from historical volatility of select peer company's shares that matches the expected remaining life of the Forward Purchase Agreement. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the Class A ordinary shares. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates remaining at zero. Any changes in these assumptions could change the valuation significantly.

The Company will not have any monetary obligations in connection with mutually agreed to terminate the Forward Purchase Agreement with its counterparty on November 1, 2024, for a cost of \$278. In connection with this termination, the Company recorded a \$21,400 gain.

NOTE 7. Common Stock

The Company's Class A ordinary shares and warrants trade on the NASDAQ stock exchange under the symbol "HOVR" and "HOVRW", respectively. Pursuant to the terms of the Company's Articles and Notice of Articles, the Company is authorized to issue the following shares and classes of capital stock, each with no par value: (i) an unlimited number of Class A ordinary shares; and (ii) an unlimited number of Class B ordinary shares. The holder of each ordinary share is entitled to one vote.

On August 21, 2024, the Company completed a registered securities offering ("RSO") by issuing 2,800,000 Class A ordinary shares, 3,000,000 Pre-Funded Warrants ("PFW's"), and 5,800,000 warrants. Proceeds As of November 30, 2024, proceeds received by the Company is are summarized below:

Gross Proceeds - Class A Shares	\$ 1,906	\$ 1,906
Gross Proceeds - PFW's	2,041	2,041
Gross Proceeds - Warrant Exercises	44	103
Direct costs	(510)	(510)
Net Proceeds	\$ 3,481	\$ 3,540

PFW's may be exercised by warrant holders at any time at a nominal exercise price as they were funded in connection with the RSO. Upon exercise, each PFW may be exchanged for one Class A ordinary share. All 3 million PFW's were exercised in the quarter ended November 30, 2024.

Warrant holders exercised 45,000 100,000 warrants in exchange for 45,000 100,000 Class A ordinary shares for proceeds of \$44 in \$103 during the quarter six months ended August 31, 2024 November 30, 2024.

As of August 31, 2024 November 30, 2024, there were warrants outstanding of 12,065,375 at an exercise price of \$11.50 USD 5,755,000 and 5,700,000 at an exercise price of \$0.75 USD and 3,000,000 PFW's at a nominal exercise price to purchase an equivalent number of Class A ordinary shares.

A summary of warrant activity for the Company is as follows:

	Number of Warrants	Weighted Average Exercise Price (USD)	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (USD)		Number of Warrants	Weighted Average Exercise Price (USD)	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (USD)
Outstanding warrants May 31, 2024	12,065,375	\$ 11.50	4.6	\$ -		12,065,375	\$ 11.50	4.3	\$ -
Issued August 21, 2024	8,800,000	\$ 0.49	5.0	\$ 4,274		8,800,000	\$ 0.49	4.7	\$ -
Exercised	(45,000)	\$ 0.75	5.0	\$ 10		(3,100,000)	\$ 0.02	5.0	\$ -
Expired	-	\$ -	-	\$ -		-	\$ -	-	\$ -
Outstanding warrants August 31, 2024	20,820,375	\$ 6.86	4.7	\$ 4,284		17,765,375	\$ 8.05	4.4	\$ -

Terms and related estimates connected with the RSO have been outlined in note 6. The Company has retroactively adjusted the number of shares issued and outstanding prior to January 12, 2024, to give effect to the Exchange Ratio.

NOTE 8. Stock-based Compensation

In August 2022, the Company established a Stock Option Plan, superseded by the 2023 Equity Incentive Plan (the "Incentive Plan"), under which the Company's Board of Directors may, from time-to-time, in its discretion, grant stock options to directors, officers, consultants and employees of the Company.

Stock options outstanding vest in equal tranches over a period of three years. During the quarter three and six months ended August 31, 2024 November 30, 2024, the Company granted 150,000 180,000 stock options (August 31, November 30, 2023 - nil and nil). The Company estimated the fair value of the stock options on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	August 31, October 4, 2024	
	USD	0.57 0.27
Stock price	\$USD	0.57 0.27
Risk-free interest rate		3.6 3.8%
Term (years)		5
Volatility		76%
Forfeiture rate		0%
Dividend yield		0%

A summary of stock option activity for the Company is as follows:

	Number of Shares	Weighted Average Exercise Price (USD)	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value		Number of Shares	Weighted Average Exercise Price (USD)	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (USD)
Outstanding stock options May 31, 2024	685,230	\$ 0.60	6.8	\$ 139		685,230	\$ 0.60	6.8	\$ 139
Exercised	-	\$ -	-	\$ -		-	\$ -	-	\$ -
Expired	-	\$ -	-	\$ -		-	\$ -	-	\$ -
Issued July 2, 2024	150,000	\$ 0.57	9.9	\$ 63					
Outstanding stock options August 31, 2024	835,230	\$ 0.60	7.1	\$ 327					
Exercisable as of August 31, 2024	391,396	\$ 0.56	6.0	\$ 168					
Issued October 4, 2024						180,000	\$ 0.27	9.9	\$ 73
Outstanding stock options November 30, 2024						865,230	\$ 0.56	6.9	\$ 103
Exercisable as of November 30, 2024						391,396	\$ 0.59	5.6	\$ 33

During the quarter three and six months ended August 31, 2024 November 30, 2024, the Company recorded stock-based compensation expenses of \$100 (August 31, \$13 and \$118 (November 30, 2023 - \$13) \$33 and \$47), including \$26 relating to stock options and including \$74 relating to shares issued for services in connection with the Company's Incentive Plan. There were no changes to Plan in the terms and conditions of the stock options in connection with the Business Combination quarter ended August 31, 2024.

NOTE 9. Net Income (Loss) per Share Attributable to Common Stockholders

The Company computes net income (loss) per share using the two-class method. Basic net income (loss) per share is computed using the weighted-average number of shares outstanding during the period. Diluted net income per share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period. Potentially dilutive securities consist of stock options, Convertible debentures, and Warrants. Stock options, Convertible Debentures, debentures and certain Warrants and Stock options were excluded from the computation of diluted net income (loss) per share as including them would have been anti-dilutive. As we reported net losses for all periods presented, diluted loss per share is the same as basic loss per share.

The following outlines the Company's basic and diluted loss income (loss) per share for the quarters three and six months ended August 31, 2024 November 30, 2024, and August 31, 2023 November 30, 2023:

	Quarter-Ended	
	August 31, 2024	August 31, 2023
Net Loss	\$ (2,911)	\$ (416)
Basic weighted-average common shares outstanding	19,246,089	5,075,420
Basic and diluted net loss per common share	\$ (0.15)	\$ (0.08)

	Quarter-Ended		Six Months Ended	
	November 30, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Income (loss) per share:				
Basic:	\$ 0.83	\$ (0.15)	\$ 0.79	\$ (0.24)
Diluted:	\$ 0.80	\$ (0.15)	\$ 0.76	\$ (0.24)
Shares used in computing Income (loss) per share:				
Basic:	23,599,144	5,075,420	21,246,788	5,075,420
Diluted:	24,574,247	5,075,420	21,930,531	5,075,420

NOTE 10. Grants and Subsidies

DAIR Green Fund

In November 2022, the Company entered into a funding agreement with the Downsview Aerospace Innovation and Research Centre ("DAIR"). In June 2022, DAIR entered into a Contribution Agreement with the Federal Economic Development Agency for Southern Ontario to launch a Green Fund to financially support projects led by small and medium size enterprises. DAIR selected the Company for multiple projects in connection with a project on the Engineering Design of a Hybrid Power System Novel Power Distribution Scheme, further aircraft development. The initial funding approved to the Company was \$75, of which \$50 was issued to the Company during the year ended May 31, 2023, and \$25 was received during the year ended May 31, 2024.

In the quarter six months ended August 31, 2024 November 30, 2024, the Company received approval for an additional project with funding up to a maximum of \$75. \$75, of which \$30 was received during the quarter ended November 30, 2024.

Air Force Grant

In January 2022, the Company entered into a Market Research Investment Agreement (the "Agreement") with Collaboration.Ai, a company engaged with the United States Operations Command and the U.S. Air Force to administer selection and awards for the AFWERX Challenge program to foster innovation within the services. In connection with the Agreement, the Company will provide research, development, design, manufacturing, services, support, testing, integration, and equipment in aid of delivery of market research in accordance with one or more statements of work or market research plans. During the year ended May 31, 2023, a fixed fee fund of \$366 was approved. As of August 31, 2024 November 30, 2024, the Company had received \$235 of this amount, which was received in prior periods.

Scientific Research and Experimental Development

In July 2023, in connection with the year ended May 31, 2023, the Company filed an application for Scientific Research and Experimental Development ("SRED") credits with the Canadian federal government in the amount of \$229. This amount was received in December 2023.

In connection with the year ended May 31, 2024, the Company filed an application for SRED credits in the amount of \$307. This amount was received in August 2024.

NOTE 11. RELATED PARTY TRANSACTIONS

Related Party Transactions

There were no identifiable related party transactions or balances for the periods presented.

NOTE 12. SUBSEQUENT EVENTS

Subsequent Events

On December 20, 2024, the Company received an investment of \$8.4 million in exchange for a combination of common and preferred shares.

The Company has evaluated subsequent events from September 1, 2024 through to December 1, 2024, and the date of this filing, Form 10-Q and determined that there have been no reportable subsequent events. 2.49 million of the Company's outstanding warrants were exercised with proceeds to the Company of \$2,708.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

References in this report (the "Quarterly Report") to "we," "us" or the "Company" refer to New Horizon Aircraft Ltd. References to our "management" or our "management team" refer to our officers and directors. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the unaudited condensed interim consolidated financial statements and the notes thereto contained elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

All figures noted are in thousands of Canadian dollars unless noted otherwise.

Special Note Regarding Forward-Looking Statements

This Quarterly Report 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 Exchange Act of 1934, as amended (the "Exchange Act") that are not historical facts and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Quarterly Report including, without limitation, statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding the Company's financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. When used in this Quarterly Report, words such as "expect," "believe," "anticipate," "intend," "estimate," "seek" and variations and similar words and expressions, as they relate to us or the Company's management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to the Company's management. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of the Company's Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on August 15, 2024. The Company's securities filings can be accessed on the EDGAR section of the SEC's website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Overview

New Horizon Aircraft Ltd. (the "Company", "Horizon", "we," "us" or "our"), a British Columbia corporation, with our headquarters located in Lindsay, Ontario, is an aerospace company. Horizon is a former blank check company incorporated on March 11, 2022, under the name Pono Capital Three, Inc. ("Pono") as a Delaware corporation, subsequently redomiciled in the Cayman Islands on October 14, 2022, and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or similar business combination with one or more businesses.

Business Combination

On February 14, 2023, we consummated an initial public offering ("IPO"). On January 12, 2024 (the "Closing date"), we consummated a merger (the "Merger") with Pono Three Merger Acquisitions Corp., a British Columbia company ("Merger Sub") and wholly-owned subsidiary of Pono, with and into Robinson Aircraft Ltd. ("Robinson") pursuant to an agreement and plan of merger, dated as of August 15, 2023 (as amended by a Business Combination Agreement Waiver, dated as of December 27, 2023), by and among Pono, Merger Sub, Horizon, and Robinson.

The Merger and other transactions contemplated thereby (collectively, the "Business Combination") closed on January 12, 2024, when, pursuant to the Business Combination Agreement, Merger Sub merged with and into Robinson, surviving the Merger as a wholly owned subsidiary of Pono. Pono changed its name to "New Horizon Aircraft Ltd." and the business of Robinson became the business of New Horizon Aircraft Ltd.

The financial information included in this report reflect (i) the historical operating results of Robinson prior to the Business Combination ("Legacy Horizon"); (ii) the combined results of Pono and Legacy Horizon following the closing of the Business Combination; (iii) the assets and liabilities of Legacy Horizon at their historical cost; and (iv) the Company's equity structure for all periods presented.

Organization and Nature of Business

The Company's objective is to significantly advance the benefits of sustainable air mobility. In connection with this objective, we have designed and developed a cost effective and energy efficient hybrid-electric vertical takeoff and landing ("eVTOL") prototype aircraft for use in future regional air mobility ("RAM") networks.

Robinson was incorporated in 2013. Initially, the company was focused on development of a hybrid electric amphibious aircraft, and in 2018 the Company pivoted to developing an innovative eVTOL concept that is identified as the Cavorite X7. The Company has built several small-scale prototypes and now has a 50%-scale aircraft that is undergoing active flight testing.

Horizon intends to sell these aircraft to third parties, air operators, lessors, individual consumers, and NATO military customers. The Company plans to manufacture its aircraft and license its patented fan-in-wing technology and other core innovations to other Original Equipment Manufacturers ("OEM's"). Manufacturing will be accomplished with a heavy reliance on experienced aircraft manufacturing partners and supply chain vendors. Horizon believes this highly focused business model will provide the most efficient use of capital to produce an aircraft that has a variety of applications.

Key Factors Affecting Operating Results

See the section entitled “Risk Factors” in the Company’s Form 10-K filed with the SEC on August 15, 2024, for a further discussion of these considerations.

Development of the Regional Air Mobility Market

The Company’s revenue will be directly tied to the continued development of long-distance aerial transportation and related technologies. While the Company believes the market for Regional Air Mobility (“RAM”) will be large, it remains undeveloped and there is no guarantee of future demand. Horizon anticipates commercialization of its aircraft beginning in 2027, and its business will require significant investment leading up to launching services, including, but not limited to, final engineering designs, prototyping and flight testing, manufacturing, software development, certification, pilot training and commercialization.

Horizon believes one of the primary drivers for adoption of its aircraft is the value proposition enabled by its aircraft that can take-off and land similar to a helicopter, fly approximately twice as fast, and operate with significantly lower direct operating costs. Additional factors impacting adoption of eVTOL technology include but are not limited to: perceptions about eVTOL quality, safety, performance and cost; perceptions about the environmental impact of hybrid-electric machines; volatility in the cost of oil and gasoline; availability of competing forms of transportation, such as ground or unmanned drone services; consumers perception about the convenience and cost of transportation using eVTOL relative to ground-based alternatives; and increases in fuel efficiency, autonomy, or electrification of vehicles. In addition, macroeconomic factors could impact demand for RAM services, particularly if customer pricing is at a premium to ground-based transportation. Horizon anticipates initial aircraft sales to be used for medevac services, firefighting services, disaster relief services, remote medical services, military operations, followed by sales to air operators and lessors for air cargo, business travel and air-taxi services. If the market for RAM does not develop as expected, this would significantly impact the Company’s ability to generate revenue or grow its business.

Competition

The Company believes that the primary sources of competition for its aircraft sales are traditional helicopters, ground-based mobility solutions, and other eVTOL developers. While it expects to produce a versatile aircraft that can be useful in a variety of air mobility missions, the Company expects this industry to be dynamic and increasingly competitive. It is possible that its competitors could gain significant market share. Horizon may not fully realize the sales it anticipates, and it may not receive any competitive advantage from its design or may be overcome by other competitors. If new companies or existing aerospace companies produce competing aircraft in the markets in which Horizon intends to service and obtain large-scale capital investment, it may face increased competition. Horizon may receive an advantage from well-funded competitors that are paying to create certification programs, raise awareness of eVTOL advantages and advocating to kickstart government funding programs.

Government Certification

To be utilized in for-profit commercial operations, Horizon’s Cavorite X7 aircraft will require Type Certification. Horizon has had initial conversations with applicable regulators Transport Canada Civil Aviation (“TCCA”) in Canada and the Federal Aviation Association (“FAA”) in the United States of America. As a Canadian company, TCCA will initially lead certification efforts. Horizon expects the FAA to participate during this process which will likely reduce the amount of time required to achieve FAA certification.

The Company maintains a partnership with Cert Centre Canada (“3C”) for the purpose of collaborating on aspects of the continued development and path to certification of Horizon’s eVTOL program. 3C is leveraging their deep experience with TCCA and FAA certification programs to develop a certification basis for the certification of Horizon’s hybrid-electric eVTOL aircraft.

Typically, the certification of a new aircraft design by TCCA or the FAA is a long and complex process, often spanning more than five years and costing hundreds of millions of dollars. The Company has never undergone such a process, and there is no guarantee that its Cavorite X7 design will eventually achieve certification despite its best efforts. The Company will need to obtain authorizations and certifications related to the production of its aircraft. While it anticipates being able to meet the requirements of such authorizations and certifications, the Company may be unable to obtain such authorizations and certifications, or to do so on the timeline it projects. Should the Company fail to obtain any of the required authorizations or certifications, or do so in a timely manner, or any of these authorizations or certifications are modified, suspended or revoked after it obtains them, the Company may be unable to fulfill sales of its commercial aircraft or do so on the timelines it projects, which would have adverse effects on its business, prospects, financial condition, and results of operations.

Dual Use Business Model

Horizon's business model to serve as a dual use aircraft both civilian and military applications. Present projections indicate that sales volume of this dual use aircraft will result in a viable business model over the long-term as production volumes scale and unit economics improve to support sufficient market adoption. The advantage of military application of Horizon's aircraft in addition to sales volumes leads to a reduction in the risk of certification as aircraft used for military purposes do not need to achieve TCCA, FAA, or similar certification approval. As with any new industry and aerospace product, numerous risks and uncertainties exist. The Company's financial results are dependent on delivering aircraft on-time and at a cost that supports returns at prices that support sufficient sales to customers who are willing to purchase based on value arising from time and versatility from utilizing regional eVTOL aircraft. Horizon's civilian sector financial results are dependent on achieving certification on its expected timeline. Our aircraft include numerous parts and manufacturing processes unique to eVTOL aircraft, in general, and its product design, in particular. Best efforts have been made to estimate costs in the Company's planning projections; however, the variable cost associated with assembling its aircraft at scale remains uncertain at this stage of development.

Going Concern and Liquidity

The accompanying unaudited condensed interim consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which contemplates continuation of the Company as a going concern and the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred and expects to continue to incur significant costs in pursuit of the Company's development plans. We have devoted many resources to the design and development of our eVTOL prototype. Funding of these activities has primarily been through the net proceeds received from the issuance of related and third-party debt and the sale of Class A ordinary shares to related and third parties.

Through August 31, 2024, we have incurred cumulative losses from operations, negative cash flows from operating activities, and have an accumulated deficit of \$17.6 million. Horizon is a pre-revenue organization in a research and development and flight-testing phase of operations. While management expects that the proceeds from the fiscal 2025 Q1 sale sales of securities will be sufficient to fund our current operating plan for at least the next 12 months from the date the unaudited condensed interim consolidated financial statements were available to be issued, there is substantial doubt around the Company's ability to meet the going concern assumption beyond that period without raising additional capital. On December 20, 2024, the Company received an investment of \$8.4 million in exchange for a combination of common and preferred shares in addition to Warrant exercises resulting in proceeds of \$2.7 million between December 1, 2024 and the date of this filing.

There can be no assurance that we will be successful in achieving our business plans, that our current capital will be sufficient to support our ongoing operations, or that any additional financing will be available in a timely manner or on acceptable terms, if at all. If events or circumstances occur such that we do not meet our business plans, we may be required to raise additional capital, alter, or scale back our aircraft design, development, and certification programs, or be unable to fund capital expenditures. Any such events would have a material adverse effect on our financial position, results of operations, cash flows, and ability to achieve our intended business plans.

Components of Results of Operations

Revenue

The Company is working to design, develop, certify, and manufacture our eVTOL aircraft and has not yet generated revenues in any of the periods presented. We do not expect to begin generating significant revenues until we are able to complete the design, development, and certification, and manufacture our eVTOL aircraft.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of personnel expenses, including salaries, benefits, costs of consulting, equipment, engineering, data analysis, and materials.

We expect our research and development expenses to increase as we increase staffing to support aircraft engineering and software development, build aircraft, and continue to explore and develop our eVTOL aircraft and technologies.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily consist of personnel expenses, including salaries, benefits, and stock-based compensation, related to executive management, finance, legal, and human resource functions. Other costs include business development, investor relations, contractor and professional services fees, audit and compliance expenses, insurance costs and general corporate expenses, including depreciation, rent, information technology costs and utilities.

We expect our selling, general and administrative expenses to increase as we hire additional personnel and consultants to support our operations and comply with applicable regulations, including the Sarbanes-Oxley Act ("SOX") and other SEC rules and regulations.

Other Income

Other income consists of grants and subsidies received for developmental work and foreign exchange gains and losses.

Interest Expense, net

Interest expense is related to the Company's leases. Interest income consists primarily of interest earned on the Company's cash.

Change in fair value and termination of Forward Purchase Agreement

Change in fair value of Forward Purchase Agreement consists of fluctuations in the deemed value of an agreement between the Company and a shareholder facilitating future purchases of the Company's stock based on a simulation model. The Company will not have any monetary obligations in connection with mutually agreed to terminate the Forward Purchase Agreement with its counterparty on November 1, 2024, at a cost of \$278. In connection with this termination, the Company recorded a \$21,400 gain.

Warrant expense (income) Change in fair value of Warrants

Changes in warrant expense and warrant income consist fair value of Warrants consists of fluctuations in the fair value of warrants outstanding as of the end of each reporting period.

Results of Operations

This data should be read in conjunction with Horizon's unaudited condensed interim consolidated financial statements and notes thereto. These results of operations are not necessarily indicative of the future results of operations that may be expected for any future period.

Comparison of the Three Months Ended **August 31, 2024** **November 30, 2024** to the Three Months Ended **August 31, 2023** **November 30, 2023**

Meaningful variances in the Company's components of operations are explained below. The following table sets forth Horizon's statements of operations data for the quarters ended **August 31, 2024** **November 30, 2024** and **August 31, 2023** **November 30, 2023** (000's).

Operating expenses	Quarter-Ended			Quarter-Ended		
	August 31, 2024	August 31, 2023	Variance (\$)	November	November	Variance (\$)
				30, 2024	30, 2023	
Research and development	\$ 297	\$ 145	\$ (152)	\$ 427	\$ 219	\$ (208)
General and administrative	2,408	235	(2,173)	2,847	605	(2,242)
Total operating expenses	2,705	380	(2,325)	3,274	824	(2,450)
Loss from operations	(2,705)	(380)	2,325	(3,274)	(824)	2,450
Other expenses (income)	29	(2)	(31)	(47)	(227)	(180)
Interest expense (income), net	(11)	38	49	(13)	143	156
Warrant expense (income)	5	—	(5)			
Change in fair value of Forward Purchase Agreement	183	—	(183)			
Net Loss	\$ (2,911)	\$ (416)	\$ 2,495			
Change in fair value of Warrants				(2,035)	—	2,035
Change in fair value and Termination of Forward Purchase Agreement				(20,843)	—	20,843
Net Income (Loss)	\$ 19,664	\$ (740)	\$ (20,404)			
Operating Expenses						

Operating expenses increased by **\$2,325**, **\$2,450**, from **\$380** **\$824** for the quarter ended **August 31, 2023** **November 30, 2023**, to **\$2,705** **\$3,274** for the quarter ended **August 31, 2024** **November 30, 2024**. The increase was primarily driven by professional fees, additional staff hired to support development activities, and other administrative costs connected with the Company's growth activities.

Research and Development Expenses

Research and development expenses increased by **\$152**, **\$208**, from **\$145** **\$219** during the quarter ended **August 31, 2023** **November 30, 2023**, to **\$297** **\$427** during the quarter ended **August 31, 2024** **November 30, 2024**. The increase was primarily attributable to additional labour related to flight testing, engineering work, flight software, prototype manufacturing, and data analysis.

General and Administrative

General and Administrative costs increased by **\$2,173**, **\$2,242**, from **\$235** **\$605** during the quarter ended **August 31, 2023** **November 30, 2023**, to **\$2,408** **\$2,847** during the quarter ended **August 31, 2024** **November 30, 2024**. The increase was related to legal, accounting, travel, investor relations, marketing, and branding expenses related to the Company's growth efforts.

Comparison of the Six Months Ended November 30, 2024 to the Six Months Ended November 30, 2023

Meaningful variances in the Company's components of operations are explained below. The following table sets forth Horizon's statements of operations data for the six months ended November 30, 2024 and November 30, 2023 (000's).

	Six months Ended		
	November 30, 2024	November 30, 2023	Variance (\$)
Operating expenses			
Research and development	\$ 724	\$ 419	\$ (305)
General and administrative	5,255	840	(4,415)
Total operating expenses	5,979	1,259	(4,720)
Loss from operations	(5,979)	(1,259)	4,720
Other expenses (income)	(18)	(229)	(211)
Interest expense (income), net	(24)	181	205
Change in fair value of Warrants	(2,030)	—	2,030
Change in fair value and Termination of Forward Purchase Agreement	(20,660)	—	20,660
Total other income	(22,732)	(48)	22,684
Net Income (Loss)	\$ 16,753	\$ (1,211)	\$ (17,964)

Operating Expenses

Operating expenses increased by \$4,720, from \$1,259 for the six months ended November 30, 2023, to \$5,979 for the six months ended November 30, 2024. The increase was primarily driven by professional fees, additional staff hired to support development activities, and other administrative costs connected with the Company's growth activities.

Research and Development Expenses

Research and development expenses increased by \$305, from \$419 during the six months ended November 30, 2023, to \$724 during the six months ended November 30, 2024. The increase was primarily attributable to additional labour related to flight testing, engineering work, flight software, prototype manufacturing, and data analysis.

General and Administrative

General and Administrative costs increased by \$4,415, from \$840 during the six months ended November 30, 2023, to \$5,255 during the six months ended November 30, 2024. The increase was related to legal, accounting, travel, investor relations, marketing, and branding expenses related to the Company's growth efforts.

Cash Flows

The following tables set forth a summary of our cash flows for the periods indicated (000's):

Net cash provided by (used in)	Quarter-Ended			Six months Ended		
	August 31, 2024	August 31, 2023	Variance (\$)	November	November	Variance (\$)
				30, 2024	30, 2023	
Operating activities	\$ (1,475)	\$ (405)	\$ (1,070)	\$ (4,184)	\$ (1,340)	\$ (2,844)
Investing activities	—	(16)	16	(7)	(54)	47
Financing activities	3,481	297	3,184	3,262	7,044	(3,782)
Net increase (decrease) in cash	\$ 2,006	\$ (124)	\$ 2,130	\$ (929)	\$ 5,650	\$ (6,579)

Net Cash used in Operating Activities

The Company's cash flows used in operating activities have been primarily comprised of payroll, software expenses, technology costs, professional services related to research and development and general and administrative activities, and direct research and development costs for aircraft design, simulation, and prototype manufacturing, partially offset by periodic grants received from various government agencies. The Company expects to increase hiring to accelerate its engineering efforts in the coming years.

For the quarter six months ended August 31, 2024 November 30, 2024, the \$1,070 \$2,844 increase in cash used from operations as compared to the quarter six months ended August 31, 2023 November 30, 2023, was primarily attributed to increased operating costs, partially offset by changes in working capital.

Net Cash used in Investing Activities

The Company's cash flows used in investing activities to date have been primarily comprised of property and equipment.

For the quarter six months ended August 31, 2024 November 30, 2024, there was no procurement a \$7 acquisition of property and equipment. leasehold improvements.

Net Cash used in Financing Activities

The Company's cash flows used in financing activities to date have primarily been composed of funding raised with convertible instruments and registered securities offerings.

For the quarter six months ended August 31, 2024 November 30, 2024, the \$3,184 increase \$3,782 decrease in cash provided by financing activities as compared to the quarter ended August 31, 2023, was primarily attributed to the proceeds from the conversion of the Convertible debentures during the six months ended November 30, 2023, partially offset by the issuance of Class A ordinary shares and Pre-Funded Warrants ("PFW's") which may convert into common shares of the Company at the discretion of the warrant holders, holders in the current period.

On August 21, 2024, the Company completed a registered securities offering ("RSO") by issuing 2,800,000 Class A ordinary shares, 3,000,000 PFW's, and 5,800,000 warrants. Proceeds received by the Company is summarized below:

Gross Proceeds - Class A Shares	\$ 1,906	\$ 1,906
Gross Proceeds - PFW's	\$ 2,041	\$ 2,041
Gross Proceeds - Warrant Exercises	\$ 44	\$ 103
Direct costs	\$ (510)	\$ (510)
Net Proceeds	\$ 3,481	\$ 3,540

PFW's may be exercised by warrant holders at any time at a nominal exercise price as they were funded in connection with the RSO. Upon exercise, each PFW may be exchanged for one Class A ordinary share. All 3 million PFW's were exercised in the quarter ending November 30, 2024.

Warrant holders exercised 45,000 100,000 warrants in exchange for 45,000 100,000 Class A ordinary shares for proceeds of \$44 \$103 in the quarter six months ended August 31, 2024 November 30, 2024.

As of August 31, 2024 November 30, 2024, there were warrants outstanding of 12,065,375 at an exercise price of \$11.50 USD 5,755,000 and 5,700,000 at an exercise price of \$0.75 USD and 3,000,000 PFW's at a nominal exercise price to purchase an equivalent number of Class A ordinary shares.

Sources of Liquidity

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations, including working capital needs, debt service, contractual obligations, and other commitments. The Company assesses liquidity in terms of its cash flows from financing activities and their sufficiency to fund its operating and development activities. **As of August 31, 2024 Beyond November 30, 2024, the Company's principal source of liquidity was expected to be cash and cash equivalents of \$3,822, \$887 on-hand as of November 30, 2024, \$8.4 million received in connection with a strategic investment made by a legacy investor on December 20, 2024, and Warrant exercises which totaled \$2,708 in the period from December 1, 2024, to the date of this filing.**

To date, the Company has funded its operations primarily with the issuances of common shares and issuances of convertible debt instruments. Additional funding has been provided through government backed government-backed grants.

The Company believes it has sufficient cash to fulfill its business plan for at least the next 12 months from the date of this filing. To the extent the Company is able to raise additional financing, either by way of the **Forward Purchase Agreement**, Warrants, or by other means, the Company may be in a position to expedite its business plan including hiring employees at a more rapid pace. To achieve the Company's long-term objectives, additional financing will be required and efforts to raise such working capital will be ongoing through at least the next three years.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of **August 31, 2024 November 30, 2024, and May 31, 2024**.

Critical Accounting Estimates

The preparation of the unaudited condensed interim consolidated financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the unaudited condensed interim consolidated financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following critical accounting policies:

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value on the grant date and is then re-valued at each reporting date, with changes in the fair value reported in the unaudited condensed interim consolidated statements of operations. For derivative instruments that are classified as equity, the derivative instruments are initially measured at fair value (or allocated value), and subsequent changes in fair value are not recognized so long as the contracts continue to be classified in equity.

The Company's Forward Purchase Agreement and Warrants outstanding are recognized as a derivative liability in accordance with ASC 815. Accordingly, the Company recognizes the instrument as an asset or liability at fair value and with changes in fair value recognized in the Company's unaudited condensed interim consolidated statements of operations. The estimated fair value of the Forward Purchase Agreement is measured at fair value using a simulation model. At the settlement date, the Forward Purchase Agreement will be recognized as a derivative asset at the value of cash paid based on the number of shares, with any changes in fair value recognized in the Company's unaudited condensed interim consolidated statements of operations. **The Company mutually agreed to terminate the Forward Purchase Agreement with its counterparty on November 1, 2024, at a cost of \$278.**

Research and Development Costs

The research and development costs are accounted for in accordance with ASC 730, *Research and Development*, which requires all research and development costs be expensed as incurred.

Recent Accounting Standards

In August 2020, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020"). The ASU simplifies the accounting for convertible instruments by removing certain separation models in ASC 470-20, *Debt—Debt with Conversion and Other Options*, for convertible instruments. The ASU updates the guidance on certain embedded conversion features that are not required to be accounted for as derivatives under Topic 815, *Derivatives and Hedging*, or that do not result in substantial premiums accounted for as paid-in capital, such that those features are no longer required to be separated from the host contract. The convertible debt instruments will be accounted for as a single liability measured at amortized cost. Further, the ASU made amendments to the EPS guidance in Topic 260, *Earnings Per Share*, for convertible instruments, the most significant impact of which is requiring the use of the if-converted method for diluted EPS calculation, and no longer allowing the net share settlement method. The ASU also made revisions to Topic 815-40, which provides guidance on how an entity must determine whether a contract qualifies for a scope exception from derivative accounting. The amendments to Topic 815-40 change the scope of contracts that are recognized as assets or liabilities. The ASU is effective for public business entities, excluding smaller reporting companies, for annual periods beginning after December 15, 2021, with early adoption permitted. For all other entities, the amendments are effective for and annual periods beginning after December 15, 2023. Adoption of the ASU can either be on a modified retrospective or full retrospective basis. The Company is currently evaluating the impact the adoption of this standard will have on its financial statements and related disclosures. No other recently issued accounting pronouncements have had or are expected to have a material impact on the Company's unaudited condensed interim consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide the information required by this item.

Item 4. Controls and Procedures

We maintain “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and (2) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their control objectives.

Our management, under the supervision and with the participation of our principal executive officer and principal financial and accounting officer, evaluated the effectiveness of our disclosure controls and procedures at the end of the period covered by this Quarterly Report. Based upon this evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this Quarterly Report, the design and operation of our disclosure controls and procedures were not effective.

Notwithstanding the identified material weakness, management, including our principal executive officer and principal financial and accounting officer, believe that the unaudited condensed interim consolidated financial statements contained in this Quarterly Report fairly present, in all material respects, our financial condition, results of operations and cash flows for the fiscal period presented in conformity with GAAP.

Remediation of Material Weakness

While significant progress has been made to improve our internal control over financial reporting, not all aspects of have been sufficiently remediated. The material weakness, as of **August 31, 2024** **November 30, 2024**, relates to the inadequate separation of financial responsibilities. Our management, with the oversight of the Audit Committee of our Board of Directors, continues to design and implement measures to remediate the material weakness. Remediation of the material weakness will require further validation and testing of the operating effectiveness of the applicable remedial controls over a sustained period of financial reporting cycles.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not party to any material legal proceedings. From time to time, we may be involved in legal proceedings or subject to claims incident to the ordinary course of business. The outcome of litigation is inherently uncertain, and there can be no assurances that favorable outcomes will be obtained. In addition, regardless of the outcome, such proceedings or claims can have an adverse impact on us, which may be material because of defense and settlement costs, diversion of resources and other factors.

Item 1A. Risk Factors

Factors that could cause our actual results to differ materially from those in this Quarterly Report are any of the risks described in our Annual Report on Form 10-K filed with the SEC on August 15, 2024 (the "Annual Report"). Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. Except as set forth below, as of the date of this Quarterly Report, there have been no material changes to the risk factors disclosed in our Annual Report filed with the SEC.

Our failure to meet Nasdaq's continued listing requirements could result in a delisting of our securities.

If we fail to satisfy Nasdaq's continued listing requirements, such as the corporate governance requirements or the minimum closing bid price requirement, Nasdaq may take steps to delist our securities. Such a delisting would likely have a negative effect on the price of our shares and would impair the ability to sell or purchase our shares.

On July 19, 2024, Nasdaq notified us that for at least the last 30 consecutive business days, the bid price for the Company's Class A ordinary shares had closed below the minimum \$1.00 per share requirement for continued inclusion on the Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule").

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we have a compliance period of 180 calendar days, or until January 15, 2025, to regain compliance with the Bid Price Rule. If at any time before January 15, 2025, the bid price of our Class A ordinary shares closes at \$1.00 per share or more for a minimum of ten consecutive business days, Nasdaq will provide us with a written confirmation of compliance with the Bid Price Rule and the matter deemed closed.

If we do not regain compliance On January 10, 2025, the Company completed 10 consecutive business days with the Bid Price Rule by January 15, 2025, we may be eligible for an additional 180-day compliance period. To qualify, we would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, and would need to provide written notice of our intention to cure the bid price deficiency during the second compliance period, by effecting a reverse stock split, if necessary.

If we do not regain compliance with the Bid Price Rule when required, Nasdaq will provide written notification to us that our Class A ordinary shares are subject to delisting. At that time, we may appeal the delisting determination to a Nasdaq hearings panel, closing at more than \$1.00 per share.

On August 28, 2024, Nasdaq notified us that the Company had failed to maintain a net income from continuing operations of \$500,000 in the most recently completed fiscal year or in two of the last three most recently completed fiscal years required for continued listing under Nasdaq Listing Rule 5550(b)(3) (the "Net Income Standard"). The Nasdaq staff (the "Staff") also notified the Company it does not meet the alternative continued listing standards under Nasdaq Listing Rule 5550(b)(2) (the "Market Value of Listed Securities Standard," which requires the market value of the Company's listed securities be at least \$35 million) or Nasdaq Listing Rule 5550(b)(1) (the "Equity Standard," which requires the Company to maintain stockholders' equity of at least \$2.5 million) (the Net Income Standard, the Market Value of Listed Securities Standard, and the Equity Standard, collectively the "Continued Listing Standards").

The Company submitted a plan to the Staff to regain compliance (a "Compliance Plan") with the Continued Listing Standards on October 2, 2024 and is considering. On October 11, 2024, the various options available to regain compliance with Company received a letter from the Continued Listing Standards. If Staff advising the Company that the Staff did not accept the Company's Compliance Plan is accepted, (the "Determination Letter") as written. In accordance with Nasdaq will grant Listing Rule 5815(a), the Company up requested a hearing before the Nasdaq Hearings Panel (the "Panel") to appeal the Staff's determination and provide additional information. The hearing took place on December 12, 2024, and the Company is currently awaiting the results of this hearing. If the Company's appeal is successful, the Company may be granted additional time (up to 180 calendar days from the date of the Notice Determination Letter) to evidence compliance. If Nasdaq does not accept compliance with the Company's Compliance Plan, Continued Listing Standards or outright continued listing on the Company will have the opportunity to appeal that decision to a Nasdaq hearings panel per Nasdaq Listing Rule 5815(a). Nasdaq.

In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our shares to become listed again, stabilize the market price or improve the liquidity of our shares, prevent our shares from dropping below Nasdaq's minimum bid price requirement or prevent future non-compliance with Nasdaq's listing requirements.

If Nasdaq delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class A ordinary shares are “penny stock” which will require brokers trading in the Class A ordinary shares to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The notices from Nasdaq have no immediate effect on the listing of our Class A ordinary shares, and our Class A ordinary shares will continue to be listed on the Nasdaq Capital Market under the symbol “HOVR”. We are currently evaluating our options for regaining compliance with both the Bid Price Rule and the Continued Listing Standards. While there can be no assurance that we will regain compliance with the Bid Price Rule or the Continued Listing Standards, we expect to cure these deficiencies within each respective permitted period.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) During the quarter ended **August 31, 2024** **November 30, 2024**, there were no unregistered sales of our securities that were not reported in a Current Report on Form 8-K.

(b) Not Applicable.
(c) None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

(a) None.
(b) None.

(c) During the quarter ended **August 31, 2024** **November 30, 2024**, none of our directors or officers adopted or terminated a “Rule 10b5-1 trading agreement” or a “non-Rule 10b5-1 trading agreement” (in each case defined in Item 408 of Regulation S-K).

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit No.	Description
2.1†	Business Combination Agreement, dated August 15, 2023, by and among Pono Capital Three, Inc., Pono Three Merger Acquisitions Corp., and Robinson Aircraft, Ltd. d/b/a Horizon Aircraft (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K, filed by Pono Capital Three, Inc. on August 15, 2023).
3.1	New Horizon Articles (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1, filed by New Horizon Aircraft Ltd. on February 14, 2024).
4.1	Warrant Agreement, dated February 9, 2023, by and between Pono Capital Three, Inc., and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed by Pono Capital Three, Inc. on February 15, 2023).
4.2	Specimen Class A Ordinary Share Certificate (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-1, filed by Pono Capital Three, Inc. on November 10, 2022).
4.3	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-1, filed by Pono Capital Three, Inc. on November 10, 2022).
4.4	Form of First Shortfall Warrant (incorporated by reference to Exhibit 4.4 to Amendment No. 1 to the Registration Statement on Form S-1, filed by New Horizon Aircraft Ltd. on April 8, 2024).
4.5	Form of Warrant (incorporated by reference to Exhibit 4.5 to Amendment No. 1 to the Registration Statement on Form S-1, filed by New Horizon Aircraft Ltd. on June 24, 2024).
4.6	Form of Pre-funded Warrant Form of Warrant (incorporated by reference to Exhibit 4.6 to Amendment No. 1 to the Registration Statement on Form S-1, filed by New Horizon Aircraft Ltd. on June 24, 2024).
10.1	Form of Underwriting Agreement Warrant Amendment (incorporated by reference to Exhibit 1.1 to Amendment No. 1 10.1 to the Registration Statement Current Report on Form S-1, 8-K, filed by New Horizon Aircraft Ltd. on June 24, 2024) September 5, 2024).
10.2	Mutual Termination Agreement, dated November 1, 2024, by and between the Company and Seller (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed by New Horizon Aircraft Ltd. on November 7, 2024).
31.1*	Rule 13a-14(a) Certification by Principal Executive Officer
31.2*	Rule 13a-14(a) Certification by Principal Financial and Accounting Officer
32.1**	Section 1350 Certification of Principal Executive Officer and Principal Financial and Accounting Officer
32.2**	Section 1350 Certification of Principal Financial and Accounting Officer
101.INS*	Inline XBRL Instance 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 (formatted in iXBRL, and included in exhibit 101)

* Filed with this Report.

** Furnished with this Report.

† Schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Registration S-K. The Registrant hereby agrees to furnish a copy of any omitted schedules to the SEC upon request.

SIGNATURES

Pursuant to the requirements of Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: **October 10, 2024** **January 14, 2025**

New Horizon Aircraft Ltd.

/s/ Brandon Robinson

Name: Brandon Robinson
Title: Chief Executive Officer
(Principal Executive Officer)

/s/ Brian Merker

Name: Brian Merker
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: **October 10, 2024** **January 14, 2025**

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Exhibit 31.1

CERTIFICATIONS

I, Brandon Robinson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **August 31, 2024** **November 30, 2024**, of New Horizon Aircraft Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **October 10, 2024** **January 14, 2025**

By: */s/ Brandon Robinson*

Brandon Robinson
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Brian Merker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **August 31, 2024** **November 30, 2024**, of New Horizon Aircraft Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **October 10, 2024** **January 14, 2025**

By: /s/ Brian Merker
 Brian Merker
 Chief Financial Officer
 (Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
 18 U.S.C. SECTION 1350,
 AS ADDED BY
 SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of New Horizon Aircraft Ltd. (the "Company") on Form 10-Q for the quarter ended **August 31, 2024** **November 30, 2024**, as filed with the Securities and Exchange Commission (the "Report"), I, Brandon Robinson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **October 10, 2024** **January 14, 2025**

By: /s/ Brandon Robinson
 Brandon Robinson
 Chief Executive Officer
 (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
 18 U.S.C. SECTION 1350,
 AS ADDED BY
 SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of New Horizon Aircraft Ltd. (the "Company") on Form 10-Q for the quarter ended **August 31, 2024** **November 30, 2024**, as filed with the Securities and Exchange Commission (the "Report"), I, Brian Merker, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **October 10, 2024** **January 14, 2025**

By: /s/ Brian Merker
 Brian Merker
 Chief Financial Officer
 (Principal Financial and Accounting Officer)

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