

# Vision Marine Technologies Inc.

Q1FY24 revenues soft. Adjusting revenue ramp, lowering PT to \$3.50

## COMPANY UPDATE

### Rating: BUY

Ticker: VMAR

Price: \$0.76

Target: \$3.50  
(From \$4.50)

**Q1 FY24 up on non-operating gain:** Q2 FY24 (Oct) EPS came in at \$0.07, versus our estimate of \$(0.22). The company booked a non-operating gain of C\$5.4 million in the quarter due to re-valuation of derivative liabilities relating to warrants issued. Total operating expenses for the quarter came in at C\$4.7 million, versus our estimate of C\$4.5 million. No forward guidance was provided.

**New product revenues pushed out.** Revenues for the quarter came in at C\$1 million, versus our estimate of C\$2.9 million. The boat rental business was down 25% yoy, and revenues from boat sales were a meager C\$88,000. Though the company has indicated it has orders for the E-motion in the pipeline, there were no apparent sales booked in Q1 of FY24, causing us to readjust (push out) our forecasts. Our new FY24 revenue estimate is C\$11.5 million, versus C\$18.7 million previously, based on 45 units of E-Motion sold, versus 115 previously. Our new FY25 revenue estimate is C\$22.3 million, versus C\$33.3 previously, based on 115 units of E-Motion sold, versus 250 previously.

**Adjusting estimates:** We are raising our FY24 EPS estimate to \$(0.66), versus \$(0.83) previously, reflecting the large non-operating gain in Q1. Our FY25 estimate is now \$(0.80), versus \$(0.51) previously due to push out of new product revenues. Consensus estimates are \$(0.67) and \$(0.52), for FY24 and FY25, respectively.

**Vision Marine is at the forefront of the transition to electric propulsion in boating:** The boating industry, like the car industry is gradually replacing a portion of fossil fuel motors with battery powered solutions both to clean up waterways and because electric can offer cheaper cost of ownership once fuel costs are considered. Vision Marine is not only riding this trend but helping to spur it by offering high-performance turnkey electric solutions to boat manufacturers. It's flagship new product, the E-Motion 180E outboard motor and drive train offers record breaking performance and a full turnkey propulsion solution to OEMs looking to 'go electric' without compromising performance.

**2<sup>nd</sup> Major OEM order highlights E-Motion product cycle potential:** In November, the company announced an OEM order of 25 units from Wired Pontoons, the 2<sup>nd</sup> OEM using the E-Motion following Group Beneteau. This new order provides concrete evidence that the E-Motion is starting to gain traction. We believe that as orders for this exciting product start to snowball, it will drive revenue growth acceleration and catalyze stock price performance.

**Scaling to profitability will require additional fundraising:** Vision Marine closed the November quarter with C\$0.8 million in cash. We project the company will need an additional C\$15 million in cash over the next four quarters, creating the need for new financings to fund its growth.

**Lowering price 12-month price target to \$3.50 to reflect slower E-Motion ramp:** Our new 12-month price target of \$3.50 reflects a slower ramp of E-Motion sales relative to our previous forecast. Our target is based on a NPV and represents more than 3x upside from the current share price. In addition, the company trades on an undemanding 1.1x sales and 0.9x book value. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and product momentum.

### Company Description

Based in Boisbriand, Quebec, Vision Marine, Inc. is a high-performance electric boat and electric outboard motor manufacturer.

### Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.69-5.60
Shares Outstanding (million):	11.5
Market cap (\$million):	\$8.7
EV (\$million):	\$8.1
Debt (\$million):	\$0.2
Cash (\$million):	\$0.8
Avg. Daily Trading Vol (\$ millions):	\$0.1
Float (million shares):	6.8
Short Interest (million shares):	0.52
Dividend, annual (yield):	NA

### Revenues (US\$ million)

	<u>FY24E</u>	<u>FY24E</u>	<u>FY25E</u>	<u>FY25E</u>
	<u>(Cur.)</u>	<u>(Old.)</u>	<u>(Cur.)</u>	<u>(Old.)</u>
<b>Q1 Nov</b>	0.7A	2.1E	2.7E	3.8E
<b>Q2 Feb</b>	1.7E	2.2E	3.3E	4.4E
<b>Q3 May</b>	2.5E	3.4E	4.2E	6.6E
<b>Q4 Aug</b>	<u>3.6E</u>	<u>6.1E</u>	<u>6.2E</u>	<u>9.7E</u>
<b>Total</b>	<b>8.4E</b>	<b>13.8E</b>	<b>16.3E</b>	<b>24.5E</b>
EV/Rev	1x		0.5x	

### Earnings per Share (pro forma)


	<u>FY24E</u>	<u>FY24E</u>	<u>FY25E</u>	<u>FY25E</u>
	<u>(Cur.)</u>	<u>(Old.)</u>	<u>(Cur.)</u>	<u>(Old.)</u>
<b>Q1 Nov</b>	0.07A	(0.22)E	(0.21)E	(0.18)E
<b>Q2 Feb</b>	(0.25)E	(0.24)E	(0.22)E	(0.19)E
<b>Q3 May</b>	(0.24)E	(0.22)E	(0.21)E	(0.13)E
<b>Q4 Aug</b>	<u>(0.24)E</u>	<u>(0.16)E</u>	<u>(0.15)E</u>	<u>(0.02)E</u>
<b>Total</b>	<b>\$(0.66)E</b>	<b>\$(0.83)E</b>	<b>\$(0.80)E</b>	<b>\$(0.51)E</b>
PE	NA		NA	

### Important Disclosures


Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

**For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 13.**

**Exhibit 1: Vision Marine Technologies Inc. Mission Statement**




Vision Marine's mission is to disrupt the traditional boating industry, transforming the boating experience, with electric power.



Source: Company Reports

**Exhibit 2: Vision Marine Technologies Inc. ESG Principles**



A Profoundly Important ESG company on the Water

Our purpose is not just a better boating experience, but also helping preserve the clean waters that we live in.

FROM	TO
Gas Engines	Electric Engines
Ownership	Membership
New Hulls	Recycled Hulls

Source: Company Reports

**Exhibit 3: Vision Marine Technologies Inc. Manufacturing Partnerships**

Vision Marine's unique partnership allows for reliable production and at scale



Vision Marine executed a manufacture & supply agreement with McLaren Engineering, a wholly owned subsidiary of Linamar Corp.



McLaren will help mitigate supply chain related bottlenecks. More than 90% of our components are sourced in North America.

McLaren has productive capacity of up to 18,000 E-Motion™ outboard motors per year.

Source: Company Reports

**Exhibit 4: Vision Marine Technologies Inc. First Major OEM Customer**

Our First Major Boat Manufacturer Partner Signed



25 Engine orders already placed in on our first new hull/engine partnership release

**GROUPE BENETEAU**

BENETEAU    JEANNEAU    PRESTIGE    LAGOON

In 2021, 27 production sites, 400 dealers, 17 separate brands of boats, and produces over 10,000 boats per year

FOUR WINNS    Wellcraft    DELPHIA    KCS

Source: Company Reports

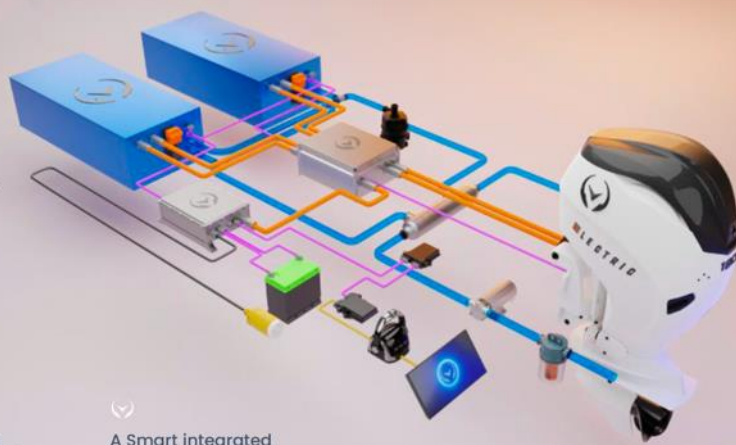


**Exhibit 5: E-Motion 180 HP Electric Powertrain Design**

The **first production ready**, high performance 180 hp fully electric powertrain and engine to disrupt the market

The only turn key solution for boat manufacturers in its class.

Vision Marine's proprietary technology, from batteries, to engine, to software is unparalleled in the market.



- Fully Charges Overnight with no additional infrastructures.
- First Custom designed marine battery packs
- A Smart integrated secure complete HV powertrain

Source: Company Reports

**Exhibit 6: Vision Marine Technologies Inc. Market Focus**

**Generating early sales**  
**Winning in the heart of the Outboard Engine Market**  
Our focus is on the largest, and fastest growing, sector of the Outboard Market

175 - 200 HORSE POWER MARKET

18' - 28' BOATS



Source: Company Reports

**Exhibit 7: Vision Marine Technologies Electric Boat Models**



**Electric Tritoon**



**Volt 180**



**Quietude 156**



**Fantail 217**



**Phantom**

	<u>Length</u>	<u>Range</u>	<u>Passengers</u>	<u>Top Speed</u>	<u>Price (USD)</u>
<b>Electric Tritoon</b>	20'	6hrs	10	5mph	57,000
		9hrs	10	5mph	60,000
<b>Electric Tritoon</b>	23'	7hrs	12	5mph	100,000
		10hrs	12	5mph	120,000
<b>Fantail 217</b>	22'	12 hours	10	6 mph	49,000
<b>Quietude 156</b>	15.5'	5 hours	4	6 mph	35,000
<b>Volt 180</b>	18'	9.75 hours	11	6 mph	37,000
<b>Phantom</b>	16.5'		10		20,000 (hull)

Source: Company Website

**Exhibit 8: Pontoons**

**Winning in Rivers and Lakes and coastal waterways**  
Pontoons are ideal for electric and 180 hp outboard.



**18' - 28'**  
**BOAT MARKET**  
Outboard Lake and River


**175hp - 200hp**  
**Outboard motor market**

Over 60,000 pontoons are sold in the American market each year.

Source: Company Reports

**Exhibit 9: Vision Marine Technologies Inc. Boat Rental Division**

**Vision Marine also has a proven, highly profitable rental and membership division**




Unique boat design and construction  
VMAR Electric Engine Technology  
Proven, low maintenance Operational Model  
Proprietary, customized Software

Source: Company Reports




**Exhibit 10: Vision Boat Rental Newport, CA Flagship Location**



**Our Newport Flagship  
Rental & Membership  
Location**

35 Boats and growing  
300,000 + clients in the first three years  
**\$4 million annualised**  
**35% Profit Margin**

( + Sales revenue from used boats every 2 years)



Source: Company Reports

**Exhibit 11: Electric Boat Rental Global Expansion Opportunity**

**Rapid Expansion in the works  
& a large market opportunity**

8,000 Marinas in the world & 10,000  
Waterfront Resorts and Marinas

**2020 – 2023**


- **Proof of concept** – Boats, Software, business model
- Finalising Franchise model and branding

**2023**

- **Roll out** Two further fully owned locations launched
- Launch Franchise model


**2024 onwards**

- Scaling at speed



Source: Company Reports

**Exhibit 12: Vision Boat Rental Franchise Expansion Possibilities**



**Franchise Model would allow a highly profitable model to scale fast**

Current Franchise Exploratory and modelling\*




**Franchise Purchase**

- Affordable buy in for franchisee and highly profitable for Vision Marine

**Ongoing Revenues**

- Early modeling suggest up to 100% potential annualized returns for Franchisee
- Significant revenue share/license fee for VMAR in perpetuity
- Additional Merchandising and partnership revenues

\* Revenues will vary by location. Profitability will vary according to dockage and Personnel cost country by country

Source: Company Reports

**Exhibit 13: VMAR Consensus Expectations**

	Revenue (USD million)		EPS (USD)	
	<u>FY2024E</u>	<u>FY2025E</u>	<u>FY2024E</u>	<u>FY2025E</u>
Q1 Nov	\$0.7A	\$3.8E	Q1 Nov	\$0.07A \$(0.18)E
Q2 Feb	\$3.4E	\$4.5E	Q2 Feb	(\$0.22)E (\$0.19)E
Q3 May	\$4.3E	\$6.7E	Q3 May	(\$0.20)E (\$0.13)E
Q4 Aug	\$5.0E	\$9.8E	Q4 Aug	\$(0.15)E \$(0.02)E
<b>Total</b>	<b>\$13.4E</b>	<b>\$24.8E</b>	<b>Total</b>	<b>(\$0.67)E (\$0.52)E</b>

Source: CapitalIQ

\*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company reports, CapitalIQ, Ascendant Capital Markets estimates



**Exhibit 14: VMAR Daily Stock Price Chart Since IPO**



Source: <https://bigcharts.marketwatch.com/>

## FINANCIAL MODEL

### Vision Marine Technologies Inc.

Income Statement (C\$ mils, except where USD specified)	2019	2020	2021	2022	Nov-22	Feb-23	May-23	Aug-23	2023	Nov-23	Feb-23	May-23	Aug-23	2024	Nov-24	Feb-25	May-25	Aug-25	2025	
Fiscal Year End: August 31	FY-A	FY-A	FY-A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
<b>Revenue Breakdown</b>																				
Boat Sales	2.7	2.2	2.1	2.5	0.2	0.2	0.3	0.6	1.3	0.1	0.3	0.5	0.7	1.6	0.4	0.4	0.6	1.9	3.3	
Parts & Maintenance	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.0	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.4	
Boat Rentals	-	-	1.4	4.8	1.2	0.6	0.9	1.5	4.0	0.9	1.0	1.5	2.2	5.6	1.4	1.2	2.3	3.0	7.9	
Other	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	0.3	0.3	
E-Motion Powertrains	-	-	-	-	-	-	-	-	-	-	0.8	1.1	1.5	3.4	1.5	2.3	2.3	2.6	8.6	
Phantom - Rotomolded Boats	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.3	0.5	0.3	0.5	0.5	0.5	1.8	
<b>Revenue</b>	<b>2.6</b>	<b>2.6</b>	<b>3.5</b>	<b>7.4</b>	<b>1.4</b>	<b>0.8</b>	<b>1.3</b>	<b>2.1</b>	<b>5.7</b>	<b>1.0</b>	<b>2.3</b>	<b>3.4</b>	<b>4.9</b>	<b>11.5</b>	<b>3.7</b>	<b>4.5</b>	<b>5.8</b>	<b>8.4</b>	<b>22.3</b>	
Cost Of Goods Sold (1)	1.4	1.9	1.9	4.1	1.3	0.8	0.9	1.1	4.1	0.6	1.6	2.2	2.9	7.2	2.2	2.7	3.5	4.6	12.9	
<b>Gross Profit</b>	<b>1.2</b>	<b>0.7</b>	<b>1.6</b>	<b>3.3</b>	<b>0.1</b>	<b>0.0</b>	<b>0.4</b>	<b>1.0</b>	<b>1.5</b>	<b>0.4</b>	<b>0.7</b>	<b>1.2</b>	<b>1.9</b>	<b>4.2</b>	<b>1.5</b>	<b>1.8</b>	<b>2.3</b>	<b>3.8</b>	<b>9.3</b>	
<b>Operating expenses</b>																				
R & D Exp.	0.0	(0.0)	1.5	2.2	3.7	0.6	0.8	0.6	5.7	1.0	1.0	1.2	1.4	4.6	1.2	1.4	1.4	1.6	5.6	
Selling General & Admin Exp.	1.0	1.5	5.7	10.8	3.1	2.9	3.5	4.9	14.3	3.5	3.5	3.7	4.2	14.9	3.5	3.8	4.1	4.5	15.9	
Stock-Based Compensation	0.0	1.3	7.1	2.7	0.3	0.1	0.6	0.1	1.1	0.1	-	-	-	0.1	-	-	-	-	-	
Depreciation & Amort.	0.0	0.0	0.2	0.3	0.1	0.1	0.2	0.2	0.6	0.2	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.3	
Other Operating Expense/(Income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	-	-	-	(0.1)	-	-	-	-	-	
<b>Total operating expenses</b>	<b>1.0</b>	<b>2.8</b>	<b>14.5</b>	<b>16.1</b>	<b>7.1</b>	<b>3.8</b>	<b>5.1</b>	<b>5.7</b>	<b>21.7</b>	<b>4.7</b>	<b>4.6</b>	<b>5.0</b>	<b>5.7</b>	<b>20.0</b>	<b>4.8</b>	<b>5.3</b>	<b>5.6</b>	<b>6.2</b>	<b>21.8</b>	
<b>Operating Income</b>	<b>0.2</b>	<b>(2.1)</b>	<b>(12.9)</b>	<b>(12.8)</b>	<b>(7.0)</b>	<b>(3.7)</b>	<b>(4.7)</b>	<b>(4.7)</b>	<b>(20.1)</b>	<b>(4.3)</b>	<b>(3.9)</b>	<b>(3.8)</b>	<b>(3.8)</b>	<b>(15.8)</b>	<b>(3.3)</b>	<b>(3.5)</b>	<b>(3.3)</b>	<b>(2.4)</b>	<b>(12.5)</b>	
Interest Expense	(0.0)	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	
Interest and Invest. Income	0.0	0.0	0.0	0.4	0.3	0.0	0.0	(0.2)	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	
Currency Exchange Gains (Loss)	0.0	(0.0)	(1.6)	0.3	0.1	0.0	(0.0)	0.4	0.5	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	
Other Non-Operating Inc. (Exp.) (3)	0.0	0.0	0.2	0.1	(0.1)	(0.3)	1.5	0.3	1.4	5.3	-	-	-	5.3	-	-	-	-	-	
<b>EBT Before Extraordinary Items</b>	<b>0.2</b>	<b>(2.2)</b>	<b>(14.5)</b>	<b>(12.3)</b>	<b>(6.8)</b>	<b>(4.1)</b>	<b>(3.3)</b>	<b>(4.0)</b>	<b>(18.2)</b>	<b>1.0</b>	<b>(3.9)</b>	<b>(3.8)</b>	<b>(3.8)</b>	<b>(10.5)</b>	<b>(3.3)</b>	<b>(3.5)</b>	<b>(3.3)</b>	<b>(2.4)</b>	<b>(12.5)</b>	
Impairment of Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Gain (Loss) On Sale Of Invest. (2)	0.0	0.0	0.0	0.1	0.0	(2.6)	0.0	0.0	(2.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Unusual Items	0.0	0.0	(0.5)	(0.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>EBT After Extraordinary Items</b>	<b>0.2</b>	<b>(2.2)</b>	<b>(15.0)</b>	<b>(12.9)</b>	<b>(6.8)</b>	<b>(6.7)</b>	<b>(3.3)</b>	<b>(4.0)</b>	<b>(20.8)</b>	<b>1.0</b>	<b>(3.9)</b>	<b>(3.8)</b>	<b>(3.8)</b>	<b>(10.5)</b>	<b>(3.3)</b>	<b>(3.5)</b>	<b>(3.3)</b>	<b>(2.4)</b>	<b>(12.5)</b>	
Income Tax Expense	0.1	0.0	0.1	0.3	0.0	(0.0)	(0.2)	(0.1)	(0.3)	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	
<b>Net Income GAAP (C\$)</b>	<b>0.1</b>	<b>(2.2)</b>	<b>(15.1)</b>	<b>(13.1)</b>	<b>(6.8)</b>	<b>(6.7)</b>	<b>(3.1)</b>	<b>(4.0)</b>	<b>(20.5)</b>	<b>1.1</b>	<b>(3.9)</b>	<b>(3.8)</b>	<b>(3.8)</b>	<b>(10.5)</b>	<b>(3.3)</b>	<b>(3.5)</b>	<b>(3.3)</b>	<b>(2.4)</b>	<b>(12.5)</b>	
<b>Net Income Pro Forma (C\$)</b>	<b>0.1</b>	<b>(2.2)</b>	<b>(15.1)</b>	<b>(13.1)</b>	<b>(6.8)</b>	<b>(6.7)</b>	<b>(3.1)</b>	<b>(4.0)</b>	<b>(17.9)</b>	<b>1.1</b>	<b>(3.9)</b>	<b>(3.8)</b>	<b>(3.8)</b>	<b>(10.5)</b>	<b>(3.3)</b>	<b>(3.5)</b>	<b>(3.3)</b>	<b>(2.4)</b>	<b>(12.5)</b>	
Diluted EPS (C\$)	0.03	(0.46)	(1.98)	(1.56)	(0.80)	(0.76)	(0.32)	(0.39)	(2.22)	0.09	(0.34)	(0.33)	(0.33)	(0.91)	(0.29)	(0.30)	(0.29)	(0.21)	(1.09)	
<b>Diluted EPS Pro Forma (C\$)</b>	<b>0.02</b>	<b>(0.46)</b>	<b>(1.98)</b>	<b>(1.56)</b>	<b>(0.80)</b>	<b>(0.76)</b>	<b>(0.32)</b>	<b>(0.39)</b>	<b>(1.93)</b>	<b>0.09</b>	<b>(0.34)</b>	<b>(0.33)</b>	<b>(0.33)</b>	<b>(0.91)</b>	<b>(0.29)</b>	<b>(0.30)</b>	<b>(0.29)</b>	<b>(0.21)</b>	<b>(1.09)</b>	
Weighted Avg. Diluted Shares Out.	3.7	4.2	7.4	8.3	8.4	8.7	9.7	10.2	9.3	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	
Revenue (USD)	1.9	1.9	2.8	5.7	1.0	0.6	1.0	1.6	4.2	0.7	1.7	2.5	3.6	8.4	2.7	3.3	4.2	6.2	16.3	
Net Income Pro Forma (USD)	0.1	(1.7)	(12.0)	(10.2)	(5.0)	(4.9)	(2.3)	(3.0)	(13.2)	0.8	(2.9)	(2.8)	(2.8)	(7.7)	(2.4)	(2.6)	(2.4)	(1.8)	(9.2)	
<b>Diluted EPS Pro Forma (USD)</b>	<b>0.03</b>	<b>(0.40)</b>	<b>(1.62)</b>	<b>(1.23)</b>	<b>(0.59)</b>	<b>(0.56)</b>	<b>(0.23)</b>	<b>(0.29)</b>	<b>(1.43)</b>	<b>0.07</b>	<b>(0.25)</b>	<b>(0.24)</b>	<b>(0.24)</b>	<b>(0.66)</b>	<b>(0.21)</b>	<b>(0.22)</b>	<b>(0.21)</b>	<b>(0.15)</b>	<b>(0.80)</b>	
<b>Margins</b>																				
Gross margin	45%	27%	46%	45%	7%	6%	29%	35%	27%	30%	30%	35%	40%	37%	40%	40%	40%	45%	42%	
Selling General & Admin Exp.	38%	57%	163%	148%	218%	348%	268%	232%	254%	354%	154%	110%	87%	130%	96%	85%	71%	53%	71%	
R & D Exp.	0%	-1%	42%	31%	263%	76%	58%	30%	101%	100%	44%	36%	29%	40%	33%	31%	24%	19%	25%	
Depreciation & Amort.	0%	1%	5%	4%	7%	15%	16%	8%	10%	21%	5%	3%	2%	4%	2%	2%	1%	1%	1%	
Operating margin	7%	-81%	-367%	-174%	-503%	-446%	-362%	-220%	-356%	-431%	-172%	-114%	-77%	-137%	-91%	-79%	-57%	-28%	-56%	
Tax rate, GAAP	-31%	1%	1%	2%	0%	0%	-6%	2%	2%	2%	2%	2%	2%	1%	2%	2%	2%	2%	0%	
Net margin	5%	-87%	-430%	-178%	-485%	-806%	-238%	-187%	-363%	107%	-173%	-114%	-78%	-91%	-91%	-79%	-57%	-28%	-56%	
<b>Y/Y % change</b>																				
Revenue		1%	36%	109%	16%	10%	-35%	-37%	-23%	-30%	174%	158%	129%	103%	270%	96%	72%	74%	94%	
Boat Sales		-16%	-8%	18%	-39%	NA	-36%	-60%	-48%	-44%	55%	46%	18%	23%	61%	20%	53%	36%	42%	
Boat Rentals		NA	NA	254%	23%	-26%	-36%	-14%	-16%	-25%	81%	71%	51%	38%	61%	20%	53%	36%	42%	
E-Motion Powertrains										NA	NA	NA	NA	NA	NA	200%	100%	75%	156%	
Phantom - Rotomolded Boats										NA	NA	NA	NA	NA	NA	300%	300%	100%	250%	
COGS		35%	1%	113%	89%	55%	4%	-44%	1%	-57%	104%	135%	162%	76%	298%	68%	58%	59%	79%	
Gross Profit		-41%	132%	105%	-80%	-80%	-67%	-27%	-53%	318%	1284%	215%	92%	175%	235%	161%	96%	95%	121%	
Selling General & Admin Exp.		50%	288%	90%	21%	-5%	43%	73%	32%	15%	21%	6%	-15%	4%	0%	9%	11%	7%	7%	
Total Operating Expenses		184%	419%	11%	74%	-1%	75%	8%	35%	-34%	22%	-2%	0%	-8%	2%	15%	12%	9%	9%	
Operating Income		-1262%	514%	-1%	97%	5%	165%	20%	58%	-40%	6%	-19%	-20%	-22%	-22%	-11%	-14%	-36%	-21%	
Net income		-1864%	576%	-13%	98%	81%	60%	-2%	57%	-116%	-41%	24%	-5%	-49%	-417%	-11%	-14%	-36%	20%	
Diluted EPS Excl. Extra Items		-3016%	330%	-21%	95%	72%	40%	-20%	23%	-111%	-55%	4%	-16%	-53%	-417%	-11%	-14%	-36%	20%	
Depreciation rate %			16%	6%	8%	11%	18%	18%	14%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	

Source: Company reports, Ascendant Capital Markets estimates

**Vision Marine Technologies Inc.**

Balance Sheet (C\$ millions)	Aug-19	Aug-20	Aug-21	Aug-22	Nov-22	Feb-23	May-23	Aug-23	Nov-23	Feb-24	May-24	Aug-24	Nov-24	Feb-25	May-25	Aug-25
Fiscal Year End: August 31	Q4A	Q4A	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Current Assets</b>																
Total Cash & ST Investments	-	1.3	18.1	5.8	1.7	4.1	1.5	3.4	0.8	(3.8)	(8.3)	(12.9)	(15.3)	(19.3)	(23.4)	(27.3)
Accounts Receivable	0.1	0.0	0.0	0.1	0.1	0.3	0.4	0.6	0.5	0.7	1.0	1.5	1.1	1.4	1.8	2.6
Other Receivables	0.4	0.5	0.4	1.1	0.9	0.7	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Inventory	0.8	0.5	2.0	2.1	2.6	2.5	2.7	2.4	3.2	3.5	4.8	6.5	4.9	5.9	7.7	10.3
Prepaid Exp.	0.0	0.2	0.5	2.5	1.1	0.7	1.0	2.0	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Restricted Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Current Assets	-	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total Current Assets</b>	<b>1.4</b>	<b>2.4</b>	<b>21.3</b>	<b>11.6</b>	<b>6.5</b>	<b>8.4</b>	<b>6.1</b>	<b>8.5</b>	<b>7.5</b>	<b>3.4</b>	<b>0.6</b>	<b>(1.9)</b>	<b>(6.3)</b>	<b>(9.0)</b>	<b>(11.0)</b>	<b>(11.4)</b>
Gross Property, Plant & Equipment	0.7	1.6	5.0	5.8	6.2	6.2	6.8	6.8	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Right of Use Asset	-	-	-	-	-	-	-	-	2.3	-	-	-	-	-	-	-
Accumulated Depreciation	(0.2)	(0.4)	(0.6)	(1.3)	(1.5)	(1.7)	(1.9)	(2.0)	(2.2)	(2.3)	(2.4)	(2.5)	(2.6)	(2.7)	(2.8)	(2.9)
Long-term Investments	-	-	-	2.4	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill	-	-	9.0	9.4	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7
Other Intangibles	-	-	1.2	1.1	1.1	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Deferred Tax Assets, LT	-	-	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Long-Term Assets	0.0	-	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total Assets</b>	<b>1.9</b>	<b>3.6</b>	<b>38.8</b>	<b>29.1</b>	<b>24.7</b>	<b>23.7</b>	<b>21.9</b>	<b>24.0</b>	<b>22.9</b>	<b>16.4</b>	<b>13.5</b>	<b>10.9</b>	<b>6.4</b>	<b>3.6</b>	<b>1.6</b>	<b>1.1</b>
<b>Liabilities</b>																
Accounts Payable	0.3	0.6	0.6	0.7	2.2	1.5	1.5	1.8	2.8	2.5	3.5	4.6	3.5	4.2	5.5	7.4
Accrued Exp.	0.0	0.0	0.3	0.3	0.2	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term Borrowings	0.3	0.2	0.0	0.0	0.1	1.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Provision on onerous contracts	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	1.8	1.9	-	-	-	-	-	-
Curr. Port. of LT Debt	0.6	1.0	0.0	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Curr. Port. of Leases	0.0	0.1	0.6	0.6	0.6	0.6	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Curr. Income Taxes Payable	-	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unearned Revenue, Current	0.2	0.0	0.9	1.0	1.0	0.7	0.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Current Liabilities	-	0.0	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total Current Liabilities</b>	<b>1.5</b>	<b>1.9</b>	<b>2.7</b>	<b>2.9</b>	<b>4.4</b>	<b>4.6</b>	<b>4.0</b>	<b>4.9</b>	<b>6.0</b>	<b>3.8</b>	<b>4.7</b>	<b>5.8</b>	<b>4.7</b>	<b>5.5</b>	<b>6.7</b>	<b>8.6</b>
Long-Term Debt	0.6	0.4	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-Term Leases	0.0	0.6	2.4	1.9	1.9	1.8	2.2	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Def. Tax Liability, Non-Curr.	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivative liabilities	-	0.0	0.0	0.0	0.0	3.8	3.3	5.6	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
<b>Total Liabilities</b>	<b>2.0</b>	<b>2.8</b>	<b>5.3</b>	<b>5.1</b>	<b>6.6</b>	<b>10.4</b>	<b>9.6</b>	<b>12.5</b>	<b>8.8</b>	<b>6.5</b>	<b>7.5</b>	<b>8.6</b>	<b>7.5</b>	<b>8.2</b>	<b>9.5</b>	<b>11.4</b>
<b>Shareholders' Equity</b>																
Common Stock	0.0	2.5	42.8	43.4	43.6	45.4	46.9	50.4	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8
Additional Paid In Capital	-	0.7	7.9	10.6	10.9	11.0	11.6	11.7	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8
Retained Earnings	(0.2)	(2.4)	(17.6)	(30.7)	(37.5)	(44.2)	(47.3)	(51.5)	(50.5)	(54.5)	(58.3)	(62.0)	(65.4)	(68.9)	(72.2)	(74.6)
Treasury Stock	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Comprehensive Inc. and Other	0.0	0.0	0.4	0.7	1.1	1.1	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
<b>Total Equity</b>	<b>(0.1)</b>	<b>0.8</b>	<b>33.5</b>	<b>24.0</b>	<b>18.1</b>	<b>13.3</b>	<b>12.3</b>	<b>11.6</b>	<b>14.1</b>	<b>10.2</b>	<b>6.3</b>	<b>2.6</b>	<b>(0.8)</b>	<b>(4.3)</b>	<b>(7.6)</b>	<b>(10.0)</b>
<b>Total Liabilities And Equity</b>	<b>1.9</b>	<b>3.6</b>	<b>38.8</b>	<b>29.1</b>	<b>24.7</b>	<b>23.7</b>	<b>21.9</b>	<b>24.0</b>	<b>22.9</b>	<b>16.7</b>	<b>13.8</b>	<b>11.2</b>	<b>6.7</b>	<b>4.0</b>	<b>1.9</b>	<b>1.4</b>
Check	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3
<b>Balance Sheet Drivers</b>																
Balance Sheet (C\$ millions)	Aug-19	Aug-20	Aug-21	Aug-22	Nov-22	Feb-23	May-23	Aug-23	Nov-23	Feb-24	May-24	Aug-24	Nov-24	Feb-25	May-25	Aug-25
Fiscal Year End: August 31	Q4A	Q4A	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Book &amp; Cash Value (C\$ per share)</b>																
Book Value per Share (diluted)	-	0.15	4.03	2.89	2.14	1.52	1.27	1.13	1.22	0.88	0.55	0.22	(0.07)	(0.37)	(0.65)	(0.86)
Cash per Share (diluted)	-	0.25	2.18	0.70	0.20	0.47	0.16	0.33	0.07	(0.33)	(0.72)	(1.12)	(1.33)	(1.67)	(2.03)	(2.36)
Net cash per Share (diluted)	-	(0.00)	2.17	0.67	0.17	0.42	0.12	0.30	0.05	(0.35)	(0.74)	(1.14)	(1.35)	(1.69)	(2.05)	(2.38)

Source: Company reports, Ascendant Capital Markets estimates



**Vision Marine Technologies Inc.**

Cash Flow Statement (C\$ millions)	2020	2021	2022	Nov-22	Feb-23	May-23	Aug-23	2023	Nov-23	Feb-23	May-23	Aug-23	2024	Nov-24	Feb-25	May-25	Aug-25	2025
Fiscal Year End: August 31	FY-A	FY-A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Net Income</b>	(2.3)	(15.1)	(13.1)	(6.8)	(6.7)	(3.1)	(4.3)	(20.9)	1.0	(3.9)	(3.8)	(3.8)	(10.5)	(3.3)	(3.5)	(3.3)	(2.4)	(12.5)
Depreciation & Amort.	0.2	0.3	0.9	0.2	0.2	0.2	0.4	1.1	0.3	0.1	0.1	0.1	0.6	0.1	0.1	0.1	0.1	0.3
Accretion on L-t Debt and Lease Liabilities								0.2	0.0									
Amort. of Goodwill and Intangibles	0.0	0.1	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0				0.0					0.0
Other Amortization	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0				0.0					0.0
(Gain) Loss From Sale Of Assets	0.0	0.0	0.0	(0.0)	(0.0)	0.1	0.1	0.2	(0.0)				(0.0)					0.0
(Gain) Loss On Sale Of Invest.	0.0	0.0	(0.0)	0.0	2.4	(2.4)	(0.0)	0.0	0.0				0.0					0.0
Net Loss on Debentures							2.4	2.4	0.0									
Stock-Based Compensation	1.3	7.2	3.3	0.4	0.2	1.0	(0.5)	1.1	0.1				0.1					0.0
Shares issued for Services							1.7	1.7	0.4									
Income Tax Expense							(0.3)	(0.3)	(0.1)									
Income Tax Paid							(0.0)	(0.0)	(0.0)									
Gain on Derivative Liabilities							(1.8)	(1.8)	(5.4)									
Gain on Lease Termination							(0.1)	(0.1)	0.0									
Other Operating Activities	0.0	0.7	0.5	(0.1)	0.6	0.3	(0.7)	0.0	0.0				0.0					0.0
Change in Acc. Receivable	0.0	(0.2)	(0.2)	0.2	(0.1)	(0.1)	0.0	(0.1)	0.1	(0.2)	(0.3)	(0.5)	(0.9)	0.4	(0.2)	(0.4)	(0.8)	(1.1)
Provision for Onerous Contracts							0.1	0.1	0.0									
Change In Inventories	0.3	(1.5)	(0.1)	(0.5)	0.1	(0.2)	0.3	(0.4)	(0.7)	(0.4)	(1.3)	(1.6)	(4.0)	1.6	(1.1)	(1.7)	(2.6)	(3.8)
Grants and Investment Tax Credits Receivable							0.7	0.7	0.0									
Other Financial Assets							0.0	0.0	(0.0)									
Change in Acc. Payable	0.3	0.1	0.2	1.3	(0.6)	(0.0)	(0.0)	0.7	1.1	(0.3)	0.9	1.2	2.9	(1.1)	0.8	1.2	1.9	2.7
Prepaid Expenses							0.5	0.5	(0.9)									
Contract Liabilities							0.8	0.8	0.0									
Change in Unearned Rev.	(0.2)	0.4	0.1	(0.0)	(0.3)	0.1	0.2	0.0	0.0				0.0					0.0
Change in Other Net Operating Assets	(0.2)	(0.3)	(2.6)	1.3	0.8	(0.1)	(2.2)	(0.1)	(0.0)				(0.0)					0.0
<b>Cash from Ops.</b>	(0.4)	(8.3)	(11.0)	(4.0)	(3.3)	(4.2)	(2.6)	(14.0)	(4.1)	(4.7)	(4.4)	(4.6)	(17.8)	(2.4)	(4.0)	(4.1)	(3.9)	(14.4)
Capital Expenditure	(0.1)	(0.5)	(1.2)	(0.3)	(0.3)	(0.2)	(0.1)	(0.9)	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Sale of Property, Plant, and Equipment	0.0	0.0	0.2	0.2	0.2	0.0	0.0	0.4	0.1									0.0
Cash Acquisitions	0.0	(5.0)	0.0				0.0	0.0					0.0					0.0
Divestitures	0.0	0.0	0.0				0.0	0.0					0.0					0.0
Sale (Purchase) of Intangible assets	0.0	(0.5)	(0.0)				0.0	0.0					0.0					0.0
Invest. in Marketable & Equity Secur.	0.0	(3.4)	0.0				0.0	0.0					0.0					0.0
Net (Inc.) Dec. in Loans Originated/Sold	0.0	0.0	0.0				0.0	0.0					0.0					0.0
Other Investing Activities	0.0	0.0	0.0				0.0	0.0					0.0					0.0
<b>Cash from Investing</b>	(0.0)	(9.5)	(1.0)	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short Term Debt Issued	0.0	0.1	0.0				0.2	0.2	0.1				0.1					0.0
Long-Term Debt Issued	0.0	0.0	0.0	0.1			0.1	0.3					0.0					0.0
Short Term Debt Repaid	0.0	0.0	0.0				0.0	0.0					0.0					0.0
Long-Term Debt Repaid	0.0	(0.1)	(0.2)	(0.2)			(0.0)	(0.2)	(0.1)				(0.1)					0.0
Issuance of Common Stock	2.0	35.5	0.0	0.0	5.1	2.5	4.8	12.4	1.8	0.0	0.0	0.0	1.8					0.0
Shares Issued Upon Options Conversion							0.2	0.2										
Repurchase of Common Stock	0.0	0.0	0.0				0.0	0.0					0.0					0.0
Total Dividends Paid	0.0	0.0	0.0				0.0	0.0					0.0					0.0
Special Dividend Paid	0.0	0.0	0.0				0.0	0.0					0.0					0.0
Repayment of Lease Liabilities							(0.7)	(0.7)	(0.2)									0.0
Other Financing Activities	(0.1)	0.0	0.2				0.0	0.0					0.0					0.0
<b>Cash from Financing</b>	1.7	34.6	(0.4)	(0.1)	5.1	2.5	4.5	12.1	1.6	0.0	0.0	0.0	1.6	0.0	0.0	0.0	0.0	0.0
<b>Net Change in Cash</b>	1.3	16.9	(12.3)	(4.2)	2.5	(2.6)	1.8	(2.5)	(2.5)	(4.7)	(4.4)	(4.6)	(16.2)	(2.4)	(4.0)	(4.1)	(3.9)	(14.4)
Cash balance at beginning of period	-	18.1	5.8	5.8	1.6	4.1	1.5	5.8	3.4	0.8	(3.8)	(8.3)	3.4	(12.9)	(15.3)	(19.3)	(23.4)	(12.9)
Cash balance at end of period	1.3	18.1	5.8	1.6	4.1	1.5	3.4	3.4	0.8	(3.8)	(8.3)	(12.9)	(12.9)	(15.3)	(19.3)	(23.4)	(27.3)	(27.3)

Source: Company reports, Ascendant Capital Markets estimates

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Total return is defined as price appreciation plus dividend yield.

**Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of January 15, 2024)**

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Sell	1	2%	0	0%
Total	53	100%	20	38%

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