

# Vision Marine Technologies Inc.

## Initiating Coverage with BUY and \$4.50 Price Target

*Pure play on electrification in boating. Demand for high-performance electric outboard motors should power significant sales growth and catalyze stock price re-rating.*

**Initiating with BUY:** We are initiating coverage of Vision Marine, Inc. with a BUY rating. Vision Marine is a pure-play electric boating company based in Canada. The company sells powertrains to OEMs, as well as finished electric boats. The company also has a recreational electric boat rental operation.

**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.

**Vision Marine addresses a multi-billion-dollar market opportunity:** Vision Marine aims to replace a portion of the ICE (internal Combustion Engine) outboard motor market, currently valued at over \$10.5 billion annually, as well as grow its share of the electric boat rental market, currently valued at \$5 billion annually. In addition, the company sells finished electric boats into the \$5 billion market for electric boats.

**Vision Marine is leading the market in electric outboard motor performance:** In August 2023, Vision Marine set a speed record of 116 mph with its 180HP E-Motion electric motor. The company previously set a distance record with a combined solar and battery powered pontoon that motored from Virginia to Miami. Setting exciting benchmarks such as these is a key part of Vision Marine's Go-to-market strategy, helping to incentivize OEMs to create electric models and establish the company as a market and technology leader.

**E-Motion product cycle should power the business and the stock:** Delivery of the first batch of 25 E-Motion 180 HP systems to Groupe Beneteau in October 2023 signals the beginning of a powerful product cycle which is likely to catalyze strong sales growth and stock-price performance. Our forecast calls for 115 units in FY24 and 250 units in FY25.

**Vision Marine's complimentary boat rental business provides cash flow and growth potential:** Representing 2/3 of Vision Marine's revenue in the most recent (May) quarter, Vision Boat Rental operates fleets of leisure rental boats at 2 locations in Southern California. The business carries a relatively high gross margin and offers rapid payback on boat investments. With 8,000 recreational Marinas globally, the opportunity for expansion is abundant.

**Scaling to profitability will require additional fundraising:** Vision Marine closed the May quarter with C\$4.1 million in cash. We project the company will need an additional C\$20 million in cash over the next five quarters, creating the need for new financings to fund its growth. Depending on the strength of its order book, the company could reach breakeven in FY25.

**12-month price target of \$4.50 based on an NPV analysis:** We calculate a 12-month price target for shares of VMAR of \$4.50. This is based on a NPV analysis, representing 127% upside from the current share price. 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.

United States  
Recreational Vehicles

October 30, 2023

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## COVERAGE INITIATION

**Rating: BUY**

Ticker: VMAR

Price: \$1.98

Target: \$4.50

### Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.85-5.65
Shares Outstanding (million):	11.9
Market cap (\$million):	\$23.6
EV (\$million):	\$23.0
Debt (\$million):	\$0.5
Cash (\$million):	\$1.1
Avg. Daily Trading Vol. (\$ million):	\$0.2
Float (million shares):	5.9
Short Interest (million shares):	0.07
Dividend, annual (yield):	NA

### Revenues (US\$ million)

	2023E (Cur.)	2024E (Cur.)	2025E (Cur.)
<b>Q1 Nov</b>	1.0A	2.1E	3.8E
<b>Q2 Feb</b>	0.6A	2.2E	4.4E
<b>Q3 May</b>	1.0A	3.4E	6.6E
<b>Q4 Aug</b>	<u>2.5E</u>	<u>6.1E</u>	<u>9.7E</u>
<b>Total</b>	<b>5.1E</b>	<b>13.8E</b>	<b>24.5E</b>
EV/Revs	4.5x	1.7x	0.9x

### Earnings per Share (pro forma)

	2023E (Cur.)	2024E (Cur.)	2025E (Cur.)
<b>Q1 Nov</b>	(0.59)A	(0.22)A	(0.18)E
<b>Q2 Feb</b>	(0.56)A	(0.24)A	(0.19)E
<b>Q3 May</b>	(0.23)A	(0.22)E	(0.13)E
<b>Q4 Aug</b>	<u>(0.22)E</u>	<u>(0.16)E</u>	<u>(0.02)E</u>
<b>Total</b>	<b>(1.08)E</b>	<b>(0.83)E</b>	<b>(0.51)E</b>
P/E	NA	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 28.**

### Exhibit 1: Vision Marine Technologies Inc. Daily Stock Price (Since IPO)



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


## INVESTMENT THESIS

### **We are initiating coverage of Vision Marine, Inc. with a BUY rating and a 12-month price target of \$4.50**


**Overview.** Vision Marine’s mission is to “disrupt the traditional boating industry by transforming the boating experience with electric power.” The company emphasizes the importance of preserving waterways and transitioning from fossil fuel to electric engines, aligning with global sustainability trends. Vision Marine offers a production-ready, high-performance 180 HP fully electric powertrain and outboard motor which boat manufacturers can incorporate into their designs as a turnkey electric propulsion solution. Vision Marine’s proprietary powertrain design, including battery pack, charger, and display, offer performance leadership in the electric boating industry.

**Vision Marine Technologies Inc. is a pure-play on the fossil fuel-to-electric conversion taking place in boating.** The motor-boat industry is at the front end of a massive conversion from fossil-fuel to electric propulsion similar to what is happening in the auto sector, but less mature. The conversion is being driven by environmental as well as performance considerations, and catalysed by a cost-of-ownership equation which increasingly favors battery-powered boats. Over a span of 6 years, Vision Marine estimates its 180 HP powertrain is cheaper to own and operate than traditional gas 180 HP engines, more than offsetting the higher sticker price. In addition, Vision Marine is establishing outboard motor performance benchmarks, creating proprietary battery and drive-train technology, positioning itself as a supplier to OEMs, creating a platform to scale production through manufacturing partnerships, and developing its leisure boat rental business.

Exhibit 2: 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 3: 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

**Vision Marine addresses multi-billion-dollar markets for electric boats and electric boat rental.** Vision Marine targets a TAM of \$20 billion+, with the outboard motor market valued at \$10.5 billion, the electric boat market valued at \$5 billion, and the electric boat rental market valued at another \$5 billion. In the US outboard motor market, roughly 330,000 units are sold annually. If the company can capture 1% of this market on a unit basis, this would represent a revenue opportunity on the order of \$190 million annually.

**Vision Marine is at the leading edge of marine electric outboard motor performance.** The company set a speed record in electric boat engines at 116 MPH at the Lake of the Ozarks Shootout in August 2023, showcasing the performance capabilities of the E-Motion. Being at the leading edge helps establish Vision Marine as an early leader in the still nascent market for electric power boats and power boat technology. In July 2023, the company announced an electric boat distance record for a custom-built solar-electric pontoon which it motored from Virginia to Miami (1050 miles). Such benchmarks create excitement, raise awareness, and incentivize OEMs to switch to electric using Vision Marine's powertrains.

**Vision Marine has developed a defensible 'moat' in the form of proprietary technology in marine batteries, powertrains, and motors, as well as a high-performance brand.** Vision Marine has invested 10 years and US \$10 million in development for electric engines & powertrains, indicating a strong commitment to R&D. In addition, Vision Marine has spent a decade developing proprietary marine-certified battery cells, ensuring product reliability and performance.

**Profitable and scalable boat rental business compliments Vision Marine's product businesses.** Currently 2/3 of the company's revenues comes from boat rental, acquired through Vision Marine's purchase of EB Rental in June 2021, now called Vision Boat Rental. The economics of the rental business are attractive, with 50% gross margins, and payback on boat investments is as little as 18 months. Furthermore, the market opportunity is large, with over 8,000 recreational Marinas globally. In order to scale this business more rapidly, the company is eyeing a franchise model.

**Vision Marine has secured top-tier manufacturing partners to support production at scale.** Vision Marine is ready to scale up production of motors and powertrains in collaboration with top-tier manufacturing partners. The company has partnered with McLaren Engineering for outboard motors and Octillion for batteries. With such partners, the company should be able to scale reliably and flexibly as orders for the E-Motion come through.

**Additional design wins for the E-Motion should provide a powerful revenue driver and positive catalyst for the stock.** With its initial order of 25 units of the E-Motion for Groupe Beneteau delivered in October 2023, the company has indicated that it is working with other OEMs to qualify its powertrains. With ASPs of C\$75,000, a design win of 100 units would translate into \$5.7 million of revenue. With the vast majority of the 330,000 outboard motor units sold annually still ICE propulsion, the scope for Vision Marine to gain share as boat manufacturers seek to sell more electric models is vast. As news of additional design wins come through, we believe the stock price is likely to respond favorably.

### Attractive Valuation

Vision Marine is trading near its post-IPO low, even as the company appears poised start its most important new product cycle, that of the E-Motion. Shares are currently trading at 1.7x our estimate of FY24 sales and less than half our NPV estimate of \$4.50. While the company's product ramp is subject to risk and uncertainty, we believe that large growth opportunities provided by the fossil fuel-to-electric transition in boating and the presence of near-term catalysts in the form of potential design wins create a favorable risk/reward scenario for investors.

**Exhibit 4: 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 5: Vision Marine Technologies Inc. First Major OEM Customer**

Our First Major Boat Manufacturer Partner Signed



**GROUPE BENETEAU**

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

Source: Company Reports

## INVESTMENT RISKS

**Market Adoption:** Though there is a marked trend towards electrification in the boating industry, the electric segment is still relatively small. In addition, the sticker price of electric powertrains is typically 2x or more than that of ICE powered models. Though lower charging costs and maintenance expenses can offset this over time, many consumers may focus on the sticker price difference, resulting in hesitance to transition from traditional ICE-powered boats to electric alternatives.

**Competition:** The electric boating sector has a number of niche competitors, and might attract new entrants, including larger, well-established players with more resources, leading to increased competition for Vision Marine. So far, the company has worked hard to stay ahead of competition through product innovation and strategic partnerships. In addition, with a small part of the boat market currently electric, the overall conversion opportunity is likely to support many competitors.

**Supply Chain Disruptions:** Global supply chain issues, especially concerning battery components and other essential parts, could lead to production delays, increased costs, or unmet demand. We note that the company has worked hard to mitigate against this risk, in particular enlisting large contract manufacturers such as MacLaren and Octillion, whose manufacturing capacity is much larger than Vision Marine's order requirements.

**Economic Factors:** Economic downturns or recessions could lead to reduced consumer spending on luxury items like boats, impacting Vision Marine's sales and profitability. Indeed, we have seen this recently, with the Covid pandemic impacting the overall tourism sector, and bad weather impacting the company's California-based rental business in late 2022.

**Technological Risks:** The electric boating sector is evolving rapidly. Though the company so far has managed to position itself at the forefront of electric marine propulsion, rapid technological advancements in the electric boating sector could render Vision Marine's current product lines less competitive if they fail to keep pace with innovation.

**Reliance on External Financing.** With a cash burn rate of approximately CA\$16 million per year, and less than CA\$ 4 million in cash on the balance sheet, Vision Marine will likely remain reliant on external financing for the foreseeable future. While external funding can provide the necessary capital to drive research, development, and commercialization efforts, it also exposes the company to the volatility of financial markets and the terms set by investors or lenders. Unfavorable economic conditions, shifts in investor sentiment, or changes in lending criteria could limit the company's access to capital, resulting in unfavorable financing terms, increased debt burdens, or even an inability to secure funds altogether. Without consistent and favorable financing, the company may have to curtail its operations, delay or abandon key projects, or make strategic compromises that could adversely affect its long-term growth and profitability.

## VALUATION

### **We see upside to \$4.50 on a 12-month horizon if Vision Marine can get traction with its E-Motion rollout**

Our price target is based on a NPV analysis which assumes a very modest penetration of less than 1% of the outboard motor market by FY27. We further assume the company will generate net margins of 12% and will require an additional \$40 million in capital to reach this level of market share. Adding net cash to the NPV of future net profit and subtracting estimated additional capital required, we come up with current value for existing shareholders of \$53.6 million, which translates into \$4.50 per share.

We acknowledge that as a boutique player in an emerging industry, Vision Marine's valuation is subject to great uncertainty. To account for this, we use a high discount rate of 16% in our NPV calculation, and a conservative market share forecast of 0.5% of the outboard motor market by FY27. Given that Vision Marine has established a strong reputation for high-performance, has lined up premier contract manufacturers, and has orders from a top-tier OEM (Groupe Beneteau), it would appear that our valuation target is on the conservative side. On the other hand, the company has only shipped 25 units of the E-Motion since announcing the product and will need significant order flow to meet our forecast of 115 units in FY24 and 250 units in FY25. In addition, the company will need to raise substantial cash to fund operations until it achieves profitable scale. Therefore, we feel conservatism is warranted. Our valuation represents 127% upside to the current stock price and is far below the stock's 52-week high of \$5.65.

**Trading History.** Vision Marine’s shares began trading at \$10 on November 27, 2020. The stock price peaked a couple months later at \$16.50 on January 18, 2021, and has since been on a downward trend. The stock hit a post-IPO low of \$1.85 on October 16, 2023. We believe a key reason for the price decline has been the need to finance operations with equity offerings and subsequent dilution. In addition, the company’s boat rental business, comprising 2/3 of current revenues was adversely affected by unusually bad weather in Southern California at the end of 2022. Notwithstanding, Vision Marine continues to have a huge opportunity in the boat electrification market and has only recent begun to announce design wins. With a high-performance and price competitive electric product (the E-motion) poised at the beginning of what is likely to be a long-term shift towards electric propulsion in boating, the company could grow its revenues many-fold if its powertrains are embraced by OEMs. We will be watching for progress on E-Motion orders, as signs of momentum for this product could provide a significant catalyst for Vision Marine’s stock price. Though the order outlook is subject to uncertainty, the current valuation seems to reflect risks appropriately.

## Exhibit 6: Vision Marine Technologies Inc. Valuation, NPV

Projected Outboard Motor Market (2027E Units)	400,000
Projected Market Share (2027E SOM)	0.5%
Projected Outboard Unit Sales	2,000
Projected Annual Revenues per E-Motion (C\$)	\$75,000
Estimated 2027E E-Motion Sales (C\$)	\$150,000,000
FY2027E Boat Rental Revenues (C\$)	\$11,710,010
<u>FY2027E Other Revenues (C\$)</u>	<u>\$4,394,531</u>
<b>Total Projected FY2027E Sales (C\$)</b>	<b>\$166,104,541</b>
Discount Rate	16%
NPV of Future Sales (C\$)	\$1,051,294,565
Projected Net Margin	12%
Estimated NPV of Future Net Profit (C\$)	\$126,155,348
Estimated NPV of Future Net Profit (USD)	\$92,845,255
Net Cash (USD)	\$827,659
Estimated Additional Capital Required (USD)	<u>(\$40,000,000)</u>
Current Value for Existing Shareholders	\$53,672,915
Shares Outstanding	11,936,319
<b>Estimated Value Per Share</b>	<b>\$4.50</b>

Source: Company reports, AlliedMarketResearch.com, Ascendant Capital Markets estimates

## COMPANY

**History & Founding.** Based in Boisbriand, Quebec, Vision Marine Technologies Inc. is a pure-play electric boat and powertrain manufacturer. The company was founded in 2012 as Canadian Electric Boat Company. In 2014, the current CEO, Alexandre Mongeon joined along with current Head of Performance, Patrick Bobby. The company listed on the Nasdaq in November 2020, raising \$27.6 million. In February 2021, Vision Marine introduced its high-performance electric outboard motor, the E-Motion. In June 2021, the company acquired EB Rental Ltd, an electric boat rental company based in Newport Beach, California. The company is currently in the process of expanding its rental business, as well as gearing up for volume production of the E-Motion following initial orders from Groupe Beneteau (announced in December 2022).

### Business Lines

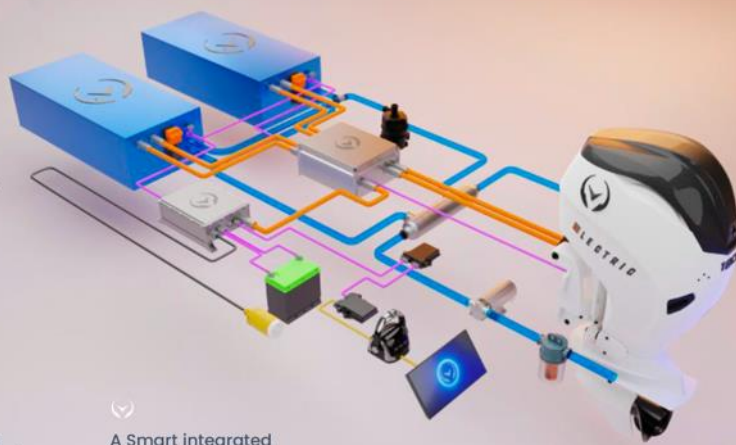
**Powertrains – The E-Motion.** Vision Marine has taken 2 strategic actions to establish leadership in electric boat propulsion: 1) develop a high-performance outboard motor which is competitive with ICE motors in performance AND cost of ownership 2) provide a complete powertrain solution which will enable existing boat manufacturers to ‘go electric’ with their current product lines. The powertrain integrates proprietary marine battery technology, proprietary displays, proprietary transition boxes, and of course the E-Motion 180 HP electric outboard motor. The system can be fully charged overnight using normal marine electrical outlets. The company has enlisted top-tier contract manufacturers to make the powertrains including MacLaren for engines, and Octillion for batteries. Vision Marine won an initial order of 25 units from Groupe Beneteau in December 2022 and just announced that it has fulfilled that order. The company is currently qualifying other OEMs and expects to continue supplying Groupe Beneteau as per its strategic supplier agreement. Vision Marine estimates that it can achieve cash-flow break-even on powertrains with sales of 100 units. We are currently modeling sales of 115 units in FY24 and 250 units in FY25.




**Exhibit 7: 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 8: 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



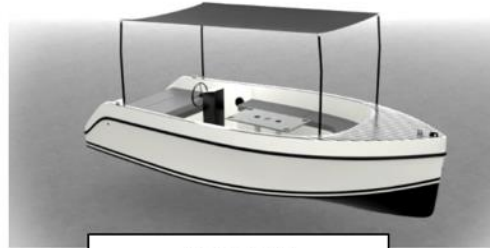
Source: Company Reports



**Exhibit 9: 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

**Electric Boats – 4 Models plus Phantom.** Vision Marine currently offers 4 models of electric boats, all geared towards the low-speed market. They are as follows:

**Electric Tritoon.** This is a large boat perfect for river cruises. The 20' version holds 10 passengers while the 23' version holds 12. Top speed is 5 mph and the price ranges from \$57,000 up to \$120,000, depending on length and battery range. The top model will run for 10 hours on a single charge.

**Fantail 217.** The Fantail 217 was designed for leisure and features a maximum range of 12 hours, low maintenance requirements and high durability. Top speed is 6mph. The Fantail can hold 10 passengers and retails for \$49,000.

**Quietude 156.** The Quietude 156 seats 4 passengers, is just over 15' long, and starts at \$35,500. This boat can cruise for up to 5 hours with extra batteries and travels at up to 6 mph.

**Volt 180.** The Volt 180 is 18' long and 7' wide and can hold up to 11 passengers. Top speed is 6mph and the boat has a range of nearly 10 hours with extra batteries. The Volt is economical, with a starting price of \$37,000.

**The Phantom.** In addition to its current models, Vision Marine has a designed recyclable hull model called the Phantom. The Phantom is made of rotomolded recyclable plastic (similar to a kayak) and is 'unsinkable'. It can hold up to 11 passengers and it can fit the E-Motion electric powertrain. The project is a joint venture with Nautical Ventures, which distributes the Phantom. A Phantom hull costs \$20,000, making it a good fit for the rental market.

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## Exhibit 10: Pontoons



Source: Company Reports

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Exhibit 11: 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

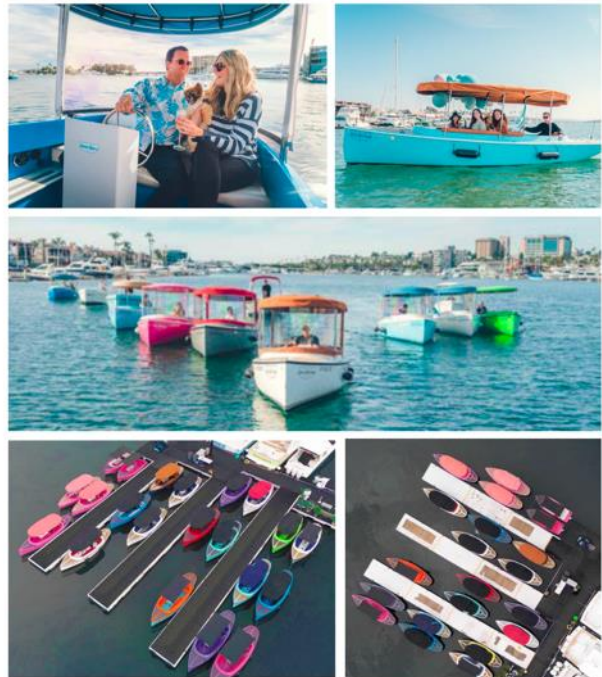
Source: Company Reports

Exhibit 12: 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 13: 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 14: Vision Boat Rental Franchise Expansion Possibilities**



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

Current Franchise Exploratory and modelling\*

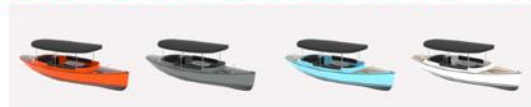
**Franchise Purchase**

- 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

**Boat Rental.** Approximately two thirds of Vision Marine’s revenues currently derive from its boat rental business, through its acquired subsidiary, now called Vision Boat Rental. The company operates a fleet of 35 boats at its flagship location in Newport Beach, California. The company opened a new location in Ventura Harbor in April 2023 and plans to open a third location in Dania Beach, Florida in late 2023. The rental business enjoys 50% gross margins, and payback on boat investment in as little as 18 months. The company is currently considering accelerating expansion in this area through franchising.

### Technology

Vision Marine has invested 10 years and \$10 million to develop its marine propulsion technology. The company’s core technology resides in the accumulated know-how and proprietary design of its powertrains, batteries and motor designs. Much of this progress is due to innovative designers, such as the company’s Head of Performance, Patrick Bobby and the company’s CTO, Xavier Montagne. Vision Marine has set a number of innovative benchmarks, including creating the world’s first recyclable boat hull (The Phantom), the world’s first electric marine powertrain, and the world’s fastest electric outboard motor (The E-Motion).

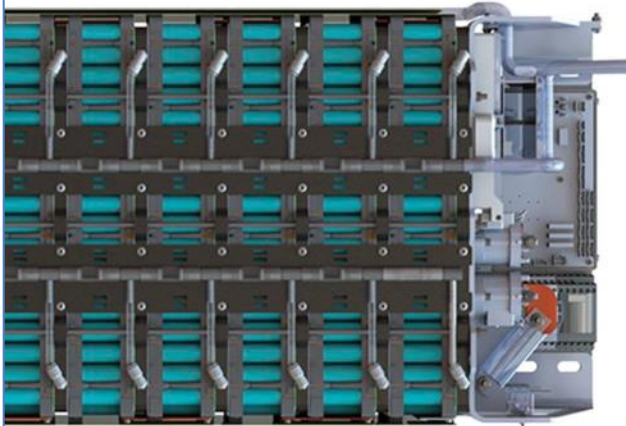
### Exhibit 15: Vision Boat Technologies Inc. IP & Technology Development



Source: Company Reports

## Exhibit 16: Vision Technologies Inc. Proprietary Marine Battery Technology

We have a proprietary battery pack to help us dominate the electrical powertrain market



10 years developing proprietary marine certified battery cells

Custom design marine grade battery packs

Octillion has a production capacity of up to 10,000 batteries per day

Source: Company Reports

### Market Size

Vision Marine competes primarily 3 markets: electric powertrains, finished electric boats, and electric boat rental services. Following are market sizing parameters of each.

**Powertrains.** Vision Marine estimates the size of its TAM in electric motors and powertrains in relation to the market for ICE outboard engines. Currently around 330,000 engines are sold each year for an ASP of roughly \$32,000 each, making the outboard motor market worth \$10.5 billion or so. If Vision Marine can win just 1% of the outboard motor market on a unit basis, it could generate sales of \$190 million, more than 50x its current run-rate. Prospects for Vision Marine to penetrate this market are promising, given its record-setting performance, favorable cost of ownership, and strong manufacturing supplier agreements.

**Electric Boats.** According to Allied Market Research, the market for electric boats was \$5 billion in 2021 and is growing at a CAGR of 12.9% annually to a projected \$16.6 billion by 2031. Vision Marine currently accounts for a small fraction of this market and has much room to grow.

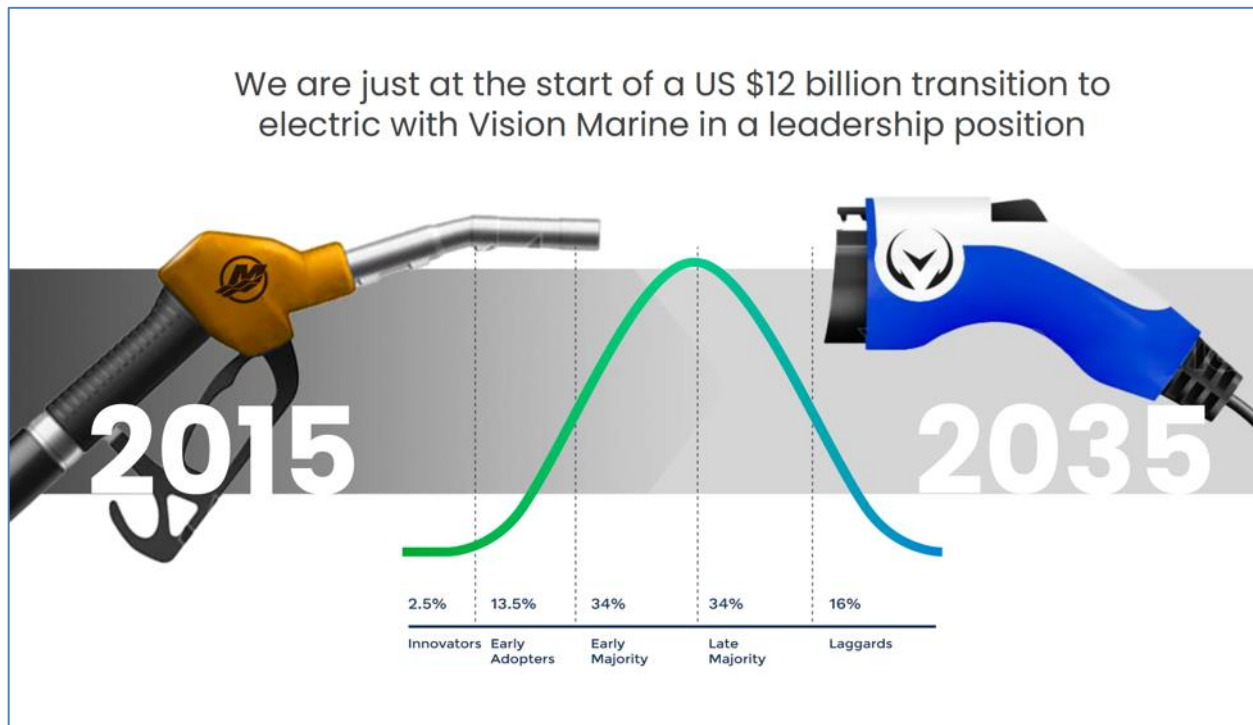
**Electric Boat Rentals.** According to Allied Market Research, the global boat rental market was valued at \$18.2 billion in 2021, and is projected to reach \$31.2 billion by 2031, growing at a CAGR of 5.7% from 2022 to 2031. While the portion of the boat rental market which is electric is not broken out, we believe it is likely to grow much faster than the overall boat rental market, due to the mounting advantages of electric boats generally, the favorable profile of electric boats for tourism (quiet, clean) as well as a small base effect.

**Exhibit 17: Vision Technologies Inc. Boat Engine and Rental Market TAMs**



Source: Company Reports

**Exhibit 18: Fossil Fuel to Electric Transition in Boating**



Source: Company Reports

### Market Growth Drivers

**Environmental concerns.** Many boat owners and operators are well aware of the polluting effects of ICE engines on waterways, and they suffer directly from exhaust fumes and noise pollution, particularly from two stroke models. Converting to electric propulsion offers a quick and direct way to address the concerns of water, air, and noise pollution caused by motorboats, while still preserving the fun of boating. Thus, strong environmental advantages are starting to catalyze a long replacement cycle of ICE propulsion for Electric propulsion, similar to that which is underway in the automotive market.

**Government incentives and emissions regulations.** Many governments around the world have introduced incentives and subsidies to promote the adoption of electric vehicles, including electric boats. These incentives can significantly reduce the initial cost of transitioning to electric propulsion. In addition, stringent emissions regulations, particularly in environmentally sensitive areas and regions concerned about air and water quality, have been pushing the marine industry to explore cleaner propulsion options.

**Improving electric outboard motor performance.** Until recently, electric boats could not compete with ICE-propelled boats. This has begun to change with the advent of Vision Marine’s E-Motion 180 HP outboard engine. On August 30, the company announced that a Four Winns H2e E-Motion 180-equipped boat driven by Formula One boat racer, Shaun Torrente had achieved an astonishing top speed of 116 mph at the Lake of the Ozarks Shootout. This is an important milestone for the company and a good demonstration of the performance potential of electric outboard motors.

**Favorable cost of ownership.** Not only do electric boat motors offer environmental advantages, they have the potential to save owners money over time. To demonstrate this, Vision Marine compared its 180E Electric 180 HP Motor with a Traditional Gas 180 HP Motor. Assuming 2.5 hours use per day, the cost of gas would be \$3,950 per month, while the cost of charging the 180E would be only \$2700, resulting in a savings of \$90,000 over 6 years. These savings more than offset the higher purchase price of the 180E Electric Motor by Vision Marine.

### Exhibit 19: E-Motion 180E Engine Cost of Ownership vs. Traditional Gas 180 HP Engine



Source: Company Reports



**Exhibit 20: Vision Technologies Inc. Product Leadership in Electric Outboard Engines**

Clear product leadership in competitive landscape

			
Power	180 HP	120 HP	80 HP
Voltage	660 V	730 V	350 V
Battery Pack	64 or 86 Kwh	2 x 63 Kwh	2 x 40 Kwh
Charger	6,6 Kwh	3,3 Kwh	2,0 Kwh
Display	2 x 10 inches	10 inches	10 inches
Availability	Now	2023	Now
Price (USD)	+/- \$90,000	+/- \$106,800	+/- \$125,000



Source: Company Reports

**Competition**

**Outboard Motor Competitors.** According to Global Market Insights, the outboard motor market is worth \$10.5 billion. The vast majority of the outboard motor market still consists of ICE models, with key manufacturers including Yamaha, Mercury Marine, Honda, Suzuki, Evinrude, Tohatsu, and Seven Marine. According to IndustryResearch.biz, the electric outboard motor market is still small, comprising about \$130 million, or less than 2% of the total outboard market. Key competitors to Vision Marine in this space include:

- **Torqeedo:** Based in Germany, Torqeedo is a pioneer in the electric marine propulsion market. They offer a wide range of electric outboard motors from small, portable ones for kayaks and dinghies to larger, more powerful ones for motorboats and sailboats.
- **Evoy:** A Norwegian company known for producing high-performance electric outboard systems. Evoy's products are suited for both recreational and commercial applications.
- **ePropulsion:** This Hong Kong-based company specializes in electric propulsion systems, including outboard motors.
- **Aquamot:** An Austrian company that manufactures electric outboard and inboard motors. Aquamot is known for its focus on efficiency, innovation, and quality.
- **Pure Watercraft:** This U.S.-based company is known for its high-performance electric outboard motor systems.
- **Krautler Elektromaschinen:** An Austrian company with a long history, known for its reliable and efficient electric outboard motors, suitable for a wide range of boat types.
- **Ray Electric Outboards:** Based in the USA, they specialize in electric outboards and are known for their durability and power, offering products that are an alternative to traditional gasoline outboards.

Though the electric outboard motor space is competitive, we believe that Vision Marine’s established performance benchmarks, proprietary powertrain design, and top tier contract manufacturing agreements position it well as the boating industry gradually

converts to electric. In addition, having a number of competitors in the space should help to catalyze faster conversion of the market from ICE to electric, creating a larger market for all concerned.

**Electric Boat Competitors.** The \$5 billion electric boat market currently has a number of players with varying approaches. Following are some of the top electric boat builders that are currently on the radar:

- **Duffy:** Known as the “original electric boat,” Duffy Boats has been making electric boats for leisure purposes since 1970.
- **Frauscher:** An Austrian boat builder known for its craftsmanship, Frauscher has been building and selling wooden hulls since 1927. Their Mirage 740 Air, released in 2019, introduced an efficient electric propulsion system by Germany’s Torqeedo.
- **Hinckley Yachts:** In 2017, Hinckley added their electric model, the Hinckley Dasher, to their luxury lineup. This yacht is powered by twin 80HP electric motors and utilizes resin-infused epoxy and carbon fiber.
- **Nautique:** The Super Air GS22E by Nautique is a fully electric water sports boat. It offers instant torque delivery for two to three hours of water sports use on a single charge.
- **Green Dream Boats:** This Lithuanian-based company is paving the way for solar-powered vessels. They developed the Solliner, a 21-foot catamaran-style boat that can operate on either a combination of battery and solar power or solar power alone.
- **Twin Vee:** In 2021, Twin Vee launched Twin Vee Electric, designing boats that run on a fully electric propulsion system. They currently offer two models, the 240 Electric and the 280 Electric.
- **X-Shore:** A Swedish company that produces fully electric ‘smart boats’. They introduced their Eelex 8000 model to the consumer market, which features a sleek, minimalist design with low-impact materials and real-time data processing.

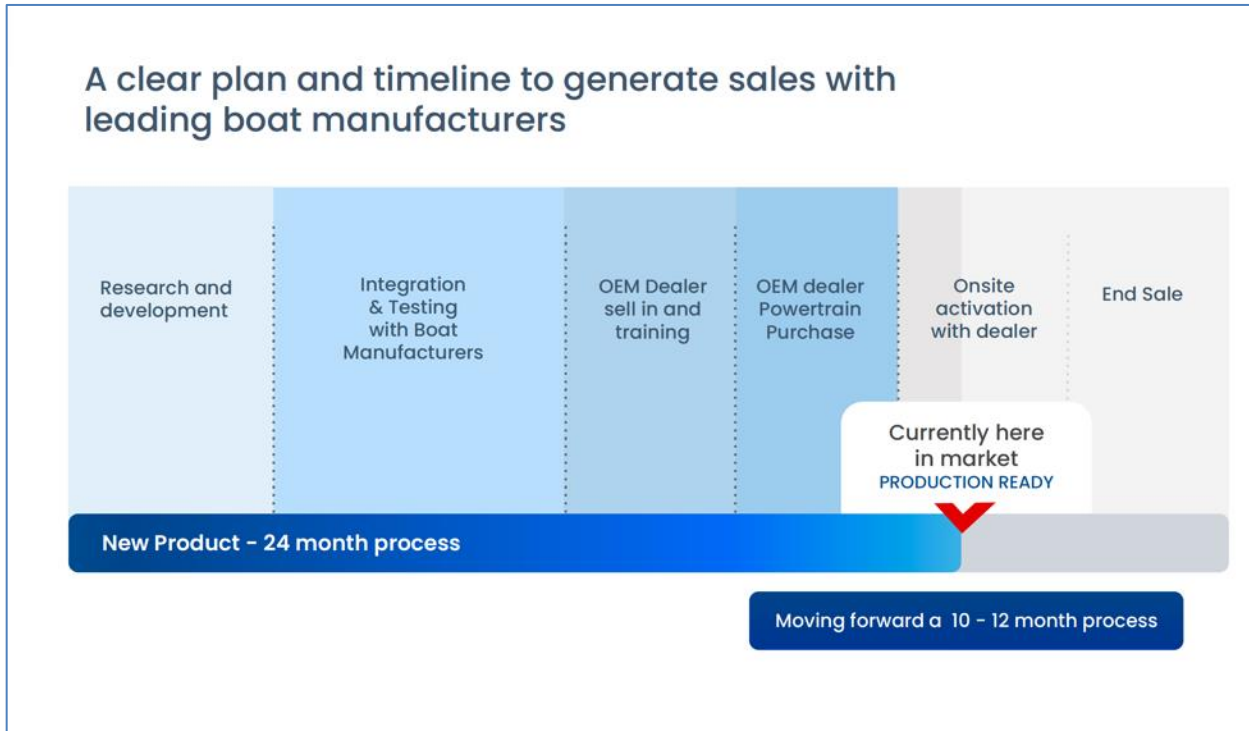
Other names in the space include Sweden’s Candela (electric hydrofoils), US-based Electracraft (solar electric boats), Finland’s Oceanvolt, Denmark’s RAND Boats, France’s Ruban Bleu, Germany’s Schaaf, and Zin Boats (US). Ultimately, a number of these OEMs have the potential to become customers of Vision Marine, due to the electric powertrain solution that Vision Marine now offers. In addition, Vision Marine’s downstream boat rental business provides a potential in-house market for its own electric boat models.

**Boat Rental Competitors.** According to Transparency Market Research, the global boat rental market was worth \$18.1 billion in 2021. This includes sailboats, ICE-powered boats, and electric boats. The market spans small skiffs to luxury yachts. Key players in the boat rental market include GetMyBoat, Brunswick Group, Beneteau Groupe, BRP, Blue Boat Yacht Entertainment Company, Boatsetter, Click & Boat, Incrediblu, Navigare Yachting, Odyssey Boats, Yanmar Marine, and Zizooboats. In August 2020, Click & Boat acquired Nautal a key player in Europe, solidifying Click & Boat’s dominant position globally. In August 2022, Yanmar Holdings acquired GetMyBoat, highlighting a trend towards M&A in the industry. As Vision Marine highlights, there are over 8,000 recreational marinas in the world, creating vast potential for expansion in the rental market. In addition, many of the companies listed above have potential to become customers of Vision Marine, which has created full models and components highly adapted to the leisure rental market. Indeed, Groupe Beneteau has already signed a strategic supplier agreement with Vision Marine and indicated a desire to electrify multiple models in its family of over 17 brands.

### Go-to-Market Strategy

Vision Marine’ go-to-market strategy is multifaceted, focusing on both direct online sales and an expansion of their network of independent dealers. In the fiscal year 2022, approximately 35% of sales were derived from their network of independent dealers, while the rest were direct sales. The company plans to continue promoting direct sales through its website. A key component of the company’s strategy is to build its brand through product and performance innovation. An example is the Phantom 100% recyclable boat hull. Other examples include the speed benchmarks the company has set with its E-Motion outboard motor, as well as the extreme range (up to 12 hours) offered by some of its electric boat models (e.g., the Fantail 217). By establishing itself as a product leader in the electric boat industry, Vision Marine can raise its visibility, and attract interested buyers, as well as OEM customers. Another key component of the company’s go-to-market strategy is the courtship of major OEMs, such as Beneteau Groupe to ‘electrify’ using Vision Marine’s powertrains. As these larger OEMs have large established market positions, they are in a good position to sell electric boats in volume. In addition, they can handle after-sales and service, avoiding a burden for Vision Marine.

## Exhibit 21: Vision Technologies Inc. OEM Go-to-Market Timeline



Source: Company Reports

### Significant Developments

Following is a recap of significant announcements by Vision Marine over the past 12 months:

On October 17, 2022 the Company, announced that it has formed a partnership with Nautical Ventures Group to distribute the Phantom, its fully recyclable rotomolded boat. As part of the agreement, Nautical Ventures will purchase a minimum of 50 Phantoms in the first year with a retail value of C\$1.5 million.

On December 13, 2022, the Company, announced that it has entered into a formal supplier agreement with Groupe Beneteau. Groupe Beneteau will feature the E-Motion 180E powertrain in Groupe Beneteau's Four Winns H2e branded boats. The first 25 units under this supply agreement were delivered on October 4, 2023.

On January 27, 2023, Vision Marine offered 554,253 shares of common stock for net proceeds of \$2.1 million.

On February 21, 2023, Vision Marine offered 475,059 shares of common for net proceeds of approximately \$1.9 million.

On April 1, 2023, Vision Marine opened its second electric boat rental operation in Portside Ventura, California

On April 4, 2023 Vision Marine appointed Carter Murray Chairman of its Board of Directors.


On April 19, 2023, the company sold 381,293 common shares for net proceeds of approximately \$1.5 million.

On June 15, 2023 the company offered 493,828 shares for net proceeds of \$1.9 million

On August 2, 2023 the company again offered 493,828 shares for net proceeds of \$1.9 million

**Exhibit 22: Vision Technologies Inc. 5 Key Strategies to Win**

### Vision Marine's 5 Key Strategies to Win







<p>1</p> <p><b>Best product in the marketplace</b></p> <p>The most powerful engine chosen by the most trusted and prestigious boat manufacturers in the world</p>	<p>2</p> <p><b>The Right Leadership</b></p> <p>A Visionary and creative leader in innovation in marine and electric in Vision's Alexandre Mongeon</p>	<p>3</p> <p><b>Built to scale up fast</b></p> <p>With global engineering partners</p>	<p>4</p> <p><b>Proprietary Battery Tech</b></p> <p>Fundamental to winning in the electric market</p>	<p>5</p> <p><b>Unique Boat Manufacturer Partnerships</b></p> <p>With top 5 boat manufacturers who need the electric powertrains</p>
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Source: Company Reports

**Exhibit 23: Vision Technologies Inc. 4 Key Execution Priorities**

### Four key ways we are executing against our strategy

<p><b>INNOVATION</b></p> <p>Encourages employees to think differently</p> <p>Continuous development of proprietary tech</p> 	<p><b>CUSTOMER FOCUS</b></p> <p>An obsession with delivering a better boating experience for the end customer</p> <p>Unique Boat Manufacturer Relationships</p> 	<p><b>ACCOUNTABILITY</b></p> <p>Delivery is as important as the promise.</p> <p>Putting runs on the board every day</p> 	<p><b>PASSION TO WIN</b></p> <p>Relentless hunger and drive to win as a team</p>  <p>AUGUST 2022 VISION MARINE SET THE SPEED RECORD IN ELECTRIC BOATS ENGINES AT 109 MPH</p>
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Source: Company Reports

## Management Team

Vision Marine is headed up by its **CEO and Co-Founder, Alexandre Mongeon**. Mr. Mongeon has over 25 years of experience in the boating industry, including a background in electrification and battery technology. Mr. Mongeon is a former competitive speedboat racer. Other key team members include:

- **CFO, Kulwant Sandher.** Trained as an Avionics Engineer formerly with British Airways, Mr. Sandher is a CPA with 25 years of experience in business and finance and leadership positions in a variety of public and private companies.
- **COO & CTO, Xavier Montagne.** Formerly with MAC Engineering, Panasonic, and Renault, Mr. Montagne has experience in powertrains, high voltage battery management systems, and electronic architecture design. He is the principal designer behind Vision Marine's E-Motion powertrain assembly.
- **Chairman, Carter Murray.** Mr. Murray was appointed chairman of Vision Marine following a stellar career in advertising. As Global CEO of advertising agency FCB, Mr. Murray led a transformation which saw the company win global agency network of the year, best place to work, and number one in multiple global creative festivals.
- **Head of Performance, Patrick Bobby.** Patrick Bobby has been with Vision Marine since 2014. Initially, he served as the company's Chief Operating Officer. In December 2021 he transitioned to the role of Head of Performance & Special Projects. Before his tenure with Vision Marine, Mr. Bobby was involved in importing high-performance boats from the United States to Canada.

### Exhibit 24: Vision Technologies Inc. Management Team

A team built to innovate, deliver & grow at scale



Alexandre Mongeon

CEO

Clear vision for Electric  
Innovator in the industry  
Unique relationship  
with OEMs



Xavier Montagne

CTO

Track record for Innovation  
Proven leader in design  
Global reputation for  
excellence in Product



Carter Murray

Chairman

Proven track record for  
delivering growth at scale  
Deep global corporate  
management experience

Source: Company Reports

## FINANCIALS

**Overview.** Vision Marine is a Canadian company that went public on the Nasdaq as a foreign issuer in November 2020. Vision Marine has an August year-end and files quarterly reports both to Canada's SEDAR and to the SEC. Currently the company does not hold

earnings conference calls or issue earnings guidance. Vision Marine's accumulated deficit totaled C\$47.3 million at the end of May 2023.

#### Exhibit 25: E-Motion Revenue Potential



Source: Company Reports

**Income Statement.** In its most recent quarter, Vision Marine derived 68% of revenues from its boat rental business and 26% of revenues from boat sales, with parts & maintenance comprising 6%. Going forward, we expect the E-Motion product cycle to generate significant revenue growth for the company, based on a supply agreement with Groupe Beneteau and anticipated new design wins with other boat manufacturers. Our revenue estimates of C\$18.7 million for FY24 and C\$33.3 million for FY25 assume E-Motion unit sales of 115 in FY24 and 250 in FY25, at an ASP of C\$75,000 per unit. We model boat rental revenues growing from C\$4.1 million in FY23 to C\$7.9 million in FY25 on the back of expansion to new locations at Portside Ventura, California and Dania Beach, Florida. For the existing electric boat business, we are modeling revenues of C\$3.3 million in FY25, up from C\$1.7 million in FY23. In addition, we are modeling C\$2.8 million of Phantom rotomolded boat sales in FY25, up from zero in FY23.

With regards to gross margin, we are forecasting 36% in FY24 and 42% in FY25, reflecting increasing sales and rising capacity utilization. With respect to operating expenses, we are forecasting C\$20.2 million in FY24 and C\$22.3 million in FY25, rising at a slower pace than sales, but also reflecting higher selling and marketing expenses to support higher revenues. We are modeling net losses of C\$13.5 million in FY24 and C\$8.3 million in FY25, respectively. All our net loss projections are pro forma, i.e., excluding extraordinary items.

**Balance Sheet.** Vision Marine currently has only \$0.5 million in debt and has relied on equity financings to fuel its growth. Over the past several quarters, Vision Marine has had a cash burn rate of approximately C\$4 million per quarter. In order to fund its cash needs, the company has conducted a series of equity financings, including 2 share offerings in the current (August) quarter raising approximately \$3.8 million combined. In total, the company has raised \$9.4 million in equity in the current fiscal year (FY23). We project that the company will end FY23 (August) with roughly C\$1.5 million in cash. Given projected cash needs of C\$15.7 million in FY24, we believe the company is likely to issue additional share offerings.

**Exhibit 26: Vision Marine Technologies Inc. Annual Historical and Projected Financial Metrics**

Income Statement (C\$ mils, except where USD specified) Fiscal Year End: August 31	2019 FY-A	2020 FY-A	2021 FY-A	2022 FY-A	2023 FY-E	2024 FY-E	2025 FY-E
Total Revenue (C\$ millions)	2.6	2.6	3.5	7.4	6.9	18.7	33.3
Loss from Operations (C\$ millions)	0.2	(2.1)	(12.9)	(12.8)	(19.1)	(13.5)	(8.3)
Net Income Pro Forma (C\$ millions)	0.1	(2.2)	(15.1)	(13.1)	(17.6)	(13.5)	(8.3)
Diluted EPS Pro Forma (C\$)	0.03	(0.46)	(1.98)	(1.56)	(1.69)	(1.13)	(0.69)
Net Cash Used in Operating Activities (C\$ millions)	(0.1)	(0.4)	(8.3)	(11.0)	(15.5)	(15.7)	(10.4)
Total Revenue (USD millions)	1.9	1.9	2.8	5.7	5.1	13.8	24.5
Net Income Pro Forma (USD)	0.1	(1.7)	(12.0)	(10.2)	(12.9)	(9.9)	(6.1)
<b>Diluted EPS Pro Forma (USD)</b>	<b>0.03</b>	<b>(0.40)</b>	<b>(1.62)</b>	<b>(1.23)</b>	<b>(1.08)</b>	<b>(0.83)</b>	<b>(0.51)</b>

Source: Company Reports, Ascendant Capital Markets Estimates

**Recent Results.** On July 12, 2023, Vision Marine reported its most recent results for the quarter ended May 2023. Highlights were as follows:

- Revenues were C\$1.3 million, down 35% YoY, due to primarily to bad weather in California, which cut boat rental revenues in half.
- Gross margin was 29% for the quarter, down from 56% in the prior year, but up from 6% in the previous quarter.
- Operating expenses increased to C\$5.1 million from C\$2.9 million in the prior year. Vision Marine invested C\$0.8 million in R&D during the quarter, a high for the company.
- Operating loss for the quarter expanded to C\$(4.7) million, versus C\$(1.8) million in the prior year period.
- Net loss for the quarter was C\$(3.1) million, versus C\$(1.9) million in the prior year period.
- Loss per Share was C\$(0.32), which translates to \$(0.23). Share count expanded by 1 million shares in the quarter due to offerings.

**Introducing estimates.** Given the company reports in Canadian Dollars, but its stock is quoted in USD, we are converting our C\$ Pro Forma estimates to USD for valuation purposes. Some variance due to exchange rates may occur. In general, we expect substantial revenue growth and improving margins as the company rolls out the E-Motion and benefits from greater scale. For FY2023 ending August, we are modeling a net loss of C\$(17.6) million on revenues of C\$6.9 million, with USD EPS of \$(1.08). For FY24, we project a net loss of C\$(13.5) on revenues of C\$18.7 million. For FY2025, we are modeling a net loss of C\$(8.3) million on revenues of C\$33.3 million. Our USD estimates are \$(0.83) on revenues of \$13.8 million for FY24 and \$(0.51) on revenues of \$24.5 million for FY25, compared to consensus estimates of \$(0.44) on revenues of \$15.4 million for FY24 and \$0.18 on revenues of \$32 million for FY25.

**Exhibit 27: Vision Technologies Inc. Annual Historical and Projected Financial Metrics**

	Revenue (USD million)			EPS (USD)		
	<u>FY2023E</u>	<u>FY2024E</u>	<u>FY2025E</u>	<u>FY2023E</u>	<u>FY2024E</u>	<u>FY2025E</u>
Q1 Nov	\$1.0A			Q1 Jul	\$(0.59)A	
Q2 Feb	\$0.6A			Q2 Oct	\$(0.56)A	
Q3 May	\$1.0A			Q3 Jan	\$(0.23)A	
Q4 Aug	\$2.5E			Q4 Apr	\$(0.24)E	
Total	\$5.0E	\$15.4E	\$33.0E	Total	\$(1.63)E	\$(0.47)E
						\$0.18E

Source: Capital IQ



**Conclusion.** Vision Marine represents an exciting pure play on the transition to electric propulsion in the boating industry. We believe investors should be focused on design wins and deliveries for the E-Motion, as well as growth in the company's boat rental business. We believe that the biggest potential variable and challenge to our financial model is the pace of sell-through of the E-Motion. We are currently forecasting C\$26 million in incremental sales of the E-Motion over the next 2 fiscal years, driving improvements in margins and cashflow for the company. If the company is able to achieve or beat our forecast for E-Motion sales, then revenue and earnings will likely be able to grow significantly, bringing Vision Marine to break-even and beyond. However, if design wins and deliveries prove to be more difficult to come by, then revenue growth will be slower than forecasted and profitability may not be achieved.



## FINANCIAL MODEL

### Vision Marine Technologies Inc.

Income Statement (C\$ mils, except where USD specified) Fiscal Year End: August 31	2019 FY-A	2020 FY-A	2021 FY-A	2022 FY-A	Nov-22 Q1A	Feb-23 Q2A	May-23 Q3A	Aug-23 Q4E	2023 FY-E	Nov-23 Q1E	Feb-23 Q2E	May-23 Q3E	Aug-23 Q4E	2024 FY-E	Nov-24 Q1E	Feb-25 Q2E	May-25 Q3E	Aug-25 Q4E	2025 FY-E	
<b>Revenue Breakdown</b>																				
Boat Sales	2.7	2.2	2.1	2.5	0.2	0.2	0.3	1.0	1.7	0.3	0.3	0.5	1.7	2.8	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	-	0.3	0.1	0.1	0.1	-	0.3	0.1	0.1	0.1	-	0.3	
Boat Rentals	-	-	1.4	4.8	1.2	0.6	0.9	1.5	4.1	1.2	1.0	1.5	2.2	5.9	1.4	1.2	2.3	3.0	7.9	
Other	0.0	0.0	0.0	-	-	-	-	0.1	0.1	-	-	-	0.1	0.1	-	-	-	0.3	0.3	
E-Motion Powertrains								0.8	0.8	1.1	1.5	2.3	3.8	8.6	3.0	3.8	5.3	6.8	18.8	
Units								10.0	10.0	15.0	20.0	30.0	50.0	115.0	40.0	50.0	70.0	90.0	250.0	
ASP								0.075	0.1	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	
Phantom - Rotomolded Boats								-	-	0.1	0.1	0.3	0.5	1.0	0.3	0.5	0.8	1.3	2.8	
<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>3.4</b>	<b>6.9</b>	<b>2.9</b>	<b>3.0</b>	<b>4.6</b>	<b>8.3</b>	<b>18.7</b>	<b>5.2</b>	<b>6.0</b>	<b>9.0</b>	<b>13.2</b>	<b>33.3</b>	
Cost Of Goods Sold (1)	1.4	1.9	1.9	4.1	1.3	0.8	0.9	2.2	5.2	2.0	2.1	3.0	5.0	12.1	3.1	3.6	5.4	7.3	19.3	
<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>1.2</b>	<b>1.7</b>	<b>0.9</b>	<b>0.9</b>	<b>1.6</b>	<b>3.3</b>	<b>6.7</b>	<b>2.1</b>	<b>2.4</b>	<b>3.6</b>	<b>5.9</b>	<b>14.0</b>	
<b>Operating expenses</b>																				
R & D Exp.	0.0	(0.0)	1.5	2.2	3.7	0.6	0.8	0.8	5.9	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	3.8	13.2	3.2	3.5	3.7	4.2	14.6	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	-	1.1	-	-	-	-	-	-	-	-	-	-	
Depreciation & Amort.	0.0	0.0	0.2	0.3	0.1	0.1	0.2	0.2	0.6	0.3	0.3	0.2	0.2	1.0	0.2	0.2	0.2	0.2	0.8	
Other Operating Expense/(Income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	
<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>4.8</b>	<b>20.8</b>	<b>4.5</b>	<b>4.8</b>	<b>5.1</b>	<b>5.8</b>	<b>20.2</b>	<b>4.9</b>	<b>5.4</b>	<b>5.7</b>	<b>6.3</b>	<b>22.3</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>(3.7)</b>	<b>(19.1)</b>	<b>(3.6)</b>	<b>(3.8)</b>	<b>(3.5)</b>	<b>(2.5)</b>	<b>(13.5)</b>	<b>(2.9)</b>	<b>(3.0)</b>	<b>(2.1)</b>	<b>(0.3)</b>	<b>(8.3)</b>	
Interest Expense	(0.0)	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(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	-	0.3	-	-	-	-	-	-	-	-	-	-	
Currency Exchange Gains (Loss)	0.0	(0.0)	(1.6)	0.3	0.1	0.0	(0.0)	(0.0)	0.1	(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	0.1	1.2	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4	
<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>(3.6)</b>	<b>(17.8)</b>	<b>(3.6)</b>	<b>(3.8)</b>	<b>(3.5)</b>	<b>(2.5)</b>	<b>(13.5)</b>	<b>(2.8)</b>	<b>(3.0)</b>	<b>(2.1)</b>	<b>(0.3)</b>	<b>(8.3)</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	
<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>(3.6)</b>	<b>(20.4)</b>	<b>(3.6)</b>	<b>(3.8)</b>	<b>(3.5)</b>	<b>(2.5)</b>	<b>(13.5)</b>	<b>(2.8)</b>	<b>(3.0)</b>	<b>(2.1)</b>	<b>(0.3)</b>	<b>(8.3)</b>	
Income Tax Expense	0.1	0.0	0.1	0.3	0.0	(0.0)	(0.2)	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	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>(3.6)</b>	<b>(20.2)</b>	<b>(3.6)</b>	<b>(3.8)</b>	<b>(3.5)</b>	<b>(2.5)</b>	<b>(13.5)</b>	<b>(2.8)</b>	<b>(3.0)</b>	<b>(2.1)</b>	<b>(0.3)</b>	<b>(8.3)</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>(3.6)</b>	<b>(17.6)</b>	<b>(3.6)</b>	<b>(3.8)</b>	<b>(3.5)</b>	<b>(2.5)</b>	<b>(13.5)</b>	<b>(2.8)</b>	<b>(3.0)</b>	<b>(2.1)</b>	<b>(0.3)</b>	<b>(8.3)</b>	
Diluted EPS (C\$)	0.03	(0.46)	(1.98)	(1.56)	(0.80)	(0.76)	(0.32)	(0.31)	(1.69)	(0.30)	(0.32)	(0.29)	(0.21)	(1.13)	(0.24)	(0.25)	(0.17)	(0.03)	(0.69)	
<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>(0.31)</b>	<b>(1.47)</b>	<b>(0.30)</b>	<b>(0.32)</b>	<b>(0.29)</b>	<b>(0.21)</b>	<b>(1.13)</b>	<b>(0.24)</b>	<b>(0.25)</b>	<b>(0.17)</b>	<b>(0.03)</b>	<b>(0.69)</b>	
Weighted Avg. Diluted Shares Out.	3.7	4.2	7.4	8.3	8.4	8.7	9.7	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	
Revenue (USD)	1.9	1.9	2.8	5.7	1.0	0.6	1.0	2.5	5.1	2.1	2.2	3.4	6.1	13.8	3.8	4.4	6.6	9.7	24.5	
Net Income Pro Forma (USD)	0.1	(1.7)	(12.0)	(10.2)	(5.0)	(4.9)	(2.3)	(2.7)	(12.9)	(2.6)	(2.8)	(2.6)	(1.9)	(9.9)	(2.1)	(2.2)	(1.5)	(0.2)	(6.1)	
<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>(0.22)</b>	<b>(1.08)</b>	<b>(0.22)</b>	<b>(0.24)</b>	<b>(0.22)</b>	<b>(0.16)</b>	<b>(0.83)</b>	<b>(0.18)</b>	<b>(0.19)</b>	<b>(0.13)</b>	<b>(0.02)</b>	<b>(0.51)</b>	
Dividends per Share					NA	NA	NA													
<b>Margins</b>																				
Gross margin	45%	27%	46%	45%	7%	6%	29%	35%	25%	30%	30%	35%	40%	36%	40%	40%	40%	45%	42%	
Selling General & Admin Exp.	38%	57%	163%	148%	218%	348%	268%	113%	192%	112%	116%	80%	51%	78%	68%	64%	46%	34%	48%	
R & D Exp.	0%	-1%	42%	31%	263%	76%	58%	24%	85%	35%	33%	26%	17%	25%	23%	24%	16%	12%	17%	
Depreciation & Amort.	0%	1%	5%	4%	7%	15%	16%	7%	9%	9%	8%	5%	3%	5%	4%	3%	2%	1%	2%	
Operating margin	7%	-81%	-367%	-174%	-503%	-446%	-362%	-109%	-278%	-127%	-127%	-77%	-31%	-72%	-55%	-51%	-23%	-3%	-25%	
Tax rate, GAAP	-31%	1%	1%	2%	0%	0%	-6%	2%	1%	2%	2%	2%	2%	0%	2%	2%	2%	2%	0%	
Net margin	5%	-87%	-430%	-178%	-485%	-806%	-238%	-109%	-294%	-126%	-127%	-76%	-30%	-72%	-55%	-51%	-23%	-3%	-25%	
<b>Y/Y % change</b>																				
Revenue		1%	36%	109%	16%	10%	-35%	-1%	-6%	104%	264%	254%	146%	172%	81%	97%	96%	60%	78%	
Boat Sales		-16%	-8%	18%	-39%	NA	-36%	-33%	-31%	91%	55%	46%	70%	65%	17%	20%	53%	36%	34%	
Boat Rentals		NA	NA	254%	23%	-26%	-36%	-12%	-15%	4%	81%	71%	47%	45%	17%	20%	53%	36%	34%	
E-Motion Powertrains		NA	NA	254%	23%	-26%	-36%	-12%	-15%	NA	NA	NA	400%	1050%	167%	150%	133%	80%	117%	
Phantom - Rotomolded Boats		NA	NA	254%	23%	-26%	-36%	-12%	-15%	NA	NA	NA	NA	NA	100%	300%	200%	150%	175%	
COGS		35%	1%	113%	89%	55%	4%	10%	27%	54%	171%	222%	127%	133%	55%	69%	81%	47%	60%	
Gross Profit		-41%	132%	105%	-80%	-80%	-67%	-16%	-48%	720%	1740%	332%	181%	293%	141%	162%	124%	80%	110%	
Selling General & Admin Exp.		50%	288%	90%	21%	-5%	43%	34%	22%	5%	21%	6%	11%	10%	9%	9%	11%	7%	9%	
Total Operating Expenses		184%	419%	11%	74%	-1%	75%	-9%	30%	-38%	26%	1%	21%	-3%	10%	14%	11%	8%	11%	
Operating Income		-1262%	514%	-1%	97%	5%	165%	-6%	50%	-49%	4%	-25%	-31%	-29%	-21%	-21%	-41%	-86%	-38%	
Net income		-1864%	576%	-13%	98%	81%	60%	-10%	54%	-47%	-43%	14%	-31%	-33%	-21%	-21%	-41%	-87%	-38%	
Diluted EPS Excl. Extra Items		-3016%	330%	-21%	95%	72%	40%	-37%	-6%	-62%	-58%	-8%	-31%	-23%	-21%	-21%	-41%	-87%	-38%	
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	Q4E	Q1E	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	1.5	3.5	(0.3)	(4.6)	(9.2)	(9.7)	(13.1)	(17.0)	(19.7)
Accounts Receivable	0.1	0.0	0.0	0.1	0.1	0.3	0.4	1.0	0.9	0.9	1.4	2.5	1.6	1.8	2.7	4.0
Other Receivables	0.4	0.5	0.4	1.1	0.9	0.7	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Inventory	0.8	0.5	2.0	2.1	2.6	2.5	2.7	4.8	4.4	4.7	6.6	11.0	6.9	7.9	12.0	16.1
Prepaid Exp.	0.0	0.2	0.5	2.5	1.1	0.7	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<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>8.8</b>	<b>10.2</b>	<b>6.8</b>	<b>4.9</b>	<b>5.7</b>	<b>0.2</b>	<b>(1.9)</b>	<b>(0.9)</b>	<b>1.9</b>
<b>Property, Plant &amp; Equipment</b>																
Gross Property, Plant & Equipment	0.7	1.6	5.0	5.8	6.2	6.2	6.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
Accumulated Depreciation	(0.2)	(0.4)	(0.6)	(1.3)	(1.5)	(1.7)	(1.9)	(2.1)	(2.3)	(2.6)	(2.8)	(3.1)	(3.3)	(3.5)	(3.7)	(3.9)
Long-term Investments	-	-	2.9	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	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deferred Tax Assets, LT	-	-	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 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>25.4</b>	<b>26.5</b>	<b>22.9</b>	<b>20.7</b>	<b>21.3</b>	<b>15.5</b>	<b>13.3</b>	<b>14.1</b>	<b>16.7</b>
<b>Liabilities</b>																
Accounts Payable	0.3	0.6	0.6	0.7	2.2	1.5	1.5	3.5	3.2	3.4	4.7	7.9	4.9	5.7	8.6	11.5
Accrued Exp.	0.0	0.0	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
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
Curr. Port. of LT Debt	0.6	1.0	0.0	0.1	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Curr. Port. of Leases	0.0	0.1	0.6	0.6	0.6	0.6	0.7	0.7	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	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
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>5.9</b>	<b>5.7</b>	<b>5.9</b>	<b>7.2</b>	<b>10.4</b>	<b>7.4</b>	<b>8.2</b>	<b>11.1</b>	<b>14.0</b>
Long-Term Debt	0.6	0.4	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Long-Term Leases	0.0	0.6	2.4	1.9	1.9	1.8	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Def. Tax Liability, Non-Curr.	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other Non-Current Liabilities	-	0.0	0.0	0.0	0.0	3.8	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
<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>11.6</b>	<b>11.3</b>	<b>11.5</b>	<b>12.9</b>	<b>16.0</b>	<b>13.0</b>	<b>13.8</b>	<b>16.7</b>	<b>19.7</b>
<b>Shareholders' Equity</b>																
Common Stock	0.0	2.5	42.8	43.4	43.6	45.4	46.9	52.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0
Additional Paid In Capital	-	0.7	7.9	10.6	10.9	11.0	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6
Retained Earnings	(0.2)	(2.4)	(17.6)	(30.7)	(37.5)	(44.2)	(47.3)	(50.9)	(54.5)	(58.3)	(61.8)	(64.4)	(67.2)	(70.2)	(72.3)	(72.6)
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	1.1	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>13.8</b>	<b>15.2</b>	<b>11.4</b>	<b>7.9</b>	<b>5.3</b>	<b>2.5</b>	<b>(0.5)</b>	<b>(2.6)</b>	<b>(2.9)</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>25.4</b>	<b>26.5</b>	<b>22.9</b>	<b>20.7</b>	<b>21.3</b>	<b>15.5</b>	<b>13.3</b>	<b>14.1</b>	<b>16.7</b>
<b>Check</b>			<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<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	Q4E	Q1E	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	1.16	1.27	0.95	0.66	0.45	0.21	(0.04)	(0.22)	(0.25)
Cash per Share (diluted)		0.25	2.18	0.70	0.20	0.47	0.16	0.13	0.29	(0.02)	(0.38)	(0.77)	(0.81)	(1.10)	(1.43)	(1.65)
Net cash per Share (diluted)		(0.00)	2.17	0.67	0.17	0.42	0.12	0.09	0.26	(0.05)	(0.42)	(0.80)	(0.85)	(1.13)	(1.46)	(1.68)

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	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Net Income</b>	<b>(2.3)</b>	<b>(15.1)</b>	<b>(13.1)</b>	<b>(6.8)</b>	<b>(6.7)</b>	<b>(3.1)</b>	<b>(3.6)</b>	<b>(20.2)</b>	<b>(3.6)</b>	<b>(3.8)</b>	<b>(3.5)</b>	<b>(2.5)</b>	<b>(13.5)</b>	<b>(2.8)</b>	<b>(3.0)</b>	<b>(2.1)</b>	<b>(0.3)</b>	<b>(8.3)</b>
Depreciation & Amort.	0.2	0.3	0.9	0.2	0.2	0.2	0.2	0.9	0.3	0.3	0.2	0.2	1.0	0.2	0.2	0.2	0.2	0.8
Amort. of Goodwill and Intangibles	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1					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
(Gain) Loss From Sale Of Assets	0.0	0.0	0.0	(0.0)	(0.0)	0.1		0.1					0.0					0.0
(Gain) Loss On Sale Of Invest.	0.0	0.0	(0.0)	-	2.4	(2.4)		0.0					0.0					0.0
Stock-Based Compensation	1.3	7.2	3.3	0.4	0.2	1.0		1.6					0.0					0.0
Other Operating Activities	0.0	0.7	0.5	(0.1)	0.6	0.3		0.7					0.0					0.0
Change in Acc. Receivable	0.0	(0.2)	(0.2)	0.2	(0.1)	(0.1)	(0.6)	(0.7)	0.2	(0.1)	(0.5)	(1.1)	(1.5)	0.9	(0.2)	(0.9)	(1.3)	(1.5)
Change In Inventories	0.3	(1.5)	(0.1)	(0.5)	0.1	(0.2)	(2.1)	(2.7)	0.4	(0.3)	(1.9)	(4.4)	(6.2)	4.1	(1.1)	(4.1)	(4.1)	(5.1)
Change in Acc. Payable	0.3	0.1	0.2	1.3	(0.6)	(0.0)	2.0	2.7	(0.3)	0.2	1.4	3.1	4.4	(3.0)	0.8	2.9	3.0	3.7
Change in Unearned Rev.	(0.2)	0.4	0.1	(0.0)	(0.3)	0.1		(0.2)					0.0					0.0
Change in Other Net Operating Assets	(0.2)	(0.3)	(2.6)	1.3	0.8	(0.1)		2.1					0.0					0.0
<b>Cash from Ops.</b>	<b>(0.4)</b>	<b>(8.3)</b>	<b>(11.0)</b>	<b>(4.0)</b>	<b>(3.3)</b>	<b>(4.2)</b>	<b>(4.2)</b>	<b>(15.5)</b>	<b>(3.1)</b>	<b>(3.7)</b>	<b>(4.3)</b>	<b>(4.6)</b>	<b>(15.7)</b>	<b>(0.5)</b>	<b>(3.4)</b>	<b>(4.0)</b>	<b>(2.6)</b>	<b>(10.4)</b>
Capital Expenditure	(0.1)	(0.5)	(1.2)	(0.3)	(0.3)	(0.2)	(1.0)	(1.8)	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		0.4					0.0					0.0
Cash Acquisitions	0.0	(5.0)	0.0	-	-	-		0.0					0.0					0.0
Divestitures	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
Invest. in Marketable & Equity Secur.	0.0	(3.4)	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
Other Investing Activities	0.0	0.0	0.0	-	-	-		0.0					0.0					0.0
<b>Cash from Investing</b>	<b>(0.0)</b>	<b>(9.5)</b>	<b>(1.0)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(1.0)</b>	<b>(1.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Short Term Debt Issued	0.0	0.1	0.0	-	-	-		0.0					0.0					0.0
Long-Term Debt Issued	0.0	0.0	0.0	0.1	-	-		0.1					0.0					0.0
Short Term Debt Repaid	0.0	0.0	0.0	-	-	-		0.0					0.0					0.0
Long-Term Debt Repaid	0.0	(0.1)	(0.2)	(0.2)	-	-		(0.2)					0.0					0.0
Issuance of Common Stock	2.0	35.5	0.0	0.0	5.1	2.5	5.2	12.8	5.0	0.0	0.0	0.0	5.0					0.0
Repurchase of Common Stock	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
Special Dividend Paid	0.0	0.0	0.0	-	-	-		0.0					0.0					0.0
Other Financing Activities	(0.1)	0.0	0.2	-	-	-		0.0					0.0					0.0
<b>Cash from Financing</b>	<b>1.7</b>	<b>34.6</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>5.8</b>	<b>1.8</b>	<b>5.2</b>	<b>12.7</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Net Change in Cash</b>	<b>1.3</b>	<b>16.9</b>	<b>(12.3)</b>	<b>(4.2)</b>	<b>2.5</b>	<b>(2.6)</b>	<b>(0.0)</b>	<b>(4.3)</b>	<b>1.9</b>	<b>(3.7)</b>	<b>(4.3)</b>	<b>(4.6)</b>	<b>(10.7)</b>	<b>(0.5)</b>	<b>(3.4)</b>	<b>(4.0)</b>	<b>(2.6)</b>	<b>(10.4)</b>
Cash balance at beginning of period	-	18.1	5.8	5.8	1.6	4.1	1.5	5.8	1.5	3.4	(0.3)	(4.6)	1.5	(9.2)	(9.8)	(13.1)	(17.1)	(9.2)
Cash balance at end of period	1.3	18.1	5.8	1.6	4.1	1.5	1.5	1.5	3.4	(0.3)	(4.6)	(9.2)	(9.2)	(9.8)	(13.1)	(17.1)	(19.7)	(19.7)

Source: Company reports, Ascendant Capital Markets estimates

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			Count	Percent
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