

Vision Marine Technologies Inc.

Q2FY24 in-line on soft revenues. Company divesting part of its boat rental business to focus on electric powertrains. Adjusting revenue ramp, lowering PT to \$2.50

Q2 in-line on cost reductions: Q2 FY24 (Feb) EPS came in at \$(0.26), versus our estimate of \$(0.25). Quarterly operating expenses came in at C\$3.5 million, versus our estimate of C\$4.6 million. No forward guidance was provided.

New product revenues pushed out. Q2 FY24 Revenues came in at C\$0.7 million, versus our estimate of C\$2.3 million. The boat rental business was flat yoy, while revenues from boat sales came in at C\$171,000, down 12% yoy. Though the company has indicated it has orders for the E-motion in the pipeline, there were no apparent sales booked in Q2 of FY24, leading us to push out our forecasts. Our new FY24 revenue estimate is C\$5.8 million, versus C\$11.5 million previously, based on 15 units of E-Motion (versus 45 previously). Our new FY25 revenue estimate is C\$14.6 million, versus C\$22.3 previously, based on 90 units of E-Motion (versus 115 previously).

Adjusting estimates: We are raising our FY24 EPS estimate to \$(0.57), versus \$(0.66) previously, reflecting cost reductions and higher share-count. Our FY25 estimate is now \$(0.66), versus \$(0.80) previously. Consensus estimates are \$(0.66) and \$(0.79), for FY24 and FY25, respectively.

Company selling part of its boat rental division to raise cash: Vision Marine has indicated it is looking to sell its flagship boat rental operation in Newport Beach, CA for \$1 million to raise cash for E-Motion patent applications. A buyer has not yet been announced. The company retains 2 other rental locations.

Chairman and CFO transition: VMAR announced on March 1 that Raffi Sossoyan is replacing Kulwant Sandher as CFO. Mr. Sossoyan has served as CFO at TSX-listed Velan and also at Valtech Fabrication, Inc. Additionally, on April 2 the company announced the amicable departure of Carter Murray as Chairman of the Board. A search for a suitable replacement is currently underway.

Phantom debuts in Miami with OEM deal: On Feb 15, VMAR debuted its low-cost rotomolded boat model, the Phantom at the Miami International Boat Show. A distribution partnership with Nautical Ventures Marine Group of Florida was announced which included an initial order of 50 units.

Vision Marine prospects continue to hinge on the E-Motion: Vision Marine has broken new ground with its flagship product, the E-motion 180HP electric outboard motor and powertrain designed to allow boat OEMs to 'go electric' without sacrificing performance. The outboard motor market sells in excess of 300,000 units per year, so even modest conversion from ICE motors to the E-Motion represents a huge opportunity for VMAR.

Scaling to profitability will require additional fundraising: Vision Marine closed the November quarter with C\$1.2 million in cash. We project the company will consume C\$13 million in cash for operations over the next four quarters, creating the need for new financings to fund its growth.

Lowering price 12-month price target to \$2.50 to reflect slower E-Motion ramp: Our new 12-month price target of \$2.50 reflects a slower ramp of E-Motion sales relative to our previous forecast. Our target is based on a NPV and represents 3.3x 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

April 29, 2024

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COMPANY UPDATE

Rating: **BUY**

Ticker: VMAR

Price: \$0.58

Target: \$2.50
(From \$3.50)

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.50-5.60
Shares Outstanding (million):	12.2
Market cap (\$million):	\$7.0
EV (\$million):	\$6.5
Debt (\$million):	\$0.4
Cash (\$million):	\$0.9
Avg. Daily Trading Vol (\$ millions):	\$0.038
Float (million shares):	7.3
Short Interest (million shares):	0.275
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>
Q1 Nov	0.7A		1.7E	2.7E
Q2 Feb	0.5A	1.7E	2.0E	3.3E
Q3 May	1.1E	2.5E	2.6E	4.2E
Q4 Aug	<u>1.8E</u>	<u>3.6E</u>	<u>4.2E</u>	<u>6.2E</u>
Total	4.2E	13.8E	10.5E	24.5E
EV/Rev	1.5x		0.6x	

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>
Q1 Nov	0.07A		(0.19)E	(0.21)E
Q2 Feb	(0.26)A	(0.25)E	(0.18)E	(0.22)E
Q3 May	(0.21)E	(0.24)E	(0.18)E	(0.21)E
Q4 Aug	<u>(0.18)E</u>	<u>(0.24)E</u>	<u>(0.11)E</u>	<u>(0.15)E</u>
Total	\$(0.57)E	\$(0.66)E	\$(0.66)E	\$(0.80)E
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

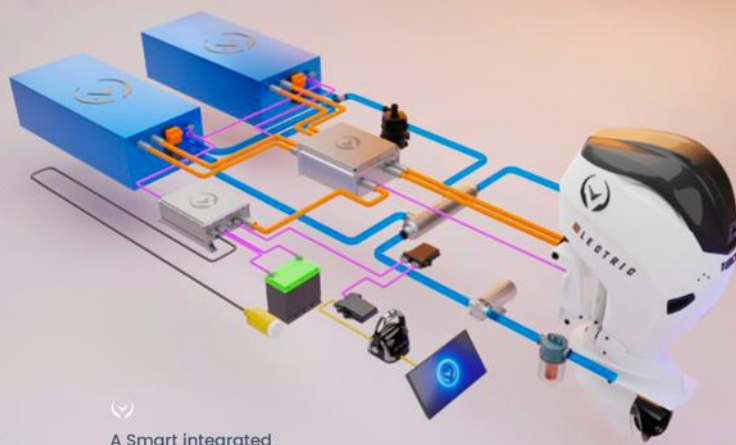
Source: Company Reports

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

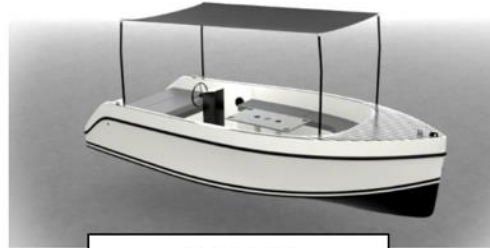


Source: Company Reports

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>
Electric Tritoon	20'	6hrs	10	5mph	57,000
		9hrs	10	5mph	60,000
Electric Tritoon	23'	7hrs	12	5mph	100,000
		10hrs	12	5mph	120,000
Fantail 217	22'	12 hours	10	6 mph	49,000
Quietude 156	15.5'	5 hours	4	6 mph	35,000
Volt 180	18'	9.75 hours	11	6 mph	37,000
Phantom	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

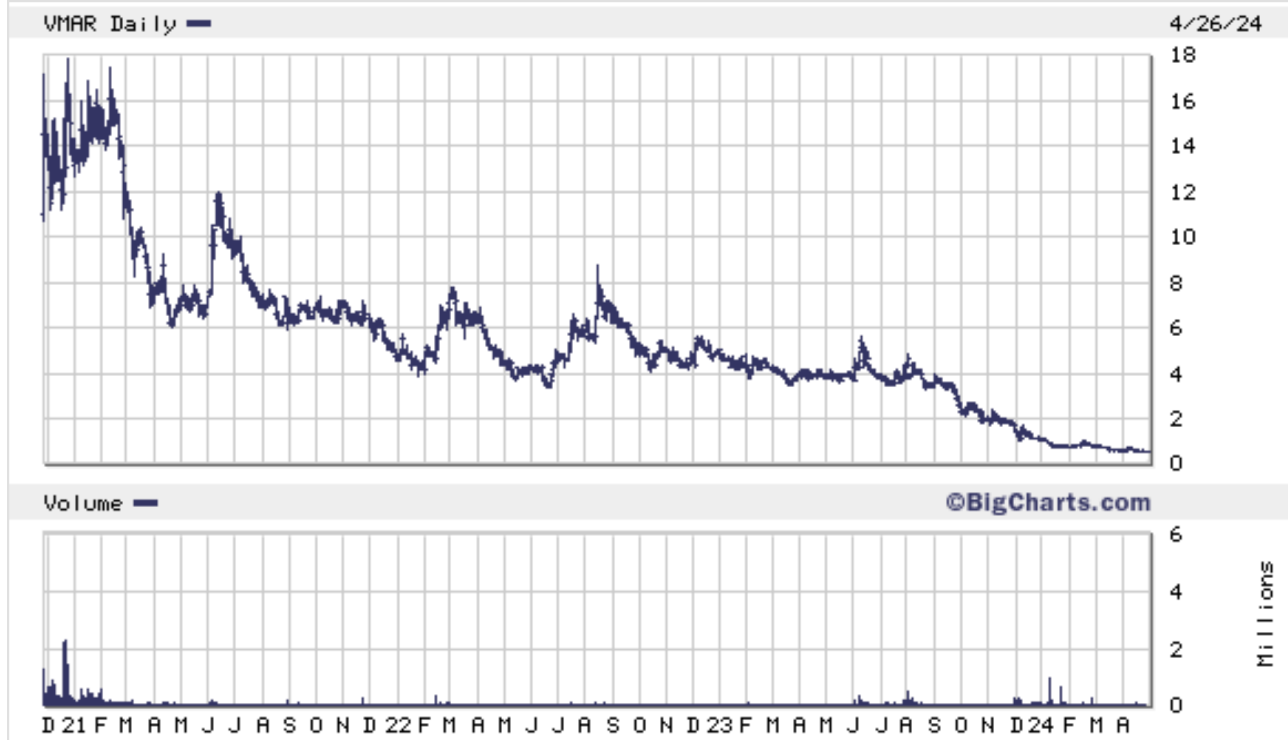
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	Revenue (USD million)		EPS (USD)	
	<u>FY2024E</u>	<u>FY2025E</u>	<u>FY2024E</u>	<u>FY2025E</u>
Q1 Nov	\$0.7A	\$2.7E	Q1 Nov	\$0.07A \$(0.21)E
Q2 Feb	\$0.5A	\$3.3E	Q2 Feb	(\$0.26)A (\$0.22)E
Q3 May	\$2.5E	\$4.2E	Q3 May	(\$0.24)E (\$0.21)E
Q4 Aug	\$3.6E	\$6.1E	Q4 Aug	\$(0.24)E \$(0.15)E
Total	\$8.4E	\$16.2E	Total	(\$0.66)E (\$0.79)E

*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) Fiscal Year End: August 31	2021 FY-A	2022 FY-A	Nov-22 Q1A	Feb-23 Q2A	May-23 Q3A	Aug-23 Q4A	2023 FY-A	Nov-23 Q1A	Feb-24 Q2A	May-24 Q3E	Aug-24 Q4E	2024 FY-E	Nov-24 Q1E	Feb-25 Q2E	May-25 Q3E	Aug-25 Q4E	2025 FY-E
Revenue Breakdown																	
Boat Sales	2.1	2.5	0.2	0.2	0.3	0.6	1.3	0.1	0.2	0.5	0.7	1.5	0.4	0.4	0.6	1.9	3.3
Parts & Maintenance	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.0	0.0	0.1	0.1	0.2	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	0.6	0.5	0.7	2.6	0.5	0.4	0.6	0.9	2.4
Other	0.0	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	0.3	0.3
E-Motion Powertrains	-	-	-	-	-	-	-	-	-	0.4	0.8	1.1	1.1	1.5	1.9	2.3	6.8
Phantom - Rotomolded Boats	-	-	-	-	-	-	-	-	-	0.1	0.2	0.3	0.2	0.4	0.4	0.4	1.4
Revenue	3.5	7.4	1.4	0.8	1.3	2.1	5.7	1.0	0.7	1.6	2.6	5.8	2.3	2.8	3.6	5.9	14.6
Cost Of Goods Sold (1)	1.9	4.1	1.3	0.8	0.9	1.1	4.1	0.6	0.5	1.0	1.5	3.6	1.4	1.7	2.1	3.2	8.4
Gross Profit	1.6	3.3	0.1	0.0	0.4	1.0	1.5	0.4	0.2	0.6	1.0	2.2	0.9	1.1	1.4	2.6	6.1
Operating expenses																	
R & D Exp.	1.5	2.2	3.7	0.6	0.8	0.6	5.7	1.0	0.3	0.3	0.3	1.8	0.3	0.3	0.3	0.3	1.0
Selling General & Admin Exp.	5.7	10.8	3.1	2.9	3.5	4.9	14.3	3.5	2.9	2.8	2.8	12.0	3.0	3.0	3.2	3.2	12.4
Stock-Based Compensation	7.1	2.7	0.3	0.1	0.6	0.1	1.1	0.1	0.1	-	-	0.1	-	-	-	-	-
Depreciation & Amort.	0.2	0.3	0.1	0.1	0.2	0.2	0.6	0.2	0.2	0.1	0.1	0.6	0.1	0.1	0.1	0.1	0.4
Other Operating Expense/(Income)	0.0	0.0	0.0	0.0	-	(0.1)	(0.1)	(0.1)	0.0	-	-	(0.0)	-	-	-	-	-
Total operating expenses	14.5	16.1	7.1	3.8	5.1	5.7	21.7	4.7	3.5	3.2	3.2	14.5	3.3	3.3	3.5	3.5	13.8
Operating Income	(12.9)	(12.8)	(7.0)	(3.7)	(4.7)	(4.7)	(20.1)	(4.3)	(3.3)	(2.6)	(2.1)	(12.3)	(2.4)	(2.2)	(2.1)	(0.9)	(7.6)
Interest Expense	(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	0.4	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)	(1.6)	0.3	0.1	0.0	(0.0)	0.4	0.5	0.0	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other Non-Operating Inc. (Exp.) (3)	0.2	0.1	(0.1)	(0.3)	1.5	0.3	1.4	5.3	(0.8)	(0.8)	(0.8)	2.8	(0.8)	(0.8)	(0.8)	(0.8)	(3.2)
EBT Before Extraordinary Items	(14.5)	(12.3)	(6.8)	(4.1)	(3.3)	(4.0)	(18.2)	1.0	(4.2)	(3.5)	(3.0)	(9.7)	(3.3)	(3.1)	(3.0)	(1.8)	(11.1)
Impairment of Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(4.3)	0.0	0.0	(4.3)	0.0	0.0	0.0	0.0	0.0
Gain (Loss) On Sale Of Invest. (2)	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	(0.5)	(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
EBT After Extraordinary Items	(15.0)	(12.9)	(6.8)	(6.7)	(3.3)	(4.0)	(20.8)	1.0	(8.5)	(3.5)	(3.0)	(13.9)	(3.3)	(3.1)	(3.0)	(1.8)	(11.1)
Income Tax Expense	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
Net Income GAAP (C\$)	(15.1)	(13.1)	(6.8)	(6.7)	(3.1)	(4.0)	(20.5)	1.054	(8.4)	(3.5)	(3.0)	(13.8)	(3.3)	(3.1)	(3.0)	(1.8)	(11.1)
Net Income Pro Forma (C\$)	(15.1)	(13.1)	(6.8)	(6.7)	(3.1)	(4.0)	(17.9)	1.054	(4.1)	(3.5)	(3.0)	(9.6)	(3.3)	(3.1)	(3.0)	(1.8)	(11.1)
Diluted EPS (C\$)	(1.98)	(1.56)	(0.80)	(0.76)	(0.32)	(0.39)	(2.22)	0.09	(0.72)	(0.28)	(0.25)	(1.13)	(0.27)	(0.25)	(0.24)	(0.15)	(0.91)
Diluted EPS Pro Forma (C\$)	(1.98)	(1.56)	(0.80)	(0.76)	(0.32)	(0.39)	(1.93)	0.09	(0.35)	(0.28)	(0.25)	(0.78)	(0.27)	(0.25)	(0.24)	(0.15)	(0.91)
Weighted Avg. Diluted Shares Out.	7.4	8.3	8.4	8.7	9.7	10.2	9.3	11.5	11.7	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2
Revenue (USD)	2.8	5.7	1.0	0.6	1.0	1.6	4.2	0.7	0.5	1.1	1.8	4.2	1.7	2.0	2.6	4.2	10.5
Net Income Pro Forma (USD)	(12.0)	(10.2)	(5.0)	(4.9)	(2.3)	(3.0)	(13.2)	0.8	(3.0)	(2.5)	(2.2)	(6.9)	(2.4)	(2.2)	(2.2)	(1.3)	(8.1)
Diluted EPS Pro Forma (USD)	(1.62)	(1.23)	(0.59)	(0.56)	(0.23)	(0.29)	(1.43)	0.07	(0.26)	(0.21)	(0.18)	(0.57)	(0.19)	(0.18)	(0.18)	(0.11)	(0.66)
Margins																	
Gross margin	46%	45%	7%	6%	29%	35%	27%	44%	30%	35%	40%	38%	40%	40%	40%	45%	42%
Selling General & Admin Exp.	163%	148%	218%	348%	268%	232%	254%	354%	395%	178%	110%	205%	129%	107%	90%	55%	85%
R & D Exp.	42%	31%	263%	76%	58%	30%	101%	100%	46%	16%	10%	31%	11%	9%	7%	4%	7%
Depreciation & Amort.	5%	4%	7%	15%	16%	8%	10%	21%	29%	7%	4%	11%	4%	3%	2%	1%	2%
Operating margin	-367%	-174%	-503%	-446%	-362%	-220%	-356%	-431%	-455%	-165%	-84%	-211%	-104%	-79%	-59%	-15%	-53%
Tax rate, GAAP	1%	2%	0%	0%	-6%	2%	2%	2%	2%	2%	2%	1%	2%	2%	2%	2%	0%
Net margin	-430%	-178%	-485%	-806%	-238%	-187%	-363%	107%	-1155%	-221%	-118%	-237%	-141%	-110%	-83%	-30%	-76%
Y/Y % change																	
Revenue	36%	109%	16%	10%	-35%	-37%	-23%	-30%	-12%	21%	20%	3%	136%	284%	127%	129%	149%
Boat Sales	-8%	18%	-39%	NA	-36%	-60%	-48%	-44%	-12%	46%	18%	13%	-42%	-28%	20%	29%	-8%
Boat Rentals	NA	254%	23%	-26%	-36%	-14%	-16%	-25%	0%	-43%	-52%	-35%	-42%	-28%	20%	29%	-8%
E-Motion Powertrains	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	400%	200%	500%
Phantom - Rotomolded Boats	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	300%	100%	367%
COGS	1%	113%	89%	55%	4%	-44%	1%	-57%	-35%	10%	38%	-12%	153%	230%	110%	110%	134%
Gross Profit	132%	105%	-80%	-80%	-67%	-27%	-53%	318%	346%	48%	1%	45%	114%	409%	159%	158%	174%
Selling General & Admin Exp.	288%	90%	21%	-5%	43%	73%	32%	15%	0%	-20%	-43%	-17%	-14%	4%	14%	14%	4%
Total Operating Expenses	419%	11%	74%	-1%	75%	8%	35%	-34%	-6%	-38%	-45%	-33%	-29%	-5%	12%	12%	-5%
Operating Income	514%	-1%	97%	5%	165%	20%	58%	-40%	-11%	-45%	-54%	-39%	-43%	-33%	-19%	-58%	-38%
Net income	576%	-13%	98%	81%	60%	-2%	57%	-116%	26%	12%	-24%	-33%	-412%	-63%	-14%	-41%	-20%
Diluted EPS Excl. Extra Items	330%	-21%	95%	72%	40%	-20%	23%	-111%	-54%	-11%	-37%	-59%	-395%	-28%	-14%	-41%	16%
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 (\$ millions)	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	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Current Assets														
Total Cash & ST Investments	18.1	5.8	1.7	4.1	1.5	3.4	0.8	1.2	2.8	(0.1)	(3.3)	(6.3)	(9.2)	(10.8)
Accounts Receivable	0.0	0.1	0.1	0.3	0.4	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Receivables	0.4	1.1	0.9	0.7	0.4	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory	2.0	2.1	2.6	2.5	2.7	2.4	3.2	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Prepaid Exp.	0.5	2.5	1.1	0.7	1.0	2.0	2.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
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
Other Current Assets	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
Total Current Assets	21.3	11.6	6.5	8.4	6.1	8.5	7.5	10.3	11.9	9.0	5.8	2.8	(0.1)	(1.7)
Property, Plant & Equipment														
Gross Property, Plant & Equipment	5.0	5.8	6.2	6.2	6.8	6.8	4.5	4.7	4.7	4.7	4.7	4.7	4.7	4.7
Right of Use Asset							2.3	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Accumulated Depreciation	(0.6)	(1.3)	(1.5)	(1.7)	(1.9)	(2.0)	(2.2)	(2.4)	(2.5)	(2.6)	(2.7)	(2.8)	(2.9)	(3.0)
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	5.4	5.4	5.4	5.4	5.4	5.4	5.4
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	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other Long-Term Assets	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
Total Assets	38.8	29.1	24.7	23.7	21.9	24.0	22.9	21.3	22.9	19.9	16.6	13.5	10.5	8.7
Liabilities														
Accounts Payable	0.6	0.7	2.2	1.5	1.5	1.8	2.8	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Accrued Exp.	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	0.0	0.0	0.1	1.0	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Provision on onerous contracts						0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Contract liabilities						1.8	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Curr. Port. of LT Debt	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	0.6	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	0.1	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	0.9	1.0	1.0	0.7	0.9		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Current Liabilities	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
Total Current Liabilities	2.7	2.9	4.4	4.6	4.0	4.9	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Long-Term Debt	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Long-Term Leases	2.4	1.9	1.9	1.8	2.2	2.0	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Def. Tax Liability, Non-Curr.	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	3.8	3.3	5.6	0.9	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Total Liabilities	5.3	5.1	6.6	10.4	9.6	12.5	8.8	14.9	14.9	14.9	14.9	14.9	14.9	14.9
Shareholders' Equity														
Common Stock	42.8	43.4	43.6	45.4	46.9	50.4	51.8	52.3	57.3	57.3	57.3	57.3	57.3	57.3
Additional Paid In Capital	7.9	10.6	10.9	11.0	11.6	11.7	11.8	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Retained Earnings	(17.6)	(30.7)	(37.5)	(44.2)	(47.3)	(51.5)	(50.5)	(58.9)	(62.4)	(65.4)	(68.7)	(71.8)	(74.8)	(76.5)
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
Comprehensive Inc. and Other	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
Total Equity	33.5	24.0	18.1	13.3	12.3	11.6	14.1	6.4	7.9	4.9	1.6	(1.5)	(4.4)	(6.2)
Total Liabilities And Equity	38.8	29.1	24.7	23.7	21.9	24.0	22.9	21.3	22.9	19.9	16.6	13.5	10.5	8.7
Balance Sheet Drivers														
Balance Sheet (\$ millions)	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	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (\$ per share)														
Book Value per Share (diluted)	4.03	2.89	2.14	1.52	1.27	1.13	1.22	0.55	0.65	0.40	0.13	(0.12)	(0.36)	(0.51)
Cash per Share (diluted)	2.18	0.70	0.20	0.47	0.16	0.33	0.07	0.10	0.23	(0.01)	(0.27)	(0.51)	(0.75)	(0.89)
Net cash per Share (diluted)	2.17	0.67	0.17	0.42	0.12	0.30	0.05	0.07	0.20	(0.04)	(0.30)	(0.55)	(0.78)	(0.92)

Source: Company reports, Ascendant Capital Markets estimates

Vision Marine Technologies Inc.

Cash Flow Statement (C\$ millions)	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	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Net Income	(15.1)	(13.1)	(6.8)	(6.7)	(3.1)	(4.3)	(20.9)	1.1	(8.436)	(3.5)	(3.0)	(13.9)	(3.3)	(3.1)	(3.0)	(1.8)	(11.1)
Depreciation & Amort.	0.3	0.9	0.2	0.2	0.2	0.4	1.1	0.3	0.3	0.1	0.1	0.7	0.1	0.1	0.1	0.1	0.4
Accretion on L-T Debt and Lease Liabilities							0.2	0.0	0.0								
Amort. of Goodwill and Intangibles	0.1	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0			0.0					0.0
Goodwill impairment loss																	4.3
Transaction costs – Preferred Shares									1.5								
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)	0.1	0.1	0.2	(0.0)	0.0			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	0.0			0.0					0.0
Net Loss on Debentures							2.4	2.4	0.0			0.0					0.0
Stock-Based Compensation	7.2	3.3	0.4	0.2	1.0	(0.5)	1.1	0.1	0.2			0.3					0.0
Shares issued for Services							1.7	1.7	0.4								
Income Tax Expense						(0.3)	(0.3)	(0.1)	(0.0)								
Income Tax Paid						(0.0)	(0.0)	(0.0)	0.0								
Gain on Derivative Liabilities						(1.8)	(1.8)	(5.4)	(0.9)								
Gain on Lease Termination						(0.1)	(0.1)	0.0	0.0								
Other Operating Activities	0.7	0.5	(0.1)	0.6	0.3	(0.7)	0.0	0.0	(0.0)			(0.0)					0.0
Change in Acc. Receivable	(0.2)	(0.2)	0.2	(0.1)	(0.1)	0.0	(0.1)	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Provision for Onerous Contracts							0.1	0.1	0.0								
Change in Inventories	(1.5)	(0.1)	(0.5)	0.1	(0.2)	0.3	(0.4)	(0.7)	(1.5)		0.0	0.0	(2.2)	0.0	0.0	0.0	0.0
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	0.1	0.2	1.3	(0.6)	(0.0)	(0.0)	0.7	1.1	(0.8)	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Prepaid Expenses							0.5	0.5	(0.9)			(1.0)					
Contract Liabilities							0.8	0.8	(0.1)								
Change in Unearned Rev.	0.4	0.1	(0.0)	(0.3)	0.1	0.2	0.0	0.0	0.0			0.0					0.0
Change in Other Net Operating Assets	(0.3)	(2.6)	1.3	0.8	(0.1)	(2.2)	(0.1)	(0.0)	(0.0)			(0.0)					0.0
Cash from Ops.	(8.3)	(11.0)	(4.0)	(3.3)	(4.2)	(2.6)	(14.0)	(4.1)	(5.9)	(3.4)	(2.9)	(16.2)	(3.2)	(3.0)	(2.9)	(1.7)	(10.8)
Capital Expenditure	(0.5)	(1.2)	(0.3)	(0.3)	(0.2)	(0.1)	(0.9)	(0.0)	(0.2)	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Sale of Property, Plant, and Equipment	0.0	0.2	0.2	0.2	0.0	0.0	0.4	0.1	(0.1)								
Cash Acquisitions	(5.0)	0.0					0.0										
Divestitures	0.0	0.0					0.0										
Sale (Purchase) of Intangible assets	(0.5)	(0.0)					0.0										
Invest. in Marketable & Equity Secur.	(3.4)	0.0					0.0										
Net (Inc.) Dec. in Loans Originated/Sold	0.0	0.0					0.0										
Other Investing Activities	0.0	0.0					0.0										
Cash from Investing	(9.5)	(1.0)	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)	0.01	(0.26)	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Short Term Debt Issued	0.1	0.0					0.2	0.2	(0.1)			(0.0)					0.0
Long-Term Debt Issued	0.0	0.0	0.1				0.1	0.3	0.2			0.2					0.0
Short Term Debt Repaid	0.0	0.0					0.0	0.0				0.0					0.0
Long-Term Debt Repaid	(0.1)	(0.2)	(0.2)				(0.0)	(0.2)	(0.1)	(0.1)		(0.2)					0.0
Issuance of Preferred Shares and Warrants									6.5								
Issuance of Common Stock	35.5	0.0	0.0	5.1	2.5	4.8	12.4	1.8	0.0	5.0	0.0	6.8					0.0
Shares Issued Upon Options Conversion							0.2	0.2									
Repurchase of Common Stock	0.0	0.0					0.0	0.0									
Total Dividends Paid	0.0	0.0					0.0	0.0									
Special Dividend Paid	0.0	0.0					0.0	0.0									
Repayment of Lease Liabilities							(0.7)	(0.7)	(0.1)								
Other Financing Activities	0.0	0.2					0.0					0.0					
Cash from Financing	34.6	(0.4)	(0.1)	5.1	2.5	4.5	12.1	1.6	6.5	5.0	0.0	13.0	0.0	0.0	0.0	0.0	0.0
Net Change in Cash	16.9	(12.3)	(4.2)	2.5	(2.6)	1.8	(2.5)	(2.5)	0.3	1.6	(2.9)	(3.4)	(3.2)	(3.0)	(2.9)	(1.7)	(10.8)
Cash balance at beginning of period	18.1	5.8	5.8	1.6	4.1	1.5	5.8	3.4	0.9	1.2	2.8	3.4	(0.1)	(3.3)	(6.3)	(9.2)	(0.1)
Cash balance at end of period	18.1	5.8	1.6	4.1	1.5	3.4	3.4	0.9	1.2	2.8	(0.1)	(0.1)	(3.3)	(6.3)	(9.2)	(10.8)	(10.8)

Source: Company reports, Ascendant Capital Markets estimates

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Vision Marine Technologies Inc.

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	Investment Banking Services Past 12 Months			
	Count	Percent	Count	Percent
Buy	55	98%	18	33%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	56	100%	18	32%

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