

May 19, 2023



# Volcon, Inc. Launches Proposed Public Equity Offering

AUSTIN, Texas, May 19, 2023 (GLOBE NEWSWIRE) -- Volcon Inc. (NASDAQ: VLCN), ("Volcon" or the "Company"), the first all-electric, off-road powersports company, today announced that it intends to offer its securities in a firm commitment underwritten public offering (the "Offering"). The Company intends to use the net proceeds from the Offering for general corporate purposes, including working capital, operating expenses and capital expenditures. The offering is expected to close on May 24, 2023, subject to customary conditions.

## **Aegis Capital Corp. is acting as the sole book-running manager for the Offering.**

The Company signed a securities purchase and exchange agreement (the "Agreement") on May 19, 2023 to (1) issue an investor approximately \$5 million original principal amount of nine (9) month convertible senior notes (the "New Notes") and accompanying warrants (the "New Warrants") to purchase approximately 5.5 million shares of common stock at an exercise price of \$1.09 per share expiring August 2027 (such transaction, the "Placement"); (2) exchange senior convertible notes in principal amount of \$27.2 million due February 24, 2024 for two senior convertible notes due February 24, 2024 with initial conversion prices of \$1.09 and the Offering price (the "Exchange Notes"); and (3) exchange common stock purchase warrants to purchase 9,057,971 shares of common stock at an exercise price of \$2.85 per share for warrants to purchase 17,057,971 shares of common stock with an initial exercise price of \$1.09 per share (the "Exchange Warrants").

The Placement has been priced at the market under Nasdaq rules, and the conversion price of the New Notes and Exchange Notes and exercise price of the New Warrants and Exchange Warrants will be adjusted to the issuance price of the Offering subject to shareholder approval.

The New Notes are the senior unsecured obligations of the Company, bear no interest and have an original issue discount of 8.8%. The Placement is expected to close on May 24, 2023, subject to customary closing conditions. Closing of the Placement is contingent on closing of the Offering.

## **Aegis Capital Corp. is acting as the exclusive placement agent for the Placement.**

The Offering is being made pursuant to an effective shelf registration statement on Form S-3 (No. 333-269644) previously filed with the SEC and declared effective by the SEC on March 21, 2023. A preliminary prospectus supplement and accompanying prospectus describing the terms of the proposed offering will be filed with the SEC and will be available on the SEC's website located at <http://www.sec.gov>. Electronic copies of the preliminary prospectus supplement and the accompanying prospectus may be obtained, when available, by contacting Aegis Capital Corp., Attention: Syndicate Department, 1345 Avenue of the Americas, 27th floor, New York, NY 10105, by email at [syndicate@aegiscap.com](mailto:syndicate@aegiscap.com), or by

telephone at (212) 813-1010.

The securities described above in the Placement are being sold in a private placement and have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission (the “SEC”) or an applicable exemption from such registration requirements. The securities in the Placement were offered only to accredited investors. Pursuant to a registration rights agreement with the investors, the Company has agreed to file one or more registration statements with the SEC covering the resale of the common stock issuable upon conversion of the New Notes and exercise of the Warrants.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

### **About Volcon**

Volcon Inc. is the first all-electric powersports company producing high-quality off-road vehicles. Based in Round Rock, Texas, Volcon joins many major electric vehicle manufacturers near Austin, Texas, an area that is poised to become the electric vehicle capital of the world.

Volcon was founded with the mission to enhance the outdoor experience while reducing the industry’s environmental footprint so that adventurers and workers alike can enjoy the outdoors and preserve it for generations to come. Volcon produces all-electric, off-road vehicles designed to elevate the adventure experience and help people get things done at work and on the home front.

Volcon’s first product, the innovative Grunt, combines a fat tire physique with high-torque electric power and a near-silent drive train which started shipping in September of 2021. Future models may include the Runt, which is a youth-sized version of the groundbreaking Grunt, and an eBike, the Brat. The Stag and Project X are expected to be Volcon’s venture into the rapidly expanding world of UTVs and are expected in future years as the company continues to expand.

### **Volcon Contacts**

For Media: [media@volcon.com](mailto:media@volcon.com)

For Dealers: [dealers@volcon.com](mailto:dealers@volcon.com)

For Investors: [investors@volcon.com](mailto:investors@volcon.com)

For Marketing: [marketing@volcon.com](mailto:marketing@volcon.com)

For more information on Volcon or to learn more about its complete motorcycle and side-by-side line-up, visit: [www.volcon.com](http://www.volcon.com)

### **Forward-Looking Statements**

Some of the statements in this release are forward-looking statements, which involve risks and uncertainties. Forward-looking statements in this press release include, without limitation, statements about the anticipated completion, timing and size of the Offering and Placement and the anticipated use of net proceeds therefrom. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date made, expectations may prove to have been materially different from the results expressed or implied by such forward-looking statements. The Company has attempted to identify forward-looking statements by terminology including “believes,” “estimates,” “anticipates,” “expects,” “plans,” “projects,” “intends,” “potential,” “may,” “could,” “might,” “will,” “should,” “approximately” or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors. Any forward-looking statements contained in this release speak only as of its date. The Company undertakes no obligation to update any forward-looking statements contained in this release to reflect events or circumstances occurring after its date or to reflect the occurrence of unanticipated events. More detailed information about the risks and uncertainties affecting the Company is contained under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q filed with the SEC, which are available on the SEC’s website, [www.sec.gov](http://www.sec.gov).

**SOURCE:** Volcon ePowersports, Inc.

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