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EMPERY DIGITAL

Volcon, Inc. Announces Improved Debt Position and Strategic Cost Reduction

AUSTIN, Texas, Sept. 18, 2023 (GLOBE NEWSWIRE) -- Volcon Inc. (NASDAQ: VLCN), (“Volcon" or the “Company”), the first all-electric, off-road powersports company, announced on September 14, 2023 that it has agreed with its convertible noteholders to modify the terms of its convertible notes and implemented cost reduction strategies to provide the Company greater flexibility as it pushes toward the introduction of the first of its UTV models, the Stag, which the Company expects to begin delivering in October 2023.

The Company entered into a note amendment with its convertible noteholders pursuant to which the lenders agreed to, among other changes, extend the maturity of the outstanding convertible notes from February 24, 2024 to January 31, 2025 and modify certain covenants to allow the Company to execute its business strategy as it works toward the launch of the Stag. The amendment is subject to completion of a security agreement establishing a security interest in the assets of the Company for the benefit of the noteholders. “We appreciate the support of our noteholders in making these amendments in order to give us the flexibility to raise capital to support the launch of the Stag and the growth of our business,” said Jordan Davis, CEO. Davis continued, “With our Stag launch closing in, our ability to obtain funding to support manufacturing and to market the Stag to the public to generate consumer demand are key factors to our success.”

The Company recently implemented further cost reduction initiatives and is continuing to evaluate its cost structure to identify incremental savings. Davis notes, "We continue to build upon our previously announced cost reduction measures, such as closing manufacturing operations in favor of outsourced production and reducing headcount in various areas of the Company to support our vehicle development strategy."

In addition, the Company has reduced cash expenses by agreeing to eliminate cash bonuses payable to the Company's officers in favor of stock awards and the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer have voluntarily agreed to reduce their salaries by 10%. The Company's board of directors has also agreed that all future quarterly board cash fees will be payable in the form of stock awards as well. Davis notes, "The Management Team and the Board know how important the Stag is to our Company, and we recognize we need to personally support the cash reduction initiatives to ensure our success."

On September 13, 2023, the Company announced additional trim packages and pricing for the Stag. The initial response by existing reservation holders who made deposits and viewed new trim level selections has been positive. The Company continues to follow up with all pre-order reservation holders to make sure they are aware of the trim package options and answer any questions they may have. The Company also realized new customer preorders which further supports the Stag product line and the future of EV in powersports. The Company has two consumer lending firms providing financing to consumers, Synchrony Bank and Octane Roadrunner Financial, which can be found on Volcon.com or by contacting Volcon dealers for more information.

In addition, the Company's sales team is connecting with dealers and distributors to place pre-orders. The overwhelming majority of dealers are committed to selling Volcon products and are excited that the Stag is finally coming to market. The Company is also working with a finance company to obtain a facility that will allow the Company to place Stags with dealers for small cash outlays allowing the Company to generate cash to reinvest in additional dealer placements. This facility will allow dealers to finance their Stag purchases.

About Volcon

Based in the Austin, Texas area, Volcon was founded as the first all-electric powersports company producing high-quality and sustainable electric vehicles for the outdoor community. Volcon electric vehicles are the future of off-roading, not only because of their environmental benefits, but also because of their near silent operation, which allows for a more immersive outdoor experience.

Volcon's 2023 vehicle roadmap includes both motorcycles and UTVs hitting the market in North America. Its first product, the innovative Grunt, has been shipping to customers since late 2021 and combines a fat-tired physique with high-torque electric power and a near-silent drive train. Volcon just announced the launch of the Grunt EVO, an evolution of the original Grunt with a belt drive, an improved suspension and seat. Volcon also just announced the launch of the Runt LT, which is a fun-sized version of the groundbreaking Grunt, is better suited for small statured riders, more compact properties and trails, or as a pit bike at race events, while still delivering robust off-road capabilities. The Brat is Volcon's first foray into the wildly popular eBike market for both on road and off-road riding and is currently being delivered to dealers across North America. Volcon is also launched and is currently

delivering the Volcon Youth Line of dirt bikes for younger riders between the ages of 4 to 11. Volcon recently launched the Stag and entered the rapidly expanding UTV market. The Stag empowers the driver to explore the outdoors in a new and unique way that gas-powered UTVs cannot. The Stag offers the same thrilling performance of a standard UTV without the noise (or pollution), allowing the driver to explore the outdoors with all their senses.

Volcon Contacts

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For more information on Volcon or to learn more about its complete motorcycle and side-by-side line-up, visit: 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 ability to agree upon a mutually acceptable security agreement with the note holders, the anticipated completion and timing of the delivery of the Stag vehicle and certain anticipated cost reductions. 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.

SOURCE: Volcon ePowersports, Inc.

Volcon ePowersports new Stag Limited Edition trim level in LTD Tan

Source: Volcon, Inc.