May 12, 2022

Volcon ePowersports Reports First Quarter 2022 Financial Results

AUSTIN, TX / ACCESSWIRE / May 12, 2022 /Volcon Inc. **(NASDAQ:VLCN)** ("Volcon" or the "Company"), the first all-electric, off-road powersports company, today reported its financial results for first quarter of 2022.

Company Highlights:

- Through March 31, 2022 signed 83 dealers
- Completed direct to consumer Grunt shipments in April 2022 and have begun shipments to dealers in May 2022

Jordan Davis, CEO notes "We continue to have success signing top tier powersports dealers, expecting to have over 100 signed by the end of the second quarter 2022. In addition, we have completed all shipments of Grunts to our direct-to-consumer customers. Heading into the second quarter, we will focus on supplying our dealers with their initial shipment of Grunts. This is a new chapter in Volcon's history, and we believe we have strong momentum heading into the heart of the offroad selling season. Our Latin America distributors have received their first shipments, with our partners in Mexico opening the first flagship Volcon dealership; customer interest has been strong throughout Latin America. Expanding on our success in the Americas, we recently signed Tropicars as a distributor which opens a large network of customers across the Caribbean region. We have also hired our first sales manager in Canada to begin developing our dealer network. Initial interest in the region is very promising."

Davis goes on to say "We have worked on improvements to our manufacturing process, and we expect to be able to fulfill our dealer and distributor orders over the quarter. We have continued to work on cost reduction efforts for parts and also have identified second source suppliers to help alleviate supply chain issues. Our development of new products, including the Brat, our eBike, and the Runt, a scaled-down version of the Grunt, are progressing well and we expect to launch both of these products in the fourth quarter of 2022. We remain focused on our corporate must-wins including increasing revenue, profitability, and product range expansion. We know challenges remain, but we feel confident in our ability to traverse the challenges we face."

Financial highlights:

- Revenue: The Company's revenue was $1.2 million for the first quarter 2022, an increase of $0.8 million over total fiscal 2021 revenue.
- Net loss: The Company's net loss was $8.6 million for the first quarter of 2022, compared to a net loss of $14.8 million for the fourth quarter of 2021 (fourth quarter 2021 also included an inventory write down of $5.5 million to adjust inventory to its net realizable value).
- Adjusted EBITDA: The Company's adjusted EBITDA for the first quarter of 2022 was a

loss of $6.9 million compared to a loss of $13.5 million for the fourth quarter of 2021. Adjusted EBITDA is a non-GAAP financial measure, which we reconcile below and define as net loss before interest, taxes, depreciation and amortization, loss on repayment of promissory notes and share based compensation expenses.
- Follow on public offering: Volcon completed a follow on public offering on February 1, 2022 and sold 6.667 million shares of common stock and raised over $18 million after expenses and commissions to underwriters.

For the latest company updates, follow Volcon onYouTube,Facebook,Instagram, and LinkedIn. Investor information about the company, including press releases, company SEC filings, and more can be found at http://ir.volcon.com.

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 that are 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 coming in future years as the company continues to expand.

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

NON-GAAP RECONCILIATION

We believe presenting adjusted EBITDA provides management and investors consistency and facilitates period to period comparisons of operations, as it eliminates the effects of certain variations to overall performance.

The following table reconciles net loss to adjusted EBITDA for the three months ended March 31, 2022 and December 31, 2021:

	3 Months Ended	
	March 31, 2022	December 31, 2021
Net loss	$ (8,612,345)	$ (14,779,269)
Share-based compensation expense	1,575,165	371,062
Depreciation and amortization expense	112,980	83,854
Interest expense	4,691	23,717
Loss on repayment of promissory notes		841,330
Adjusted EBITDA	$ (6,919,509)	$ (13,459,306)

Forward-Looking Statements

Some of the statements in this release are forward-looking statements, which involve risks and uncertainties. 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, which are available on the SEC's website, www.sec.gov.

SOURCE: Volcon ePowersports, Inc.

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