

May 9, 2025



Volcon ePowersports Reports Operational Highlights and First Quarter 2025 Financial Results

AUSTIN, Texas, May 09, 2025 (GLOBE NEWSWIRE) -- Volcon Inc. (NASDAQ: VLCN) ("Volcon", the "Company" or "we"), the first all-electric, off-road powersports company, today reported its operational highlights and financial results for the quarter ended March 31, 2025.

Company Highlights:

- Sold all remaining Grunt EVO motorcycles in Q1
- Signed amended and restated golf cart supply agreement with Venom-EV
- Evaluating impact of tariffs on products

In the first quarter of 2025, Volcon successfully sold all remaining Grunt EVO motorcycles. The company has since received prototypes of a dual-sport motorcycle, which is currently in development. The primary goal is to make it available for sale in the second half of 2025. As of now, reaching this goal is dependent on testing, meeting on-road regulations, manufacturing costs, and the impact of tariffs.

As previously announced in February 2025, Volcon signed a golf cart supply agreement with Venom-EV LLC ("Venom") to supply Venom with golf carts. In April 2025, the agreement was amended and restated to adjust payment terms and the percentage Volcon will be paid for each golf cart ordered under said agreement.

On April 2, 2025, the U.S. imposed tariffs on goods imported from certain countries including China and Vietnam, where Volcon's vehicles are manufactured. On April 9, 2025, tariffs for China were increased while tariffs for Vietnam were deferred for 90 days. Further adjustments to these tariffs could occur. If the tariffs are put into place as proposed, they will significantly increase Volcon's vehicle and part costs. The company is currently evaluating the option of importing parts and assembling vehicles in the U.S. The second option would be to continue to import vehicles and pay the higher tariffs, increasing the selling price of vehicles.

John Kim, CEO, notes "the international trade landscape is in a state of flux and the ultimate tariff structure is uncertain. We are working to navigate this uncertainty by evaluating how we can limit the impact of the tariffs and still sell our products profitably. Our cash position is strong and we still believe we are on track to operate into 2026, but we are continuing to evaluate where we can reduce costs further while we assess our options."

Financial highlights:

GAAP	3 Months Ended		
	March 31, 2025	December 31, 2024	September 30, 2024
Revenue	\$ 736,049	\$ 986,916	\$ 1,075,864
Cost of goods sold	(781,383)	(3,138,559)	(10,294,720)
Gross Margin	(45,334)	(2,151,643)	(9,218,856)
Sales & Marketing	510,957	774,026	470,692
Product Development	388,523	519,483	528,352
General & Administrative	1,561,657	1,660,627	1,916,712
Total Operating Expenses	2,461,137	2,954,136	2,915,756
Loss from Operations	(2,506,471)	(5,105,779)	(12,134,612)
Other Income (Expense)	46,041	(111,590)	(1,503,866)
Net loss	\$ (2,460,430)	\$ (5,217,369)	\$ (13,638,478)

The financial results presented herein are subject to change pending completion of the audit of the annual financial statements.

- **Revenue:** The Company's revenue for the first quarter of 2025 was \$0.7 million compared to \$1.0 million for the fourth quarter of 2024, and \$1.1 million for the third quarter of 2024. Revenue for the first quarter of 2025 includes Grunt EVO revenue of \$0.3 million, Brat revenue of \$0.1 million, HF1 revenue of \$0.1 million and MN1 revenue of \$0.1 million. Revenue for the fourth quarter of 2024 includes Grunt EVO revenue of \$0.3 million, Brat revenue of \$0.4 million and \$0.2 million for the adjustment of expired dealer rebates. Revenue for the third quarter of 2024 includes Grunt EVO revenue of \$0.3 million, Brat revenue of \$0.3 million, Stag revenue of \$0.1 million and \$0.1 million for the adjustment of expired dealer rebates.
- **Cost of Goods Sold:** Included in cost of goods sold for the fourth quarter of 2024 is a charge of \$2.5 million for the termination of the Stag and EVO supply agreements, offset by a reduction in the settlement for Torrot of \$0.7 million and a charge for the write down of Grunt EVO finished goods of \$0.3 million. Included in cost of goods sold for the third quarter of 2024 is a charge of \$8.7 million for the write down of Stag parts inventory and prepaid deposits and \$0.5 million for the write down of Grunt EVO finished goods inventory. Absent the adjustments noted above, the Company's gross margin is trending close to break even. There were no significant expenses similar to the above in the first quarter of 2025.
- **Operating Expenses:** Operating costs for the first quarter of 2025 have decreased across all categories as we continue to focus on reducing operating costs while continuing to make investments in product sourcing and our sales team to continue to build our dealer network to generate sales of our new products. Our product development costs have declined in the first quarter of 2025 compared to the last two quarters of 2024 since we no longer develop our vehicles which reduced prototype costs and payroll costs due to lower headcount requirements. Our general and administrative costs have declined in the first quarter of 2025 due to lower legal fees due to the completion of settlements, lower product liability costs compared to the fourth quarter of 2024 and an adjustment for estimated franchise tax expense in the fourth quarter of 2024.
- **Net loss:** Net loss for the first quarter of 2025 includes an insignificant amount of other income.

Net loss for the fourth quarter of 2024 includes the recognition of a loss of \$0.1 million for warrants issued in our November 2023 public offering as these warrants were deemed to be liabilities and are recorded at fair value with changes being recorded in income.

Net loss for the third quarter of 2024 includes the recognition of a gain of \$0.1 million for warrants issued in our November 2023 public offering and a loss on repayment of debt of \$1.5 million for the repayment of notes issued in May 2024 that were repaid with proceeds from our July 2024 equity offering and interest expense of \$0.1 million primarily for these notes.

- **Adjusted EBITDA:** Adjusted EBITDA for each quarter represents net loss adjusted to add back stock-based compensation, depreciation and amortization expense, interest expense, and the loss/gain on warrant liabilities. The Company's adjusted EBITDA for the first quarter of 2025 was a loss of \$2.4 million, fourth quarter 2024 was a loss of \$5.0 million compared to the third quarter 2024 loss of \$12.1 million. See "Non-GAAP Reconciliation" below.

For the latest Company updates, follow Volcon on YouTube, 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

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 vehicle roadmap includes both motorcycles and utility terrain vehicles ("UTVs"). Its first product, the innovative Grunt, began shipping to customers in late 2021 and combines a fat-tired physique with high-torque electric power and a near-silent drive train. The Volcon Grunt EVO, an evolution of the original Grunt with a belt drive, an improved suspension, and seat, began shipping to customers in October 2023 and sold out in March 2025. 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. In 2024, Volcon entered the rapidly expanding low speed utility vehicles ("LUV") and UTV market and shipped its first production MN1 unit in October 2024. The new MN1 and HF1 products empower the driver to explore the outdoors in a new and unique way that gas-powered units cannot. They offer the same thrilling performance of a standard LUV / UTV without the noise (or pollution), allowing the driver to explore the outdoors with all their senses.

Volcon Contacts

For Media: media@volcon.com

For Dealers: dealers@volcon.com

For Investors: investors@volcon.com

For Marketing: marketing@volcon.com

For more information on Volcon or our vehicle 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:

Adjusted EBITDA	3 Months Ended		
	March 31, 2025	December 31, 2024	September 30, 2024
Net loss	\$ (2,460,430)	\$ (5,217,369)	\$ (13,638,478)
Share-based compensation (benefit) expense	10,052	15,079	10,053
Depreciation and amortization expense	40,754	92,568	72,332
Net interest expense	36,412	33,417	83,334
Loss on repayment of May 2024 Notes	—	—	1,470,554
(Gain) loss on change in fair value of derivative liabilities	(28,068)	94,413	(53,724)
Adjusted EBITDA	\$ (2,401,280)	\$ (4,981,892)	\$ (12,055,929)

Forward-Looking Statements:

Some of the statements in this release are forward-looking statements, which involve risks and uncertainties. Whether tariffs will change for products manufactured for us in foreign countries, whether we can continue to reduce costs and whether we have sufficient cash to

operate into 2026. 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 and Current Reports on Form 8-K filed with the SEC, which are available on the SEC's website, www.sec.gov.

Source: Volcon, Inc.