

March 16, 2020



# Coda Octopus Group Reports Fiscal 2020 First Quarter Financial Results

ORLANDO, FL, March 16, 2020 (GLOBE NEWSWIRE) -- Coda Octopus Group, Inc. (CODA) (Nasdaq: CODA) today reported its unaudited financial results for its fiscal first quarter ended January 31, 2020.

Annmarie Gayle, CODA's Chairman and CEO commented: "I am very pleased to report a strong first quarter of fiscal year 2020."

CODA reported total revenue of approximately \$6.681 million for the three months ended January 31, 2020, compared to \$5.759 million for the prior comparable quarter, an increase of 16%. The Company reported net income before taxes of approximately \$1.448 million, or \$0.14 per share of earnings, for the quarter ended January 31, 2020, compared to \$1.350 million, or \$0.13 per share, for the prior comparable quarter, an increase of 7%. Net income after taxes increased to \$1.347 million, or \$0.13 per share, for the quarter ended January 31, 2020, compared to \$1.239 million, or \$0.12 per share, in the prior comparable quarter, an increase of 9%.

Net income before tax as a percentage of revenues was 22% for the quarter ended January 31, 2020, versus 23% during the prior comparable quarter. Operating expenses for the quarter ending January 31, 2020 were \$2.820 million compared to \$2.191 million for the prior comparable quarter, an increase of 29%, attributable to an increase in R&D of \$356,939 and an increase in Selling, General and Administrative (SG&A) expenditures of \$272,403. Earnings per share after tax were \$0.13 per share for the quarter ending January 31, 2020, compared to \$0.12 for the prior comparable quarter.

Ms. Gayle continued: "We had a strong and promising start to our first quarter. However, we expect our annual results for the 2020 fiscal year to be negatively impacted by the COVID-19 global pandemic. Of our two operating businesses, we expect that our marine products business will be impacted the most since most of its activities require international and offshore travel, where we see only essential offshore projects moving forward to protect our personnel. In addition, R&D, manufacturing and engineering of our products for both businesses require an onsite presence of our personnel. We do not know the exact impact this pandemic will have on our business. We will continue to review daily, and adjust as needed, our strategic plan that's in place for company-wide continuity and to mitigate impact. The Company has sufficient cash reserves and working capital to fund its operations for fiscal year 2020. We are continuing to monitor the situation and will make appropriate financial adjustments, if required.

"Despite the global pandemic and its impact on businesses and their operations, we continue to make progress with many of our business initiatives. These include finalizing our ground-breaking 5-dimensional and 6-dimensional sonar which, we believe, will revolutionize the subsea market and continuing to work with NAVSEA and the Office of Naval Research to

introduce the Diver Augmented Vision Display (DAVD) system into the Navy fleet. We have made tremendous progress under the DAVD program, and a number of our sonars have now been placed on the Authorized for Navy Use (ANU) list,” concluded Ms. Gayle.

The Company’s full financial results are available at [www.codaoctopusgroup.com/financial-results](http://www.codaoctopusgroup.com/financial-results).

### **About Coda Octopus Group, Inc.**

The Company, founded in 1994, manufactures and markets patented real-time 3D subsea sonar technology, the Echoscope<sup>®</sup>, which enables real-time 3D imaging and mapping in zero visibility conditions underwater. Echoscope<sup>®</sup> is used globally in numerous applications including defense, marine construction, oil and gas subsea infrastructure installation and surveys, and port and harbor security. In addition to the Marine Products business, Coda Octopus Products Ltd., CODA’s two defense products and engineering services businesses are Coda Octopus Colmek and Coda Octopus Martech. For further information, please visit <http://www.codaoctopusgroup.com> or contact us at [coda@codaoctopusgroup.com](mailto:coda@codaoctopusgroup.com).

### **Forward Looking Statement**

This press release contains forward-looking statements concerning Coda Octopus Group, Inc. within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those forward-looking statements include, without limitation, statements regarding the Company’s expectations for the growth of the Company’s operations and revenue. Such statements are subject to certain risks and uncertainties, and actual circumstances, events or results may differ materially from those projected in such forward-looking statements. Factors that could cause or contribute to differences include, but are not limited to, customer demand for our products and market prices; the outcome of our ongoing research and development efforts relating to our products including our patented real time 3D solutions; our ability to develop the sales force required to achieve our development and other examples of forward looking statements set forth in our Annual Report on Form 10-K for the year ended October 31, 2019, filed with the Securities and Exchange Commission on January 28, 2020. Coda Octopus Group, Inc. does not undertake, and specifically disclaims any obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur.

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Source: Coda Octopus Group, Inc.