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Coda Octopus Products Selected to Collaborate on One of Five Premier Scottish-Japanese “Joint Ocean Innovation” Strategic Subsea Projects

The Nippon Foundation and Scottish Enterprise R&D Program Provides Funding of up to \$32 Million over Three Years for Joint Ocean Innovation Collaborative R&D Program

ORLANDO, FL, Oct. 03, 2018 (GLOBE NEWSWIRE) -- Coda Octopus Group, Inc. (CODA) (Nasdaq: CODA), a global leader in real-time 3D sonar technology and real-time subsea intelligence, today announced that its wholly owned products subsidiary, Coda Octopus Products Limited, has been selected as one of eight Scottish companies to “develop innovative subsea systems and technologies” as part of the premier Scottish-Japanese “Joint Ocean Innovation” collaborative R&D program, with matched funding by The Nippon Foundation and Scottish Enterprise. Coda Octopus Products will be collaborating with Mitsubishi Heavy Industries on one of five strategic subsea projects under the joint program.

It is expected that the funding over three years for the joint program will be a total of £25MM (approximately US\$32MM). In the program’s first year, a total of up to \$11.5MM has been committed to fund the thirteen Scottish and Japanese companies, chosen to develop various innovative subsea systems and technologies for the exploitation of ocean resources within a period of three years. No public announcements have been made regarding the individual company funding awards. However, the funding allocated to Coda Octopus is in the hundreds of thousands of pounds and is expected to increase over the three-year period. This presents a significant opportunity for Coda Octopus to have its real-time 3D sonar technology embedded into a number of major applications for autonomous and unmanned underwater vehicles (AUVs and UUVs), and becoming the standard for these applications.

Subsea UK™, in an announcement covering the news, stated: “The global subsea sector is currently worth approximately £50bn [equivalent of US\$65bn] and estimated to grow to £140bn by 2035. Scotland is a world leader in subsea with a current market share of £7bn and has ambitions to grow even further. Subsea Engineering has been identified by Scottish Enterprise as a key focus for future growth and support and published an action plan in 2018 setting out key actions to help the supply chain grow and invest in innovation and infrastructure.... The projects selected to receive funding have the potential to make a significant economic and sectoral impact by increasing the number of jobs at the applicant companies and in stimulating company growth.”

Annmari Gayle, CODA’s Chairman and CEO, commented: “CODA is a global company, one that is proud of its long heritage in Scotland, as well as its substantial work with customers in Japan. We are honoured to have been selected to be a part of this premier

collaboration between two nations whose leadership in subsea market innovation is well known. The R&D project for which we have been selected is an ideal fit for our strategy to be a market leader for cutting-edge subsea technologies for both operating, detecting and tracking all types of unmanned and autonomous underwater vehicles. Coda Octopus' patented real-time 3D sonar technology is the only technology that can visualize moving objects in the water column, including UUVs and AUVs, in real time 3D in zero-visibility conditions. This project will advance these capabilities, to allow for the automatic tracking in real time 3D such objects including UUVs and AUVs."

"This global exchange of ideas and expertise is incredibly important to both Scotland and Japan's continued success in the area of subsea systems and technologies," said Neil Gordon, Chief Executive, Subsea UK™, the champion for the UK subsea industry acting on behalf of the entire supply chain, bringing together operators, contractors, suppliers and people in the industry. "The companies which have been successful in the first innovation call have been given a huge opportunity to leverage their renowned subsea engineering expertise to tackle the technological challenges to the benefit of the whole industry."

For further information, see the news release, "£4.4m of Collaborative Scottish R&D Investment for Subsea Sector Projects via International Call between Japan and Scotland" (October 2, 2018), issued jointly by Scottish Enterprise, Subsea UK™ and National Subsea Research Initiative.

About Coda Octopus Group, Inc.

The Company, founded in 1994, manufactures and markets patented real-time 3D/4D subsea sonar technology, Echoscope®, which enables real-time 3D/4D imaging and mapping in zero visibility conditions underwater, and is used globally in numerous applications including defense, marine construction, oil and gas subsea infrastructure installation and surveys, and port and harbor security. For further information, please visit, <http://www.codaoctopusgroup.com> or contact us at: coda@codaoctopusgroup.com.

About Scottish Enterprise

Scottish Enterprise is Scotland's main economic development agency and a non-departmental public body of the Scottish Government. To deliver a significant, lasting effect on the Scottish economy, we work effectively with partners in the public and private sectors to identify and exploit the best opportunities. For further information, please visit, <https://www.scottish-enterprise.com/>.

About The Nippon Foundation

The Nippon Foundation was established in 1962 as a non-profit philanthropic organization, active in Japan and around the world. Initially our efforts focused largely on the maritime and shipping fields, but since then the range of our activities has expanded to education, social welfare, public health, and other fields—carried out in more than 100 countries to date. Together with our more than 20 partner organizations in Japan and worldwide we are funding and assisting community-led efforts aimed at realizing a more peaceful and prosperous global society. For further information, please visit, <https://www.nippon-foundation.or.jp/en/>.

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/4D solutions; our ability to develop the sales force required to achieve our development and other examples of forward looking statement set forth in our Annual Report on Form 10-K for the year ended October 31, 2017, filed with the Securities and Exchange Commission on January 30, 2018. 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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