

September 9, 2019



Coda Octopus Group Announces the Successful Completion of NAVSEA and NASA Joint Mission Trials of Diver Augmented Vision Display (DAVD) Generation 1.0 Head-Up Display Prototype System

Multi-generation Navy Program Proposed to Advance and Standardize Diving Operations in the U.S. and among Allied Forces

- Collaborators enter final lock down design phase to transition DAVD Gen 1.0 prototype system to production, with initial units to be sold to NAVSEA for operational use with its core dive teams in fall 2019;
- Initial DAVD Gen 1.0 product focuses on see-through head-up display (HUD) on standard Navy-issue Kirby Morgan KM37 and KM37SS helmets, with supported dive helmets and masks expected to increase after initial release;
- DAVD expected to be included in “Authorized for Navy Use” (ANU) product list, available for supply across the U.S. Navy, military, and Allied Forces in fall 2019;
- CODA's Echoscope® was additionally trialled as a diver handheld sonar, in conjunction with the DAVD. Coda Octopus's proprietary commercial sonar technology, Echoscope®, is also expected to be included in the ANU list imminently;
- The see-through head-up display part of the technology is now being transitioned to CODA from Naval Surface Warfare Center Panama City, NSWC PCD;
- Parties are now actively discussing the terms of the licence to be granted for the manufacture and sale of DAVD HUD;
- Project Sponsor NAVSEA 00C has invested in its first Coda Octopus top-of-the-line Underwater Inspection System, its premier solution within its real-time 3D product line, for use in current Salvage operations and support of the DAVD program roll out, and
- DAVD Gen 1.0 usage to inform functional requirements for CODA and Navy collaboration on proposed DAVD Gen 2.0 development program, slated for 2020-2021. Gen 2.0 specifications include upgrading the top-side DAVD controller interface to feature Echoscope® real-time 3D view and third- and first-person perspective imaging.

ORLANDO, FL, Sept. 09, 2019 (GLOBE NEWSWIRE) -- Coda Octopus Group, Inc. (CODA) (Nasdaq: CODA), a global leader in real-time 3D sonar technology and real-time subsea intelligence, announced the successful completion of its recent joint mission subsea diving trials of the Gen 1.0 Diver Augmented Vision Display (DAVD) prototype see-through head-up display system by U.S. Navy divers and NASA astronauts, underway in June 2019 in conjunction with Naval Surface Warfare Center Panama City Division (NSWC PCD). The

proof-of-concept trials demonstrated the use of the DAVD system's advanced technology which, for the first time, allows both divers in the water and supervisors on the surface to visualize the diving environment in real time. The divers and supervisors were able to communicate with real-time data, images, video, and step-by-step instructional information to run the dive operations in a safe, controlled, and timely manner. The trials, which took place at Aquarius Reef Base off Key Largo, Florida, were extended to allow the divers to take down, as part of their equipment, one of Coda Octopus's fourth-generation, real-time 3D Echoscope^{4G}® sonars to use as a real-time, first-person perspective acoustic camera, irrespective of daylight or water visibility.

Following these successful trials, Coda Octopus and NSW PCD continue to work together to lock down the final design and transition for manufacturing the head-up display (HUD) helmet vision hardware, and move forward to delivering the Gen 1.0 DAVD to NAVSEA 00C, the program sponsor. The Company is currently completing the first production prototype which will take account of the snagging list agreed to with Project Sponsors.

Following final certification of the DAVD HUD system by NSW PCD, CODA envisages that NAVSEA will purchase small quantities of the Gen 1.0 DAVD HUD for early roll out, evaluation, and operational use with its core dive teams. The target date for this acquisition is October/November 2019. The roll out will build a user base with differing requirements and operational needs, on which the proposed onward development of the second, third, and fourth generations of the DAVD will be driven and evaluated. Gen 1.0 will be globally available for sale following certification, license being concluded, and production in place.

In parallel to the Gen 1.0 final design lock down and trials with NAVSEA, Coda Octopus is finalizing its embedded diver vision computing platform, top-side communication controller, and the real-time 3D software based on its latest 4G CodaOctopus® Underwater Survey Explorer (USE) software platform for the DAVD program.

Following completion of the agreement on the commercial license between NSW PCD and Coda Octopus, it is envisaged that the package of supply of the DAVD mission-integrated system will comprise:

- DAVD Helmet Upgrade Hardware Kit – user field upgradeable, using certified Kirby Morgan parts;
- Top-Side DAVD Controller Interface and Subsea Umbilical;
- Coda Octopus Thermite® Diver Processor Pack – Coda Octopus embedded vision processor, based on Coda Octopus Colmek's line of rugged mission computers;
- Coda Visualization Software, based on the 4G Underwater Survey Explorer (USE) real-time 3D platform which it recently launched, and
- DAVD 3D Sensor Suite, to be introduced with Gen 2.0 for full positional and situational awareness.

The DAVD systems will be augmented with one of three complementary Coda Octopus 3D solutions. The sonar solutions will not be a one-for-one acquisition, but a divisional item – supporting multiple divers and aligned with the diver vessel platforms. The mission-integrated system assumes that there is a minimum of one real-time 3D sonar in the mix of items delivered with the system:

- CodaOctopus® Underwater Inspection System (UIS) providing the highest performance 3D real-time mapping and monitoring platform and incorporating the Coda Octopus real-time 3D Sonar, commercially branded Echoscope®;
- Stand-alone Coda Octopus real-time 3D Sonar used for real-time dive monitoring and real-time awareness on small craft deployments, and
- Coda Octopus Echoscope^{4G}® Surface for diver handheld operations, as used in the recent NAVSEA and NASA Joint Mission Trials.

Blair Cunningham, Coda Octopus Group's President of Technology, commented: "This program represents a significant and material opportunity for Coda Octopus Group. This is a premier platform and the key step in our quest to transform underwater operations by bringing real-time 3D decision-making capability to this space. Along with our NAVSEA collaborators including NASA, although during the trials we had a few minor hitches, we are pleased that the concept was proven and our team is moving on the final lock down design work of Gen 1.0. Together, we expect that this product and subsequent generations of the DAVD, if successful, will advance diving operations and we hope will be the first step in the standardization of this technology for diving operations not only in the USA but globally, among allies. This represents a new product for Coda Octopus Products, which will be manufactured under license with NSWC PCD. The DAVD system will be paired with at least one of our real-time 3D sonars, branded Echoscope® in the commercial market."

NAVSEA transitioned the DAVD development project from 2D visualization to Coda Octopus's real-time 3D technology platform when CODA was awarded the contract in February 2018. The CODA project scope then expanded from visualization software to producing the full system including real-time 3D sonar, diver helmet hardware, diver computer processing, and surface electronics. Coda Octopus signed the proposed multi-generation DAVD CRADA with Naval Surface Warfare Center (NSWC) and NAVSEA in June 2018. For further information, see CODA's news releases, "[Coda Octopus Group Awarded Contract to Advance U.S. Naval Diving Operations with State-of-the-art Real-time 3D Subsea Intelligence for Next Generation Wearable Head Up Display with Embedded Software](#)" (February 5, 2018) and "[Coda Octopus Group Enters into a Navy Cooperative Research And Development Agreement with Naval Surface Warfare Center, Panama City Division for Naval Real-Time 3D Imaging Head Up Display Diver Solution](#)" (July 16, 2018).

About Coda Octopus Group, Inc.

The Company, founded in 1994, manufactures and markets patented real-time 3D subsea sonar technology, the Echoscope®, which enables real-time 3D imaging and mapping in zero visibility conditions underwater. Echoscope® 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.

About Naval Surface Warfare Center Panama City Division (NSWC PCD)

The mission of Naval Surface Warfare Center Panama City Division is to conduct research, development, test and evaluation, and In-Service support of Mine Countermeasure Systems,

Naval Sea Mine Systems, Naval Special Warfare Systems, Amphibious & Expeditionary Maneuver Warfare Systems and support all other systems that occur primarily in coastal or littoral regions. Today, Naval Surface Warfare Center Panama City Division is one of the major research, development, test and evaluation laboratories in the U.S. Navy and boasts a wide base of expertise in engineering and scientific disciplines. By October 2017, the command employed more than 1,400 civilian employees of which over 800 were scientists and engineers. NSWC PCD prides itself of being good stewards of the environment and taxpayer dollar. The command has a business base of more than \$400 million of which \$330 million goes back into the State of Florida through labor dollars, contract services, and local goods. For further information, please visit <http://www.navsea.navy.mil/Home/Warfare-Centers/NSWC-Panama-City/>.

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 statement set forth in our Annual Report on Form 10-K for the year ended October 31, 2018, filed with the Securities and Exchange Commission on January 29, 2019, as amended on February 7, 2019 and April 23, 2019. 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.

Contact:

MDC Group
Investor Relations:
David Castaneda
Arsen Mugurdumov
414.351.9758

Media Relations:
Susan Roush
805.624.7624



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