

September 15, 2025



# Coda Octopus Group Reports Fiscal Third Quarter 2025 Financial Results

**ORLANDO, FL, Sept. 15, 2025 (GLOBE NEWSWIRE)** -- Coda Octopus Group, Inc. ("CODA" or the "Company") (Nasdaq: CODA) a global market leader in real-time 4D/5D/6D imaging sonar technology for real-time subsea intelligence and cutting-edge diving technology, today reported its unaudited financial results for its fiscal third quarter ended July 31, 2025 (TQ2025).

Annmarie Gayle, CODA's Chairman and CEO, commented: "I am pleased with our overall results of operations in TQ2025, especially the increase in revenue by 29.0%.

Despite the fluid global policy setting environment, we continue to invest in our growth strategy and have made good progress under the DAVD Program. In the TQ2025 we had DAVD and DAVD related sales of approximately \$1.5m and expect to realize our targeted \$3.5m-\$4.0m in DAVD related sales for our fiscal year 2025, up from \$1.2m in the previous fiscal year.

Looking at other key milestones, we have successfully completed the funded DUS Hardening Program which was designed to evaluate the DAVD technology for special forces field applications. This program was funded by both the U.S. Navy and a foreign navy. As a result of the successful completion of the DUS Hardening Program, we received in our first quarter 2025 an order for sixteen (16) DAVD *untethered* systems ("DUS") from the U.S. Navy. We are now pleased to announce that in the TQ2025 we delivered these 16 DAVD untethered systems for integration into the MK16 Underwater Breathing Apparatus (UBA) systems for SPECWAR and EOD applications. These 16 systems which we delivered in the TQ2025 were re-designed to reflect the field findings which came out of the funded DUS Hardening Program evaluation. The delivery of these sixteen (16) DUS systems enables the end customer to start evaluating the technology on live missions and we are providing all support required to ensure the success of this program and the broader roll out of the technology to the special forces market. We also delivered the final deliverables under the DAVD Hardening Program to the foreign navy sponsor, which includes four upgraded DAVD untethered systems (DUS) to our GEN 4.0 HUD specification and one diver sled incorporating the DAVD. Again, this is a critical milestone for the furtherance of broader adoption by this foreign navy as it facilitates ongoing evaluation of the technology including the use on live missions.

The potential for the DAVD technology continues to grow and in this fiscal year we have five new active funded DAVD Technology integration programs under which we are modifying the DAVD for utilization within these programs.

In our TQ2025 we received an initial order for two DAVD systems from a major European Navy with extensive diving operations and regional influence—an organization we have been actively supporting. We expect to deliver these systems in our fourth quarter and also, we

will be supporting this Navy during a real-world dive mission, deploying our latest DAVD Tethered Systems alongside the Echoscope® Underwater Inspection System (UIS)—a rapid-response, mobile inspection and mapping platform designed for seamless DAVD integration. We are very excited about this progress as we believe this is the pre-cursor for broader adoption of the DAVD technology by this European Navy.”

*The numbers shown below have been rounded to one decimal point, unless two decimal points are required for clarity. The full TQ2025 financials can be found in CODA’s Form 10-Q filed with the SEC on September 15, 2025.*

- Total revenue was approximately \$7.1 million compared to \$5.5 million in TQ2024, representing an increase of 29.0%.
- Revenues from our core business (Marine Technology Business) were \$4.0 million compared to \$3.0 million in TQ2024, representing a 30.7% increase.
- Revenues from our Marine Engineering Business were \$1.6 million compared to \$2.4 million in TQ2024, representing a decrease of 33.2%.
- Revenues from the Acoustics Sensors and Material Business were \$1.5 million in TQ2025 (no prior comparative data is available as this business unit was acquired on October 29, 2024).
- Gross profit was \$4.8 million compared to \$4.0 million in TQ2024. Gross margin was 68.3% compared to 73.9% in TQ2024, reflecting lower gross profit margins from our core business, in conjunction with the addition of the Acoustics Sensors and Material Business, and mix and geography of sales reported in the period.
- Operating income was \$1.38 million in TQ2025 compared to \$1.39 million in TQ2024, a reduction of 0.8%. Operating margin was 19.5% compared to 25.4% in TQ2024, driven by the increase in Selling, General and Administrative costs related to the addition of the Acoustics Sensor and Material Business and the provision for 75% of the year one Earn Outs under the acquisition agreement.
- Pre-tax income was approximately \$1.5 million in TQ2025 compared to \$1.6 million in TQ2024, representing a decrease of 5.4%. Net income after taxes was \$1.28 million in TQ2025 compared to \$1.27 million in TQ2024, an increase of 0.7%.
- Diluted earnings per share in TQ2025 was \$0.11 compared to \$0.11 in TQ2024.
- Pre-tax income as a percentage of revenues for TQ2025 was approximately 21.9% compared to 29.8% in TQ2024. Research and Development expenditures for TQ2025 were approximately \$0.6 million, an increase of 15.3%, compared to approximately \$0.5 million in TQ2024. SG&A in TQ2025 was approximately \$2.9 million, an increase of 32.8% over \$2.2 million in TQ2024.
- The income statement comparisons to the corresponding period last year (TQ2024) do not include the Acoustics Sensors and Materials segment.

Our cash balance at the end of TQ2025 of \$26.2 million represents an increase of \$3.7 million over October 31, 2024, when this figure was \$22.5 million.

Annmarie Gayle, CODA's Chairman and CEO, commented: "Despite the uncertain global policy environment, I am pleased with our overall financial results in our TQ2025 and the diversification of our revenue structure. Our core business, the Marine Technology Business, sells its products and solutions worldwide and in the TQ2025, we saw a 103.6% increase in equipment sales which were \$2,746,255 compared to \$1,349,411 in the comparable TQ2024 period. However, we also saw an underutilization of our rental assets, which led to rental revenue decreasing by 62.2% and which were \$304,617 compared to \$805,259 in the comparable TQ2024 period, reflecting the reduction in offshore renewable projects as a result of the change in U.S. Administration energy policy. Notwithstanding the change in the U.S. policy on renewables, we believe that its new policy on prioritizing domestic energy production of Oil & Gas (O&G) favors our products and solutions. We further believe that the transition to O&G will in the foreseeable future offset any possible reduction of revenue from US offshore renewables.

We are also very pleased with our recent release of our ultra-small form factor Echoscope PIPE *NANO GEN SERIES*® which further opens new market opportunities for our real time 3D imaging sonars. In general, Echoscope currently accounts for approximately 80% of Marine Technology Business revenues. With the launch of the NANO GEN Series and strong ongoing customer engagement, we believe that we are well-positioned to capture significant value in the expanding Defense and underwater robotics markets. The *NANO GEN SERIES* of our sonars enable small platforms to enhance situational awareness and consolidate multiple sensors into a single power-efficient unit, delivering both real time 3D spatial awareness and forward-looking obstacle avoidance. Beyond subsea vehicle applications, the *NANO GEN Series* is also ideal for diver-wearable systems, diving platforms (highly synergistic with our DAVD solutions), and a wide range of underwater robotics. We have concluded several successful trials in the TQ2025 with this new generation of sonars with key Defense customers who are excited about the technology and have started looking at its integration into their programs. The Unmanned Underwater Vehicle (UUV) market, valued at \$4.8 billion in 2024, is projected to reach \$11.1 billion by 2030, driven by the growing complexity of maritime threats and the demand for cost-effective, low-risk technologies. As a result, ROVs, UUVs and underwater drones are becoming critical components of modern Defense strategies worldwide.

The Company's full financial results, including its results for the TQ2025, are available at [www.nasdaq.com/symbol/coda/sec-filings](http://www.nasdaq.com/symbol/coda/sec-filings).

## **Conference Call**

CODA will host a conference call today, September 15, 2025, at 10:00 a.m. Eastern Time (7:00 a.m. Pacific Time) to discuss its results for the fiscal quarter ended July 31, 2025.

CODA management will provide prepared remarks, followed by a question-and-answer period.

Date: Monday, September 15, 2025

Time: 10:00 a.m. Eastern time (7:00 a.m. Pacific time)

U.S. dial-in numbers: 1-877-451-6152 or 1-201-389-0879

International number: 1-201-389-0879

Conference ID: 13755415

The conference call will broadcast live and be available for replay [here](#).

Persons interested in attending are required to call the conference telephone number approximately 10 minutes before the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please press \*0.

A replay of the call will be available after approximately 2:00 p.m. Eastern time on the same day through September 29, 2025 at 11:59 p.m.

Telephone replay numbers: 1-844-512-2921 or 1-412-317-6671

International replay number: 1-412-317-6671

Access ID: 13755415

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

The Company, founded in 1994, is an established supplier to the underwater/subsea market. It supplies a range of hardware and software solutions to this market which includes key proprietary real time 4D/5D/6D imaging sonars, marketed under the name Echoscope® and Echoscope PIPE® addressing the underwater imaging sensor market along with new generation diving technology, Diver Augmented Vision Display (DAVD) system. The Company's Echoscope PIPE® sonar generates real-time 3D/4D/5D images of moving objects underwater including in zero visibility water conditions. Echoscope technology is used globally for numerous applications in both the commercial offshore market and defense underwater markets. Applications for the Echoscope® technology include complex mapping underwater, subsea intervention, subsea asset placements, salvage and recovery, search and rescue, offshore renewables cable installations and surveys, marine construction, subsea infrastructure installation, mining applications, robotics (3D Perception and Depth), breakwater construction and monitoring, decommissioning, diving applications and port and harbor security.

The recently launched new generation of diving technology, DAVD, has the potential to change the way global diving operations are performed (both in the Defense and Commercial space) because it is a fully integrated singular system for topside control and fully connected diver HUD system, allowing both the topside and diver to share a range of critical information and visualize the same underwater scene. Furthermore, the DAVD integrates the Company's sonar technology, which allows dive operations to be performed in zero visibility conditions, a common problem that besets these operations.

The Company recently acquired Precision Acoustics Limited, an acoustics sensor and materials business. This Company is a recognized leader in the ultrasound and acoustic measurement field. Specializing in acoustic hydrophone design and innovative acoustic materials, they provide a comprehensive range of products and solutions, with a primary

focus on medical imaging and Non-Destructive Testing (NDT). NDT is used to validate the viability of structures such as aircraft, ship hulls, wellheads and other subsea structures. Their expertise extends to working closely with national and global standard-setting bodies (such as the National Physical Laboratory of the UK), contributing to the establishment of the primary measurement standards in the industry.

The Company also includes two discrete Defense engineering businesses Coda Octopus Martech Ltd (UK based) and Coda Octopus Colmek, Inc. (U.S. based) whose primary business model is to supply sub-assemblies into broader mission critical programs in the capacity of sub-contractors to the Prime Defense Contractors. Their scope of supply under these programs typically includes concept, design, prototype, manufacturing, and post-sale support. This gives them the opportunity to have repeat orders for these sub-assemblies through the life of these programs.

For further information, please visit <http://www.codaoctopusgroup.com> or contact us at [coda@codaoctopusgroup.com](mailto:coda@codaoctopusgroup.com).

### **Forward Looking Statements**

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. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect”, “assume” and similar expressions are intended to identify forward-looking statements. 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, restrictions on our business operations due to the Pandemic, 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, 2024, filed with the Securities and Exchange Commission on January 29, 2025, and the subsequently filed 10-Qs and 8-Ks. 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, unless required by law.

### **Contact:**

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Coda Octopus Group, Inc.

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### **CODA OCTOPUS GROUP, INC. Consolidated Balance Sheets July 31, 2025 and October 31, 2024**

2025

Unaudited

2024

**ASSETS****CURRENT ASSETS**

Cash and Cash Equivalents	\$	26,196,439	\$	22,479,072
Accounts Receivable, net		3,871,769		3,493,463
Inventory		13,712,377		13,975,529
Unbilled Receivables		2,723,141		1,657,827
Prepaid Expenses		481,463		537,289
Other Current Assets		422,966		838,835

Total Current Assets		47,408,155		42,982,015
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**FIXED ASSETS**

Property and Equipment, net		7,175,397		6,822,990
Right of Use Assets		388,085		413,171

	7,563,482		7,236,161
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**OTHER ASSETS**

Goodwill		3,639,334		3,639,334
Intangible Assets, net		3,302,087		3,687,034

Total Other Assets		6,941,421		7,326,368
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Total Assets	\$	61,913,058	\$	57,544,544
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**CODA OCTOPUS GROUP, INC.**  
**Consolidated Balance Sheets (Continued)**  
**July 31, 2025 and October 31, 2024**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>2025</b>	<b>2024</b>
Unaudited	

**CURRENT LIABILITIES**

Accounts Payable	\$	1,233,224	\$	1,034,488
Current portion of operating lease liabilities		36,706		32,298
Accrued Expenses and Other Current Liabilities		1,683,758		1,604,596
Deferred Revenue		1,215,065		1,225,634

Total Current Liabilities		4,168,753		3,897,016
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**LONG TERM LIABILITIES**

Deferred Tax Liability, net		33,052		82,011
Non-current operating lease liabilities		364,443		380,873
Deferred Revenue, less current portion		75,064		56,121

Total Long Term Liabilities		472,559		519,005
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Total Liabilities		4,641,312		4,416,021
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Commitments and contingencies

**STOCKHOLDERS' EQUITY**

Common Stock, \$.001 par value; 150,000,000 shares authorized, 11,248,867 issued and outstanding as of July 31, 2025 and 11,195,487 shares issued and outstanding as of October 31, 2024	11,249	11,195
Preferred Stock \$.001 par value; 5,000,000 shares authorized, zero issued and outstanding as of July 31, 2025 and October 31, 2024	-	-
Treasury Stock	(61,933)	(61,933)
Additional Paid-in Capital	63,292,685	63,096,583
Accumulated Other Comprehensive Loss	(1,668,486)	(2,510,831)
Accumulated Deficit	(4,301,769)	(7,406,491)
Total Stockholders' Equity	<u>57,271,746</u>	<u>53,128,523</u>
Total Liabilities and Stockholders' Equity	<u>\$ 61,913,058</u>	<u>\$ 57,544,544</u>

**CODA OCTOPUS GROUP, INC.**  
**Consolidated Statements of Income and Comprehensive Income**  
**(Unaudited)**

	<b>Three Months Ended July 31,</b>		<b>Nine Months Ended July 31,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net Revenues	\$ 7,064,795	\$ 5,476,544	\$ 19,291,969	\$ 15,260,913
Cost of Revenues	<u>2,241,039</u>	<u>1,428,006</u>	<u>6,542,462</u>	<u>4,387,205</u>
Gross Profit	4,823,756	4,048,538	12,749,507	10,873,708
OPERATING EXPENSES				
Research & Development	572,468	496,359	1,805,589	1,524,817
Selling, General & Administrative	<u>2,871,309</u>	<u>2,161,405</u>	<u>7,814,233</u>	<u>6,052,350</u>
Total Operating Expenses	<u>3,443,777</u>	<u>2,657,764</u>	<u>9,619,822</u>	<u>7,577,167</u>
INCOME FROM OPERATIONS	<u>1,379,979</u>	<u>1,390,774</u>	<u>3,129,685</u>	<u>3,296,541</u>
OTHER INCOME				
Other Income	8,922	10,463	119,921	42,847
Interest Income	<u>154,848</u>	<u>230,009</u>	<u>494,613</u>	<u>716,017</u>
Total Other Income	<u>163,770</u>	<u>240,472</u>	<u>614,534</u>	<u>758,864</u>
INCOME BEFORE INCOME TAX EXPENSE	1,543,749	1,631,246	3,744,219	4,055,405
INCOME TAX (EXPENSE) BENEFIT				
Current Tax (Expense)	(268,786)	(325,625)	(692,361)	(482,683)
Deferred Tax Benefit (Expense)	<u>8,022</u>	<u>(30,963)</u>	<u>52,864</u>	<u>(252,938)</u>
Total Income Tax (Expense)	<u>(260,764)</u>	<u>(356,588)</u>	<u>(639,497)</u>	<u>(735,621)</u>
NET INCOME	<u>\$ 1,282,985</u>	<u>\$ 1,274,658</u>	<u>\$ 3,104,722</u>	<u>\$ 3,319,784</u>
NET INCOME PER SHARE:				
Basic	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ 0.28</u>	<u>\$ 0.30</u>
Diluted	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ 0.27</u>	<u>\$ 0.29</u>
WEIGHTED AVERAGE COMMON SHARES:				
Basic	<u>11,237,654</u>	<u>11,173,819</u>	<u>11,226,665</u>	<u>11,157,799</u>

Diluted	<u>11,304,549</u>	<u>11,311,236</u>	<u>11,293,560</u>	<u>11,295,216</u>
COMPREHENSIVE INCOME, net of tax	\$ 1,282,985	\$ 1,274,658	\$ 3,104,722	\$ 3,319,784
Foreign Currency Translation Adjustment	<u>70,492</u>	<u>393,380</u>	<u>842,345</u>	<u>985,277</u>
Total Other Comprehensive Income (Loss)	<u>\$ 70,492</u>	<u>\$ 393,380</u>	<u>\$ 842,345</u>	<u>\$ 985,277</u>
COMPREHENSIVE INCOME	<u>\$ 1,353,477</u>	<u>\$ 1,668,038</u>	<u>\$ 3,947,067</u>	<u>\$ 4,305,061</u>



Source: Coda Octopus Group, Inc.