September 14, 2026

Coda Octopus Group, Inc.

Coda Octopus Group Reports Fiscal Third Quarter 2026 Financial Results

ORLANDO, FL, Sept. 14, 2026 (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 augmented reality technology (DAVD), today reported its unaudited financial results for its fiscal third quarter ended July 31, 2026 (TQ2026).

Annmarie Gayle, CODA’s Chairman and CEO, commented: “I am pleased with our overall operating results for the third quarter of fiscal 2026. During the quarter, we delivered growth in consolidated revenue, operating income and pre-tax income compared to the third quarter of fiscal 2025, while also increasing our cash position.

These results were achieved despite a decline in revenue within our core Marine Technology Business, which continues to be affected by geopolitical instability arising from the ongoing conflict involving Iran. The resulting uncertainty has impacted procurement activity across key markets in the Middle East and Asia, regions that have historically represented an important source of opportunities for our Marine Technology products.

However, the strength of our diversified business model enabled us to offset these challenges through strong growth in our Defense Engineering Services Business and continued progress in our Acoustics Sensors and Materials Business. The quarter demonstrates both the resilience of our operating model and our ability to continue investing in strategic growth initiatives while delivering improved financial performance

The numbers shown below have been rounded to one decimal point, unless two decimal points are required for clarity. The full TQ2026 financials can be found in CODA’s Form 10-Q filed with the SEC on September 14, 2026:

- Total revenue was approximately $7.7 million compared to $7.1 million in TQ2025, representing an increase of 9.2%.

- Revenue from our core business (Marine Technology Business) was $3.4 million compared to $4.0 million in TQ2025, representing a 15.2% decrease.

- Revenue from our Defense Engineering Services Business was $2.7 million compared to $1.6 million in TQ2025, representing an increase of 68.3%.

- Revenue from the Acoustics Sensors and Material Business was $1.6 million compared to $1.5 million in TQ2025, representing an increase of 10.4%.

- Gross profit was $5.1 million compared to $4.8 million in TQ2025. Gross margin was 65.4% compared to 68.3% in TQ2026, reflecting the mix of type and geography of sales reported in the Period.

- Operating income was $1.5 million in TQ2026 compared to $1.4 million in TQ2025, representing an increase of 11.1%.

- Operating margin was 19.9% compared to 19.5% in TQ2025, reflecting the increase in our gross profit in conjunction with a reduction in SG&A expenditures.

- Pre-tax income was approximately $1.8 million in TQ2026 compared to $1.5 million in TQ2025, representing an increase of 16.0%.

- Net income after taxes was approximately $1.4 million in TQ2026 compared to approximately $1.3 million in TQ2025, an increase of 8.3%.

- Diluted earnings per share in TQ2026 was $0.12 compared to $0.11 in TQ2025.

- Pre-tax income as a percentage of revenues for TQ2026 was approximately 23.2% compared to 21.9% in TQ2025. Research and Development expenditures for TQ2026 were approximately $0.7 million compared to approximately $0.6 million in TQ2025, representing an increase of 27.4%. SG&A in TQ2026 was approximately $2.8 million compared to $2.9 million in TQ2025, representing a decrease of 2.9%.

Our cash balance at the end of TQ2026 of $31.7 million representing an increase of $3.0 million over October 31, 2025, when this figure was $28.7 million.

Annmarie Gayle, CODA's Chairman and CEO, commented: "While geopolitical instability continues to affect customer activity in certain regions, particularly the Middle East and parts of Asia, we were encouraged by the overall performance of the business during the quarter and by the increasing diversification of our revenue base.

Within our U.S. Defense Engineering Services business, we continued to see strengthening demand for repairs, sustainment and spare parts supporting long-standing U.S. defense programs. During the quarter, one of our prime contractor customers was awarded a multi-year repair and sustainment contract by the U.S. Government. Following that award, we experienced increased repair-related activity and additional subcontract opportunities associated with the program. We continue to view this area as a source of steady demand and future growth. Demand for spare parts supporting these sustainment programs also remains robust exceeding $2.4 million year-to-date.

We also continue to make progress in electronic warfare, which remains a significant area of defense investment. Our U.S. Defense Engineering Services segment is currently supporting several prime contractors in the development of rugged, deployable radio frequency (RF) electronic warfare systems for a variety of platforms, including unmanned systems, helicopters, airborne pods and ground vehicles. We believe these programs represent meaningful long-term opportunities, allowing us to build upon our established positions on legacy defense platforms while expanding into next-generation defense programs as technologies and operational requirements continue to evolve.

Within our Marine Technology business, we continue to make meaningful progress across our key strategic growth initiatives. During the quarter, we received orders totaling approximately $1.4 million for our proprietary DAVD tethered systems and peripherals. We believe our DAVD untethered system represents the larger long-term market opportunity for the DAVD technology. With Approved Navy Use authorization now in place, our customer has commenced training discrete user groups on the DAVD untethered system, and we continue to support this training program. We are also supporting several integration programs under contract where DAVD forms part of the vision and situational awareness component of broader operational systems.

We are likewise encouraged by the early market response to our recently launched Echoscope PIPE *NANO Gen* Series®. Customer engagement remains strong, and we are currently working with at least five customers on the integration of NANO systems into their underwater vehicle platforms.

Echoscope® products currently account for approximately 80% of Marine Technology Business revenue. The *NANO Gen* Series expands our addressable market by enabling smaller underwater platforms to benefit from real-time 3D spatial awareness, obstacle avoidance and enhanced situational awareness through a compact, power-efficient solution. We believe this positions us well to expand further into the growing defence, underwater robotics and autonomous vehicle markets. The technology is also complementary to our DAVD product line, with potential applications across diver-worn systems, diving platforms and a broad range of subsea robotic solutions.

We believe the long-term market drivers underlying our business remain compelling. Global defence priorities continue to focus on autonomous and unmanned maritime capabilities, creating significant opportunities for advanced underwater sensing, imaging and situational awareness technologies. Against this backdrop, we remain focused on commercial execution, innovation and expanding adoption of our key technologies while positioning the Company for long-term growth."

The Company's full financial results, including its results for the TQ2026, are available at www.nasdaq.com/symbol/coda/sec-filings.

Conference Call

CODA will host a conference call today, September 14, 2026, at 10:00 a.m. Eastern Time (7:00 a.m. Pacific Time) to discuss its results for its Fiscal Third Quarter ended July 31, 2026.

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

Date: Monday, September 14, 2026

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: 13762021

The conference call will broadcast live and be available for replay[here](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 Monday, September 28, 2026 at 11:59 p.m. ET.

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

International replay number: 1-412-317-6671

Access ID: 13762021

About Coda Octopus Group, Inc.

Coda Octopus Group, founded in 1994, is a leading provider of innovative solutions for the underwater and subsea markets. The Company develops and supplies a range of hardware and software technologies, including its proprietary real-time 4D/5D/6D imaging sonars—marketed under the Echoscope®, Echoscope PIPE®, and Echoscope PIPE *NANO Gen* Series® brands—and its next-generation Diver Augmented Vision Display (DAVD) system. The Echoscope PIPE® sonar produces real-time 3D/4D/5D imagery of moving objects underwater, even in zero-visibility conditions, and is used globally across commercial offshore and defense applications. These include complex underwater mapping, subsea intervention, asset placement, salvage and recovery, search and rescue, offshore renewable energy, marine construction, robotics, decommissioning, mine countermeasures, ship-hull scanning, diving operations, and port and harbor security.

The Company's DAVD system has the potential to transform diving operations in both defense and commercial markets. DAVD integrates topside control with a diver-worn heads-up display, enabling shared visualization of the underwater environment and the exchange of critical information. By incorporating the Company's sonar technology, DAVD also enables operations in zero-visibility conditions—a longstanding challenge in the diving industry.

Coda Octopus Group expanded its capabilities through the acquisition of Precision Acoustics Limited, a recognized leader in acoustic sensors and materials. Precision Acoustics specializes in hydrophone design and advanced acoustic materials for medical imaging and non-destructive testing (NDT), supporting the assessment of structures such as aircraft, ship hulls, wellheads, and other subsea assets. The company also collaborates with national and international standards bodies, including the UK's National Physical Laboratory, contributing to the development of primary measurement standards.

The Group also includes two Defense Engineering Services businesses—Coda Octopus Martech Ltd (UK) and Coda Octopus Engineering, Inc. (U.S.)—which supply mission-critical sub-assemblies to major defense programs as subcontractors to prime contractors. Their work spans concept development, design, prototyping, manufacturing and post-delivery support, creating opportunities for recurring revenue throughout the life cycle of long-term defense programs

For further information, please visit http://www.codaoctopusgroup.com or contact us at 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, fluctuations in foreign exchange rates, changes in global economic conditions, tariff and trade policies, reductions in government defense spending, customer demand, geopolitical issues, the outcome of our ongoing research and development efforts relating to our products, including our patented real-time 3D solutions and DAVD; our ability to develop and expand the sales and business development capabilities required to commercialize our products and technologies; and other risks and uncertainties described in our Annual Report on Form 10-K for the year ended October 31, 2025, filed with the Securities and Exchange Commission on January 29, 2026, as amended by Form 10-K/A filed on February 26, 2026. 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:

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Coda Octopus Group, Inc.

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CODA OCTOPUS GROUP, INC.
Consolidated Balance Sheets (Unaudited)
July 31, 2026 and October 31, 2025

ASSETS	2026	2025
CURRENT ASSETS		
Cash and Cash Equivalents	$ 31,714,519	$ 28,682,615
Accounts Receivable, net	5,620,208	3,732,806
Inventory	13,487,657	13,636,512
Unbilled Receivables	3,260,065	2,988,779
Prepaid Expenses	356,128	434,021
Other Current Assets	161,128	531,469

Total Current Assets	54,599,705	50,006,202
FIXED ASSETS		
Property and Equipment, net	7,428,835	7,295,791
Right of Use Assets	339,766	372,647
Total Fixed Assets, net	7,768,601	7,668,438
OTHER ASSETS		
Goodwill	3,639,334	3,639,334
Intangible Assets, net	2,845,726	3,179,588
Total Other Assets	6,485,060	6,818,922
Total Assets	$ 68,853,366	$ 64,493,562

CODA OCTOPUS GROUP, INC.
Consolidated Balance Sheets (Unaudited)
(Continued) July 31, 2026 and October 31, 2025

	2026	2025
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 977,071	$ 1,407,439
Current portion of operating lease liabilities	42,159	34,862
Accrued Expenses and Other Current Liabilities	2,577,220	2,475,952
Deferred Revenue	1,829,012	1,722,796
Total Current Liabilities	5,425,462	5,641,049
LONG TERM LIABILITIES		
Deferred Tax Liability, net	317,214	317,949
Non-current operating lease liabilities, net	343,222	360,070
Deferred Revenue, net	36,656	59,080
Total Long Term Liabilities	697,092	737,099
Total Liabilities	6,122,554	6,378,148
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Common Stock, $.001 par value; 150,000,000 shares authorized, 11,291,850 issued and 11,280,754 outstanding as of July 31, 2026 and 11,280,368 shares issued and 11,270,575 outstanding as of October 31, 2025	11,281	11,271
Preferred Stock $.001 par value; 5,000,000 shares authorized, zero issued and outstanding as of July 31, 2026 and October 31, 2025	-	-
Treasury Stock 11,096 shares as of July 31, 2026 and 9,793 at October 31, 2025	(75,602)	(61,933)
Additional Paid-in Capital	63,360,347	63,321,294
Accumulated Other Comprehensive Loss	(1,306,798)	(1,878,657)
Accumulated Earnings (Deficit)	741,584	(3,276,561)
Total Stockholders' Equity	62,730,812	58,115,414

Total Liabilities and Stockholders' Equity	$ 68,853,366	$ 64,493,562

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

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2026	2025	2026	2025
Net Revenues	$ 7,717,469	$ 7,064,795	$ 21,331,593	$ 19,291,969
Cost of Revenues	2,667,175	2,241,039	7,336,216	6,542,462
Gross Profit	5,050,294	4,823,756	13,995,377	12,749,507
OPERATING EXPENSES				
Research & Development	729,216	572,468	1,983,622	1,805,589
Selling, General & Administrative	2,787,803	2,871,309	7,675,434	7,814,233
Total Operating Expenses	3,517,019	3,443,777	9,659,056	9,619,822
INCOME FROM OPERATIONS	1,533,275	1,379,979	4,336,321	3,129,685
OTHER INCOME				
Other Income	24,259	8,922	197,453	119,921
Interest Income	233,817	154,848	578,002	494,613
Total Other Income, net	258,076	163,770	775,455	614,534
INCOME BEFORE INCOME TAX EXPENSE	1,791,351	1,543,749	5,111,776	3,744,219
INCOME TAX (EXPENSE) BENEFIT				
Current Tax (Expense)	(408,583)	(268,786)	(1,104,002)	(692,361)
Deferred Tax Benefit	6,844	8,022	10,371	52,864
Total Income Tax (Expense)	(401,739)	(260,764)	(1,093,631)	(639,497)
NET INCOME	$ 1,389,612	$ 1,282,985	$ 4,018,145	$ 3,104,722
NET INCOME PER SHARE:				
Basic	$ 0.12	$ 0.11	$ 0.36	$ 0.28
Diluted	$ 0.12	$ 0.11	$ 0.36	$ 0.27
WEIGHTED AVERAGE SHARES:				
Basic	11,279,904	11,237,654	11,275,149	11,226,665
Diluted	11,298,951	11,304,549	11,294,196	11,293,560
NET INCOME	$ 1,389,612	$ 1,282,985	$ 4,018,145	$ 3,104,722
Foreign Currency Translation Adjustment	(98,810)	70,492	571,859	842,345
Total Other Comprehensive (Loss) Income	$ (98,810)	$ 70,492	$ 571,859	$ 842,345
COMPREHENSIVE INCOME	$ 1,290,802	$ 1,353,477	$ 4,590,004	$ 3,947,067

Source: Coda Octopus Group, Inc.