June 15, 2026

Coda Octopus Group, Inc.

Coda Octopus Group Reports Fiscal Second Quarter 2026 Financial Results

ORLANDO, FL, June 15, 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 second quarter ended April 30, 2026 (SQ2026).

Annmarie Gayle, CODA’s Chairman and CEO, commented: “I am pleased with our overall operating results for the second quarter of fiscal 2026, during which we delivered increases in both net income and earnings per share compared to the second quarter of fiscal 2025. Our financial performance improved year over year despite a decline in revenue within our core Marine Technology Business, which continues to be affected by the ongoing conflict involving Iran and the resulting instability across key markets in the Middle East and Asia. As a result, many offshore projects in the region remain on hold. Importantly, all other business units delivered revenue growth, including our Defense Engineering Services Business, which increased revenue by 37.9%.

The numbers shown below have been rounded to one decimal point, unless two decimal points are required for clarity. The full SQ2026 financials can be found in CODA’s Form 10-Q filed with the SEC on June 15, 2026.

- Total revenue was approximately $6.9 million compared to $7.0 million in SQ2025, representing a decrease of 1.6%.

- Revenue from our core business (Marine Technology Business) was $2.8 million compared to $3.9 million in SQ2025, representing a 26.8% decrease.

- Revenue from our Defense Engineering Services Business was $2.5 million compared to $1.8 million in SQ2025, representing an increase of 37.9%.

- Revenue from the Acoustics Sensors and Material Business was $1.5 million compared to $1.3 million in SQ2025, representing an increase of 17.5%.

- Gross profit was $4.6 million compared to $4.5 million in SQ2025. Gross margin was 66.3% compared to 64.1% in SQ2026, reflecting the mix of type and geography of sales reported in the Period.

- Operating income was $1.8 million in SQ2026 compared to $1.1 million in SQ2025, representing an increase of 64.8%.

- Operating margin was 26.0% compared to 15.5% in SQ2025, reflecting the increase in our gross profit and 21.4% decrease in selling, general & administrative expenses.

- Pre-tax income was approximately $2.1 million in SQ2026 compared to $1.3 million in SQ2025, representing an increase of 68.6%.

- Net income after taxes was $1.7 million in SQ2026 compared to $0.9 million in SQ2025, an increase of 86.8%.

- Diluted earnings per share in SQ2026 was $0.15 compared to $0.08 in SQ2025.

- Pre-tax income as a percentage of revenues for SQ2026 was approximately 30.9% compared to 18.0% in SQ2025. Research and Development expenditures for SQ2026 were approximately $0.6 million compared to approximately $0.7 million in SQ2025, representing a decrease of 6.0%. SG&A in SQ2026 was approximately $2.1 million compared to $2.7 million in SQ2025, representing a decrease of 21.4%.

Our cash balance at the end of SQ2026 of $30.6 million represents an increase of $1.9 million over October 31, 2025, when this figure was $28.7 million.

Annmarie Gayle, CODA's Chairman and CEO, commented: "Despite the ongoing conflict involving Iran and the resulting instability across the Middle East, which has adversely affected customer activity in this strategically important region as well as in Asia, I am pleased with our second quarter fiscal 2026 financial performance and the diversification reflected in our revenue structure. Our core Marine Technology Business sells products and solutions globally, with a significant portion of opportunities originating from the Middle East and Asia. During the quarter, we experienced reduced demand from customers in these regions due to the ongoing geopolitical situation.

Even against this backdrop, we made meaningful progress across our key growth pillars. A major milestone for broader DAVD adoption in the military diving sector was the completion of the Approved Navy Use assessment. I am pleased to confirm that the DAVD untethered system has now been formally approved by the U.S. Navy. We view this as a significant inflection point: the system is now available for acquisition by any command, and the previously delivered 20 untethered DAVD units can now be deployed in ongoing operations. This approval validates the system's operational suitability and opens the door to wider adoption across the global naval diving community. Because the assessment was completed in June, we expect procurement activity to be weighted toward the second half of fiscal 2026.

With the R&D phase for the DAVD now complete and the untethered system approved for fleet deployment in the United States, our focus has shifted to business development aimed at accelerating global adoption, with particular emphasis on the European naval sector. In support of this strategy, we recently provided training to a European Navy that acquired an initial number of systems. With training now complete, we continue to engage closely with this influential customer and are encouraged by the positive feedback received to date. We remain optimistic about expanding DAVD deployment and operational use within this trend-setting naval community, establishing a strong foundation for future international growth.

We are also very encouraged by the early market response to our newly released Echoscope PIPE NANO GEN SERIES®. During the quarter, we received an initial order for a small number of NANO Gen Series sonars for integration into an established vehicle program. These systems provide a significant upgrade to the platform, delivering full-perception visualization, vehicle control, and 3D obstacle avoidance, and are scheduled to undergo extensive evaluation. If successful, we believe this opportunity could scale rapidly.

Echoscope products currently account for approximately 80% of Marine Technology Business revenue. With the launch of the NANO GEN Series and strong customer engagement, we believe we are well positioned to make further forays into the expanding defense and underwater robotics markets. The NANO GEN Series enables small platforms to enhance situational awareness and consolidate multiple sensors into a single, power-efficient unit, providing real-time 3D spatial awareness and forward-looking obstacle avoidance. Beyond subsea vehicles, the NANO GEN Series is also well suited for diver-wearable systems, diving platforms—highly synergistic with our DAVD solutions—and a wide range of underwater robotics applications.

The worldwide Unmanned Underwater Vehicle (UUV) market, valued at $4.8 billion in 2024, is projected to grow to $11.1 billion by 2030, driven by increasingly complex 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 SQ2026, are available at https://www.nasdaq.com/market-activity/stocks/coda/sec-filings .

Conference Call

CODA will host a conference call today, June 15, 2026, at 10:00 a.m. Eastern Time (7:00 a.m. Pacific Time) to discuss its results for its Fiscal Second Quarter ended April 30, 2026.

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

Date: Monday, June 15, 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: 13760471

The conference call will broadcast live and be available for replayhere.

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, June 29, 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: 13760471

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 recently launched 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 recently 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 recurring revenue opportunities over the life of long-term 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 condition, tariff and trade policies, reduction in government spending in the Defense Sector, customer demand, geopolitical issues, the outcome of our ongoing research and development efforts relating to our products including our patented real time 3D solutions or DAVD; 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, 2025, filed with the Securities and Exchange Commission on January 29, 2026 as amended on our Form 10-K/A, filed with the Securities and Exchange Commission on February 29, 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:

Mr. Dillon King

Coda Octopus IR Team at coda.ir@codaoctopusgroup.com

Coda Octopus Group, Inc.

1- 407-735-2406

CODA OCTOPUS GROUP, INC.
Consolidated Balance Sheets
April 30, 2026 and October 31, 2025 Audited

		2026		2025
		Unaudited		
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$	30,624,337	$	28,682,615
Accounts Receivable, net		4,945,185		3,732,806
Inventory		13,995,256		13,636,512
Unbilled Receivables		2,384,890		2,988,779
Prepaid Expenses		459,270		434,021
Other Current Assets		533,498		531,469
Total Current Assets		52,942,436		50,006,202
FIXED ASSETS				
Property and Equipment, net		7,441,002		7,295,791
Right of Use Assets		356,447		372,647

	7,797,449	7,668,438
OTHER ASSETS		
Goodwill	3,639,334	3,639,334
Intangible Assets, net	2,959,561	3,179,588
Total Other Assets	6,598,895	6,818,922
Total Assets	$ 67,338,780	$ 64,493,562

CODA OCTOPUS GROUP, INC.
Consolidated Balance Sheets (Continued)
April 30, 2026 and October 31, 2025 Audited

LIABILITIES AND STOCKHOLDERS' EQUITY	2026 Unaudited	2025
CURRENT LIABILITIES		
Accounts Payable	$ 1,344,276	$ 1,407,439
Current portion of operating lease liabilities	38,450	34,862
Accrued Expenses and Other Current Liabilities	1,902,774	2,475,952
Deferred Revenue	1,929,476	1,722,796
Total Current Liabilities	5,214,976	5,641,049
LONG TERM LIABILITIES		
Deferred Tax Liability, net	324,958	317,949
Non-current operating lease liabilities, net	346,146	360,070
Deferred Revenue, less current portion	38,468	59,080
Total Long Term Liabilities	709,572	737,099
Total Liabilities	5,924,548	6,378,148
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Common Stock, $.001 par value; 150,000,000 shares authorized, 11,287,248 issued and 11,276,152 outstanding as of April 30, 2026 and 11,280,368 shares issued and 11,270,575 outstanding as of October 31, 2025	11,276	11,271
Preferred Stock, $.001 par value; 5,000,000 shares authorized, zero issued and outstanding as of April 30, 2026 and October 31, 2025	-	-
Treasury Stock 11,096 shares as of April 30, 2026 and 9,793 as of October 31, 2025	(75,602)	(61,933)
Additional Paid-in Capital	63,334,574	63,321,294
Accumulated Other Comprehensive Loss	(1,207,988)	(1,878,657)
Accumulated Deficit	(648,028)	(3,276,561)
Total Stockholders' Equity	61,414,232	58,115,414
Total Liabilities and Stockholders' Equity	$ 67,338,780	$ 64,493,562

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

(Unaudited)

	Three Months Ended April 30, 2026	Three Months Ended April 30, 2025	Six Months Ended April 30, 2026	Six Months Ended April 30, 2025
Net Revenues	$ 6,904,012	$ 7,017,459	$ 13,614,124	$ 12,227,174
Cost of Revenues	2,325,963	2,520,178	4,669,041	4,301,423
Gross Profit	4,578,049	4,497,281	8,945,083	7,925,751
OPERATING EXPENSES				
Research & Development	648,304	689,995	1,254,406	1,233,121
Selling, General & Administrative	2,136,769	2,719,602	4,887,631	4,942,924
Total Operating Expenses	2,785,073	3,409,597	6,142,037	6,176,045
INCOME FROM OPERATIONS	1,792,976	1,087,684	2,803,046	1,749,706
OTHER INCOME				
Other Income	168,761	32,332	173,194	110,999
Interest Income	171,915	145,594	344,185	339,765
Total Other Income, net	340,676	177,926	517,379	450,764
INCOME BEFORE INCOME TAX EXPENSE	2,133,652	1,265,610	3,320,425	2,200,470
INCOME TAX (EXPENSE) BENEFIT				
Current Tax (Expense)	(432,203)	(374,701)	(695,419)	(423,575)
Deferred Tax (Expense) Benefit	(3,639)	17,853	3,527	44,842
Total Income Tax (Expense)	(435,842)	(356,848)	(691,892)	(378,733)
NET INCOME	$ 1,697,810	$ 908,762	$ 2,628,533	$ 1,821,737
NET INCOME PER SHARE:				
Basic	$ 0.15	$ 0.08	$ 0.23	$ 0.16
Diluted	$ 0.15	$ 0.08	$ 0.23	$ 0.16
WEIGHTED AVERAGE SHARES:				
Basic	11,274,961	11,221,080	11,272,732	11,223,528
Diluted	11,285,808	11,306,828	11,283,579	11,309,276
NET INCOME	$ 1,697,810	$ 908,762	$ 2,628,533	$ 1,821,737
Foreign Currency Translation Adjustment	(441,547)	1,800,439	670,669	771,853
Total Other Comprehensive Income (Loss)	$ (441,547)	$ 1,800,439	$ 670,669	$ 771,853
COMPREHENSIVE INCOME	$ 1,256,263	$ 2,709,201	$ 3,299,202	$ 2,593,590

Source: Coda Octopus Group, Inc.