

September 14, 2016



# Coda Octopus Group, Inc. Reports Fiscal Third Quarter 2016 Financial Results

Coda Octopus Group, Inc. (CODA) ([CDOC](#)) announced its unaudited financial results for the fiscal third quarter ended July 31, 2016.

CODA reported total revenue of \$4.279 million for the three months ended July 31, 2016 compared to \$5.184 million for the three months ended July 31, 2015. The Company reported net income of \$1.101 million for its fiscal third quarter 2016 compared to \$765,758 for the comparable quarter of 2015. Operating expenses for the fiscal third quarter were \$1.578 million compared to \$2.048 million for the comparable quarter of 2015.

For the nine months ended July 31, 2016 CODA achieved revenues of \$14.800 million, up from \$14.767 million for the first nine months of fiscal year 2015, and net income of \$2.973 million, up from \$1.581 million for the nine months of 2015. In the first nine months of the 2016 fiscal year, beginning November 1, 2015, revenues increased by 0.2% and net income increased by 88.1%, compared to the first nine months of fiscal year 2015. Total operating expenses for the first nine months of fiscal year 2016 compared to the first nine months of fiscal year 2015 were reduced by 17.8%, from \$6.276 million to \$5.156 million. The Company's quarterly reports and Fiscal Year 2015 Annual Report are available at <http://www.otcmarkets.com/stock/CDOC/filings>.

Annamarie Gayle, CODA's CEO commented: "I am pleased to present another set of strong results to our stockholders and to the market. I also wish to underline that the Group's performance during the past quarter would have been even stronger, had the UK portion of our business not been adversely affected by the depreciation of the pound against the US dollar since the June 23<sup>rd</sup> UK referendum vote to leave the European Union. Approximately 45% of our revenues and associated costs are denominated in pounds and this has affected both our Income Statement and Balance Sheet."

"We expect to be able to continue to report good financial progress to the market over the coming periods, which will be underpinned by our continued development of our industry-leading 3D real-time sonar product set. We expect to launch several new offerings, reflecting key technological advancements, during the coming year. Our engineering service business, which primarily serves the US and UK defense industries, is expecting another strong year."

## About Coda Octopus Group, Inc.

Originally founded in 1994 as Coda Technologies, the Coda Octopus Group is now headquartered in Lakeland, Florida.

The Group consists of a Marine Products business located in Lakeland, Florida, Edinburgh, Scotland, Perth, Australia, and Bergen, Norway, and engineering businesses, Coda Octopus

Colmek in Salt Lake City, Utah and Coda Octopus Martech in Weymouth, England. Each of the Group companies are technology innovators with a particularly high level of sonar expertise. The Group has facilities in Florida, Utah, the UK, Australia, and Norway.

Alongside providing bespoke engineering and development for defense applications one of the Group's key products is the patented Coda Echoscope® - the first real time 3D sub-sea sonar which is used in oil and gas, underwater construction, search and rescue operations and port and harbor security and constructions. The top end software which runs on the Echoscope® (Underwater Survey Explorer) is also proprietary to Coda Octopus. The Echoscope® is also at the heart of the Underwater Inspection System which is being adopted for port and harbor security, and other applications globally. We have a number of products which are based on our real time 3D technology (Echoscope®, Underwater Inspection System and Dimension® (the latter being a forward looking real time sonar targeted at ROV applications)).

With this patented revolutionizing sub-sea visualization capability, and the existing systems integration skills within Coda Octopus Colmek, Inc. and Coda Octopus Martech Ltd., the Coda Octopus Group believes it can become a world leading integrated sonar technology supplier.

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

## **Safe Harbor Statement**

This press release contains certain forward-looking statements. These forward-looking statements can generally be identified as such because the context of the statement will include words such as Coda Octopus Group plans, expects, should, believes, anticipates or words of similar import but all statements other than of historical fact could be deemed forward-looking statements. Stockholders, potential investors and other readers are cautioned not to place undue reliance on these forward-looking statements that are predictions and opinions based only on current information as of the date of this press release that are inherently subject to risks and uncertainties that could cause future events or results to differ materially from those set forth or implied by the forward-looking statements. Certain of those risks and uncertainties are discussed in registration statement on Form SB-2 and include, but are not limited to, market acceptance of CodaOctopus' planned products and their level of sales, access to the capital necessary to finance and grow the business, a highly competitive environment in the security field that includes numerous large and well established companies much larger than ours, and our ability successfully to deploy our technologies and products to meet the technical demands and market requirements of our customers. These forward-looking statements are only made as of the date of this press release and Coda Octopus Group does not undertake any obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.