

January 28, 2020



# Coda Octopus Group Reports Fiscal 2019 Financial Results

ORLANDO, FL, Jan. 28, 2020 (GLOBE NEWSWIRE) -- Coda Octopus Group, Inc. ("CODA") (Nasdaq: CODA) today reported its audited financial results for its fiscal year ended October 31, 2019.

Annmarie Gayle, CODA's Chairman and CEO commented: "I am exceptionally pleased to report another set of outstanding annual results for fiscal 2019. We increased revenues substantially, more than doubled net income before taxes, and increased total stockholders' equity by 25%."

CODA reported total revenue of approximately \$25.057 million for the fiscal year ended October 31, 2019, compared to \$18.019 million for the prior fiscal year, an increase of 39.1%. The Company reported net income before taxes of approximately \$6.233 million for the fiscal year ended October 31, 2019, compared to \$3.103 million for the prior fiscal year, an increase of 100.9%. Net income after taxes increased to \$5.225 million for the fiscal year ended October 31, 2019, compared to \$4.989 million in the prior fiscal year, an increase of 4.7%. This comparatively small increase is the result of the Company taking a non-recurring benefit of a deferred tax asset of \$1.754 million in the prior fiscal year. This was recognized in fiscal 2018, due to the increased possibility that the Company would utilize this benefit in future periods.

Net income before tax as a percentage of revenues was 24.9% for the fiscal year ended October 31, 2019, versus 17.2% during the prior fiscal year. Operating expenses for the fiscal year ended October 31, 2019 were \$10.176 million compared to \$9.352 million for the prior fiscal year, an increase of 8.8%, attributable to an increase in R&D of \$229,617 and an increase in Selling, General and Administrative (SG&A) expenditures of \$594,670. The Company does not anticipate any further significant increase in its R&D expenditure during fiscal 2020. The SG&A expenditure is likely to increase during fiscal 2020, as the Company shifts its focus from R&D which tends to be more capital intensive to sales and marketing. Earnings per share were \$0.49 per share for fiscal 2019, the same as for the prior fiscal year.

Ms. Gayle continued: "During the 2020 fiscal year the Company expects to release a number of new and innovative products to the market. Among these releases will be a number of significant advancements around the Company's flagship sonar technology, Echoscope<sup>®</sup>. We believe these will bring a step change in the underwater sonar market. The Company will also focus on commercializing the Diver Augmented Vision Display's (DAVD) Gen 1 Head-Up Display Unit for naval and commercial diving operations, following recent acceptance of the GEN 1 DAVD prototype by NAVSEA. We believe that this new product will significantly advance diving operations management and, given its truly revolutionary nature, that this product could become the standard for diving operations."

The Company's full financial results including its Annual Report for Fiscal Year 2019 are available at [www.nasdaq.com/symbol/coda/sec-filings](http://www.nasdaq.com/symbol/coda/sec-filings).

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

The Company, founded in 1994, manufactures and markets patented real-time 3D subsea sonar technology, the Echoscope<sup>®</sup>, which enables real-time 3D imaging and mapping in zero visibility conditions underwater. Echoscope<sup>®</sup> 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](mailto:coda@codaoctopusgroup.com).

### **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, 2019, filed with the Securities and Exchange Commission on January 28, 2020. 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.

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