

March 17, 2021



# Coda Octopus Group Reports Fiscal 2021 First Quarter Financial Results

ORLANDO, FL, March 17, 2021 (GLOBE NEWSWIRE) -- Coda Octopus Group, Inc. (CODA) (Nasdaq: CODA) today reported its unaudited financial results for its fiscal first quarter ended January 31, 2021.

Annmarie Gayle, CODA's Chairman and CEO, commented: "Our fiscal first quarter 2021 financial results were adversely impacted by the ongoing Coronavirus Pandemic, which has significantly curtailed our operations since the second quarter of fiscal year 2020. Our financial performance was also affected by delays in anticipated orders associated with the Defense Programs which our Services Business sell into. This is due to delays in approval of the Federal Defense Budget and line-item appropriation expenditures, and the change in Administration. Despite these ongoing challenges, we remain confident in our annualized outlook for both business segments.

"Our quarterly revenues are likely to be uneven and therefore not comparable to previous periods, but we believe with the lifting of restrictions, we can make up ground," continued Ms. Gayle. "The products business revenues grew in the first fiscal quarter over the comparable period last year, and we believe this trend will continue on an annualized basis. Furthermore, even though the services business is expected to be significantly off plan for the first two quarters of this fiscal year, we believe that on an annualized basis its orders from customers will increase, thereby improving its financial performance."

Coda Octopus Group reported total revenue of approximately \$5.050 million for the quarter ended January 31, 2021, compared to \$6.681 million for the comparable prior year period, representing a decrease of 24.4%. The Company reported net profit before taxes of approximately \$996 thousand for the first quarter ended January 31, 2021, compared to a net income of \$1.448 million, for the comparable 2020 period. Net profit after taxes was \$1.129 million for the first quarter ended January 31, 2021, or \$0.10 per share, compared to a net income of \$1.347 million, or \$0.13 per share, in the prior year comparable period. Net profit before tax as a percentage of revenues in the first quarter was 19.8%. Research and Development expenditures for the first quarter were \$0.583 million, a decrease of 37.2%, compared to \$0.928 million, for the comparable period of 2020. Selling, General & Administrative Expenses (SG&A) for the first quarter were \$1.813 million, compared to \$1.892 million for the comparable period last year, a decrease of 4.2%.

As of January 31, 2021, CODA had approximately \$16.082 million of cash on hand and approximately \$0.448 million outstanding on its HSBC Debenture, as compared to \$12.528 million of cash on hand and approximately \$0.940 million outstanding on the HSBC Debenture at the same period in 2020.

The Company's full financial results 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, 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, the ongoing Coronavirus 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, 2020, filed with the Securities and Exchange Commission on January 28, 2021. 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:**

MDC Group  
Investor Relations:  
David Castaneda  
Arsen Mugurdumov  
414.351.9758

Media Relations:  
Susan Roush  
805.624.7624



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