

June 14, 2021



Coda Octopus Group Reports Fiscal 2021 Second Quarter and Six-Month Period Financial Results

ORLANDO, FL, June 14, 2021 (GLOBE NEWSWIRE) -- Coda Octopus Group, Inc. (CODA) (Nasdaq: CODA) today reported its unaudited financial results for its second quarter ended April 30, 2021 ("2021 Second Quarter") and the six months then ended.

Annmarie Gayle, CODA's Chairman and CEO, commented: "Our financial results for the 2021 Second Quarter improved significantly over the comparable period last year ("2020 Second Quarter"). During the 2020 Second Quarter our business activities were significantly curtailed due to the global lockdown resulting from the coronavirus outbreak which affected our financial performance. The business environment has since improved, although there continue to be Pandemic related constraints including imposition of certain restrictions by governments. In addition, in the 2021 Second Quarter our Services Business financial performance has been impacted by the delay in the approval of the Federal Acquisition Budget caused by the change in the US Administration.

Despite the setbacks discussed above, we continue to make substantial progress in a number of areas. In 2019 we were engaged to develop a new sonar for a US Defense customer. The contract value was approximately \$500,000. During this Quarter, we completed and delivered this new short-range real time 3D sonar which we believe is designed for this customer's new fleet of underwater vehicles. Successful customer trials of this new sonar present an opportunity for multiple sales into this Defense Program. In this Quarter, we also received funding of approximately \$2 million for the development of the third generation (GEN 3) of Diver Augmented Vision System ("DAVD"). We anticipate the delivery of the GEN 3 DAVD System by the end of calendar year 2021.

In the 2021 Second Quarter our Products Business's revenues grew significantly when compared to the 2020 Second Quarter. Revenues generated by our Services Business declined over the comparable period last year due to delays in receiving anticipated defense contracts. However, we believe that during current fiscal year 2021 the Services Business will be back on plan and we expect to receive some of these orders in the third quarter of 2021".

Coda Octopus Group reported total revenue of approximately \$5.37 million for the quarter ended April 30, 2021, compared to \$3.29 million for the comparable prior year period, representing an increase of 63.4%. The Company reported net profit before taxes of approximately \$1.94 million for the second quarter ended April 30, 2021, compared to a net loss before taxes of \$340,000, for the comparable 2020 period. Net profit after taxes was \$2.21 million for the second quarter ended April 30, 2021, or \$0.20 per share, compared to a net loss of \$265,000, or \$0.02 per share, in the prior year comparable period. Net profit before tax as a percentage of revenues in the second quarter was 36%. Research and

Development expenditures for the second quarter were \$645,000, a decrease of 9.6%, compared to \$714,000, for the comparable period of 2020. Selling, General & Administrative Expenses (SG&A) for the second quarter were \$1.78 million, compared to \$1.53 million for the comparable period last year, an increase of 16.1%.

For the six months ended April 30, 2021, the Company reported total revenue of approximately \$10.42 million compared to \$9.97 million for the comparable prior year period, representing an increase of 4.5%. The Company reported net profit before taxes of approximately \$2.93 million for the six months ended April 30, 2021, compared to a net profit before taxes of \$1.11 million, for the comparable 2020 period. Net profit after taxes was \$3.34 million for the six months ended April 30, 2021, or \$0.31 per share, compared to a net profit of \$1.08 million or \$0.10 per share, in the prior year comparable period. Net profit before tax as a percentage of revenues in for the six months ended April 30, 2021 was 28.2%. Research and Development expenditures for the six months ended April 30, 2021 were \$1.23 million, a decrease of 25.2%, compared to \$1.64 million, for the comparable period of 2020. Selling, General & Administrative Expenses (SG&A) for the six months ended April 30, 2021 were \$3.59 million, compared to \$3.43 million for the comparable period last year, an increase of 4.9%.

As of April 30, 2021, CODA had approximately \$16.59 million of cash on hand and approximately \$321,000 outstanding on its HSBC Debenture, as compared to \$12.81 million of cash on hand and approximately \$819,000 million outstanding on the HSBC Debenture at the same date in 2020.

The Company's full financial results are available at www.nasdaq.com/symbol/coda/sec-filings.

About Coda Octopus Group, Inc.

The Company, founded in 1994, innovates, develops, manufactures, and markets subsea products (software and hardware) including its flagship real-time 3D, 4D, 5D and 6D underwater imaging sonar technology, marketed under the name "Echoscope®". This sonar technology generates real-time 3D, 4D, 5D and 6D imaging and mapping underwater. Echoscope® is used globally in numerous applications including the commercial and defense underwater market. Applications for the Echoscope® technology includes underwater mapping, offshore renewables cable installations and surveys, marine construction, subsea infrastructure installation, decommissioning, diving applications and port and harbor security. In addition to the Marine Products business, Coda Octopus Products Ltd., CODA's two defense 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.

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 revenues. 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 real time 3D, 4D, 5D and 6D underwater sonar technology solutions; changes in the volume or timing of previously delayed defense orders, 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.

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