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Shoal Games Completes Acquisition of Kidoz Ltd.

Shoal Games' Rooplay OTT System and the Kidoz Network will Reach 50 Million Kids a Month with a Premium Subscription System Offering

ANGUILLA, B.W.I., March 4, 2019 - Shoal Games Ltd. (TSXV: SGW) ("Shoal Games" or the "Company"), mobile software developer, owner of the Rooplay edu-games platform (www.rooplay.com) and publisher of the Rooplay Originals games library, has successfully completed its acquisition of all of the issued and outstanding shares of Kidoz Ltd. ("Kidoz"), the Israel-based industry-leader in the global kids' content distribution and monetization marketplace (the "Acquisition"), as previously announced in the Company's news release dated December 28, 2018.

The Acquisition enables the global reach of Kidoz's content network to be efficiently combined with Shoal Games' Rooplay subscription OTT platform, to create a unique player in the high growth digital kids market. The combined company is positioned to grow through exclusive ownership of content which the Kidoz network will make accessible to tens of millions of kids each month, utilizing a proprietary OTT subscription platform and a kid-safe monetization platform to attract top kids advertisers.

Highlights of the Transaction

- Industry-leading market position: The combined company will provide a unique Kid Safe platform for digital content distribution and monetization that reaches over 50 million children and parents worldwide every month.
- Established digital edu-game product strategy: Combining the companies will significantly enhance the cost-effectiveness and reach of Shoal Games' distribution strategies for its consumer-focused EdTech games platform, Rooplay.
- Expanded commercialization of "Rooplay Originals" games library: Shoal Games extensive games library of curated COPPA-compliant games can now be commercialized using Kidoz sponsored promotions with top kids brands like Hasbro, LEGO, Disney, Viacom, Crayola and many others.
- Distribution of Rooplay over the Kidoz content discovery network: Leveraging Kidoz's distribution capabilities will enable the combined company to bring unique, child safe games to the worldwide market through the thousands of popular kids apps that use the Kidoz Network.
- Accretive economics on both trailing and forward metrics: Kidoz has lean operations that are highly complementary to those of Shoal Games. In combination with Shoal Games' extensive

management track record in video game development and in the public markets, the combined entity looks forward to rapidly increasing combined revenues and improving overall economic performance.

- Combined company synergies: The combined company is expected to realize improved management efficiencies, leveraging Shoal Games' cost-effective public company management practices and experience and both companies' combined development knowledge and libraries; the Kidoz worldwide distribution platform; cross-selling and up-selling to customers through a broader content portfolio; integrated operations and controls; and implementation of best practices.
- Highly experienced management teams with worldwide focus: Kidoz and Shoal Games have been working together for over a year and determined to enter into the Transaction after recognizing that the synergies available from joining together in today's complex technological environment would provide the combined company with a strong global foothold in the continually expanding kids' digital market.

Pursuant to the Acquisition the Company acquired all of the issued and outstanding shares of Kidoz from the former Kidoz shareholders in exchange for the issuance to them, as beneficial owners, of a total of 52,450,286 common shares of the Company. Immediately following the Acquisition, the Company closed a private placement of 5,000,000 common shares of the Company, which raised gross proceeds of US\$2,000,000 (the "Concurrent Financing"). After the Acquisition and the closing of the Concurrent Financing the former Kidoz shareholders now beneficially own (on a non-diluted basis) 40% of the outstanding common shares of the Company. The shares issued to and for the benefit of the former Kidoz shareholders were issued at a deemed consideration of US\$0.40 each, the same price at which shares were offered under the Concurrent Financing, for a total deemed purchase value of approximately US\$21 million. The shares issued to and for the benefit of the former Kidoz shareholders are subject to hold periods imposed under the rules and policies of the Exchange and applicable Canadian securities legislation and are subject to resale restrictions imposed by the United States Securities Act of 1933 (the "1933 Act"). None of the former Kidoz shareholders will, as a result of the issuance of shares to them or for their benefit in connection with the Acquisition, become an insider, affiliate or control person of the Company.

A fee of US\$130,000 was paid to Ibis Capital Ltd., of London, England, for acting as finder and exclusive financial advisor to Kidoz in connection with the Acquisition.

Clubb Capital Limited, of London, England received a 10% cash commission of US\$200,000 in connection with the Concurrent Financing. The shares being offered and sold under the Concurrent Financing have not been and will not be offered or sold in the United States or to U.S. Persons, are being offered and are to be sold in accordance with the provisions of Regulation S made under the 1933 Act, and will not be registered under the 1933 Act. All of the shares issued pursuant to the Concurrent Financing are subject to a four-month hold period, as required under the rules and policies of the Exchange and applicable securities legislation, and may not be sold, transferred or otherwise traded before July 5, 2019.

Under the terms of the Acquisition, the former Kidoz shareholders are entitled to have three persons nominated by them appointed as directors of the Company, and have nominated Joseph Mandelbaum and Moshe David, former directors of Kidoz, as well as Eldad Ben Tora, the CEO of Kidoz, for appointment in that capacity, as soon as all outstanding requirements regarding their respective appointments are met. In addition, Eldad Ben Tora has been appointed as Co-CEO of the Company. Kidoz will operate as a wholly-owned subsidiary of Shoal Games, and its current management and employees will remain with the combined company.

Trading in the common shares of the Company on the TSX Venture Exchange (the “Exchange”) was halted on December 31, 2018 pending completion of the acquisition. The common shares of the Company will resume trading on the Exchange upon the opening of the Exchange on Thursday, March 7, 2019.

Management Commentary

"This is an exciting time for Shoal Games, Kidoz, and Rooplay," said Jason Williams, Shoal Games CEO. "We have been working with Kidoz for over a year and the synergies were so strong that both companies were motivated to come together. Rooplay will benefit from access to millions of potential customers each month and Kidoz will gain a library of exclusive content and a premium subscription platform of its own to feature on the Kidoz content network. Further, Shoal Games will gain the leadership and experience of the Kidoz CEO, Eldad Ben Tora, and the entire Kidoz team of skilled software and publishing personnel. Eldad and I are now tasked with leading Shoal Games to success, by integrating our companies' considerable assets, creating synergies to unlock revenue growth, and capturing the kids digital market. I believe that Shoal Games has never been stronger and our potential for rapid growth in 2019 is high."

"I'm excited to be working with Jason and the entire Shoal Games team," said Eldad Ben Tora, Kidoz CEO. "Kidoz has been growing its global distribution rapidly and it was our mandate to add exclusive content to our monetization offering, so that we could grow our revenue potential from subscribers. We have been working closely with the world's largest app developers and most successful kids brands for years now, and joining our two companies will expand our offering with fully branded games and playable ads within apps. Integrating Rooplay's content platform into our network will bring enormous value to our device manufacturer partners."

For full details of the Company's operations and financial results, please refer to Shoal Games corporate website at <http://investor.shoalgames.com> or its continuous disclosure record on SEDAR.

About Shoal Games Ltd.

Shoal Games Ltd. (TSXV:SGW) (www.shoalgames.com) is the owner of the “Rooplay” EdTech games platform (www.rooplay.com). Rooplay’s pioneering curated games platform brings calm, structure and accountability for children and parents in an increasingly confusing and fragmented digital world. Empowering children with inspired play, engagement and innovative learning prepares them for success in their futures. Rooplay is available on Android, worldwide in the Google Play Store, and on browsers of web enabled digital devices at www.rooplay.com. Featuring Garfield, Moomin, Mr. Men, Little Miss, Pororo, Peter Rabbit and Mr. Bean, the product offers families a handpicked and growing selection of hundreds of educational games for a monthly subscription fee. The Rooplay platform uses the same subscription business model as Netflix, but substitute’s passive video content with active learning games designed to inspire children to success.

About Kidoz Ltd.

KIDOZ Ltd. (www.Kidoz.net) is a leading distribution and monetization platform for kids content, reaching over 50 million children worldwide. KIDOZ is the owner and developer of the KIDOZ OS and the Kidoz Network. KIDOZ OS serves as the official Kid Mode for over 40 top tier OEMs, carriers and kids brands including Lenovo, PBS Kids, Sprout TV, Acer and more. The solution is preloaded on millions of devices, providing safe content for kids and safety features for parents.

The Kidoz Network is a complete AdTech platform helping hundreds of developers monetize their apps in a COPPA & GDPR-compliant manner, and enabling top kids’ brands including Hasbro, Nintendo, Lego, Crayola and more to reach and engage kids with their content.

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. Certain information included in this press release (as well as information included in oral statements or other written statements made or to be made by the company) contains statements that are forward-looking, such as statements relating to anticipated future success of the company. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed

in any forward-looking statements made by or on behalf of the company. For a description of additional risks and uncertainties, please refer to the company's filings with the Securities and Exchange Commission. Specifically, readers should read the Company's Annual Report on Form 10-K, filed with the SEC on March 20, 2018, and the prospectus filed under Rule 424(b) of the Securities Act on March 9, 2005 and the SB2 filed July 17, 2007, and the TSX Venture Exchange Listing Application for Common Shares filed on June 29, 2015 on SEDAR, for a more thorough discussion of the Company's financial position and results of operations, together with a detailed discussion of the risk factors involved in an investment in Shoal Games Ltd.

For further information, please contact:

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