



**KIDOZ Inc.**

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## **Kidoz Inc. Announces Q3 2019 Financial Results**

ANGUILLA, B.W.I., November 14, 2019 – Kidoz Inc. (TSXV:KIDZ) (the "Company"), kid-tech software developer, owner of the KIDOZ Safe Ad Network ([www.kidoz.net](http://www.kidoz.net)), the KIDOZ Kid-Mode Operating System, and the Rooplay edu-games platform ([www.rooplay.com](http://www.rooplay.com)), announced today its unaudited financial results for the fiscal third quarter ended September 30, 2019. All amounts are presented in United States dollars and are in accordance with United States Generally Accepted Accounting Principles.

**Recent Kidoz Inc. highlights include:**

- Net Revenue increased 55% over second quarter to \$1,271,028 for the third quarter of fiscal 2019,
- Third quarter loss reduced to \$58,932 from the second quarter loss of \$398,296
- Google certified KIDOZ as an approved Kid Safe advertising network.
- Apple's updated rules endorse Kidoz's Safe Ad methodologies
- Crossed 100 million monthly active users (MAU) on the KIDOZ Safe Ad Network
- New sales partnerships in Italy, Greece, Turkey, Portugal, Spain, South Africa, Mexico and The Middle East
- Booked record single day, record single month, and record quarter of KIDOZ revenue

"The third quarter of 2019 was full of records for KIDOZ and our leading Kid Safe Advertising Network," commented Eldad Ben Tora, Kidoz Co-CEO. We secured the Company's highest single day, highest single month, and highest single quarter of revenue on record. Demand from our advertising partners is increasing month over month as brands invest in safe and high-performing media to promote new products and services to kids and families. The Kidoz Network is safe because it does not collect any user data or conduct any re-targeting as detailed in the COPPA regulations. The Kidoz Network offers high-performing media because it is a mobile network and its users are highly engaged on their devices at the time advertising is delivered. Furthermore, as the ads are contextually relevant to kids, ad performance is above industry averages. At KIDOZ we invest in our technology to ensure that advertisers receive the performance and information they require to create brand recognition and engagement with the 100 million kids on our systems."

"Driving our revenue growth is strong underlying system growth for both users and publishers that are using our Kid Safe technology," stated Jason Williams, Kidoz Co-CEO. "Since Google's certification of KIDOZ and Apple's updated rules endorsing our methodologies, the Company is experiencing unprecedented demand for its safe advertising solutions. Our Safe Ad Network offers publishers a unique technology and monetization solution that every app with kids traffic can use to compliantly monetize their content. Management believes that the demand for Kidoz solutions will continue to increase in the fourth quarter of fiscal 2019 and in 2020 as developers from outside of the family segment begin to split their traffic between under-13s and over-13s and adopt compliant monetization tools, such as KIDOZ, for their large U13 segment. Kids represent more than 30% of total Internet traffic and on mobile games this percentage is even higher. Developers must adopt monetization techniques that are compliant with Google and Apple's new rules to protect children and their businesses."

### **Third Quarter Financial Results**

Total Current Assets as at September 30, 2019 were \$2,877,097 and Total Current Liabilities were \$760,875.

Total revenue, net of platform fees to Apple, Google and Amazon and withholding taxes, for the quarter ended September 30, 2019, increased 55% to \$1,271,028 an increase from revenue of \$818,286, in the second quarter of 2019 and an increase from revenue of \$40,942 for third quarter of 2018. Ad Tech advertising revenue increased to \$1,165,609 for the quarter ended September 30, 2019, an increase from Ad Tech advertising revenue of \$579,052 in the second quarter of 2019. Content revenue decreased to \$105,419 for the quarter ended September 30, 2019 from revenue of \$239,234, in the second quarter of 2019 and an increase from revenue of \$40,942 in the third quarter of 2018. The increase in total revenue compared to the second quarter of fiscal 2019 is due to the strong demand for kid safe advertising generated by the introduction of strong regulations worldwide.

Sales and marketing expenses were \$94,289 for the quarter ended September 30, 2019, a decrease of 1% from selling and marketing expenses of \$95,639 in the second quarter of fiscal 2019 and an increase of 156% over expenses of \$36,787 in the second quarter of fiscal 2018. The increase in sales and marketing expenses in the quarter ended September 30, 2019, compared to the third quarter of fiscal 2018 was due to the change in business focus and the acquisition of Kidoz Ltd. Selling and marketing expenses principally include sales staff and the publishing services and user acquisition costs to acquire players.

General and administrative expenses consist primarily of premises costs for our offices, legal and professional fees, and other general corporate and office expenses. General and administrative expenses decreased to \$134,085 for the quarter ended September 30, 2019, a decrease of 23% from general and administrative expenses of \$174,977 in the second quarter of 2019 and an increase in general and administrative expenses of \$51,200 for the third quarter of fiscal 2018. The decrease in general and administrative expenses compared to the second quarter of fiscal 2019 is due to the completion of reorganization costs incurred with the acquisition of Kidoz Ltd. and the change in name to Kidoz Inc. incurred in the second quarter of fiscal 2019. The increase in general and administrative expenses compared to the third quarter of fiscal 2018 was due to the change in business focus and the acquisition of Kidoz Ltd.

Salaries, wages, consultants, and benefits decreased 5% to \$136,762 for the quarter ended September 30, 2019, compared to salaries, wages, consultants, and benefits of \$144,284 in the second quarter of 2019 and a decrease of 5% compared to salaries, wages, consultants, and benefits of \$143,477 in the third quarter of 2018. This decrease compared to the second quarter of fiscal 2019 and the third of fiscal 2018, is due to lower consulting charges incurred by the Company and the completion of the integration of the two companies.

The Company does not capitalize its development costs. The Company expensed \$270,441 in content and software development costs during the quarter ended September 30, 2019, a decrease of 5% in content and software development costs compared to content and software development costs of \$285,304 expensed during the second quarter of 2019 and an increase of 30% in content and software development costs of \$207,483 expensed during the third quarter of fiscal 2018. The decrease compared to the second quarter of fiscal 2019, is the reduction in the development staff and outsourcing of development.

The net loss after taxation for the quarter ended September 30, 2019, amounted to (\$58,932), a loss of (\$0.00) per share, compared to a net loss of (\$398,296), or (\$0.00) per share in the second quarter of fiscal 2019, and a decrease of net loss of (\$397,176) or (\$0.01) per share in the quarter ending September 30, 2018. This decrease in net loss for the quarter ended September 30, 2019 compared to the second quarter of fiscal 2019 and the third quarter of fiscal 2018 is due to the increase in revenue from an increase in advertising demand, reduced costs incurred in the third quarter of 2019 and the receipt of the British Columbia Interactive Digital Media tax credit of \$97,895.

During the quarter ended September 30, 2019, we used cash of (\$160,306) in operating activities compared to cash used in operating activities of (\$650,438) in the second quarter of fiscal 2019 and compared to cash used of (\$437,850) in the same period in the prior year.

We had cash of \$812,477 and working capital of \$2,108,850 at September 30, 2019. This compares to cash of \$1,049,044 and working capital of \$2,158,890 at June 30, 2019 and cash of \$641,536 and working capital of \$662,573 at December 31, 2018.

For full details of the Company's operations and financial results, please refer to the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov) or the Kidoz Inc. corporate website at <https://investor.kidoz.net> or on the [www.sedar.com](http://www.sedar.com) website.

### **About Kidoz Inc.**

KIDOZ Inc. (TSXV:KIDZ) ([www.kidoz.net](http://www.kidoz.net)) is the Internet of Kids (IoK). Engaging more than 100 million kids a month across our leading mobile KidTech network, KIDOZ provides an essential suite of services that unites kids' brands, content publishers and families. Trusted by Disney, Hasbro, Nintendo, Lego and more, the KIDOZ Safe Ad Network helps the world's largest brands to safely reach and engage kids across thousands of mobile apps and sites. The KIDOZ OS solution helps carriers and brands such as Lenovo, Acer, and PBS Kids bring a kid-focused experience to their family devices, in a fully GDPR and COPPA compliant way. KIDOZ's Rooplay ([www.rooplay.com](http://www.rooplay.com)) offers an interactive learning experience worldwide with original content featuring Garfield, Moomin, Mr. Men, Little Miss, Mr. Bean and hundreds more kid-focused learning games.

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 21, 2019, 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 Kidoz Inc.

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