UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

[X] **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2020

[ ] TRANSITION REPORT UNDER SECTION 13 or 15(d) OF THE EXCHANGE ACT

For the transition period from __________________ to ___________________

Commission File Number: 333-120120-01

KIDOZ INC.

(Exact name of small business issuer as specified in its charter)

ANGUILLA	**98-0206369**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

Hansa Bank Building, Ground Floor, Landsome Road
AI 2640, The Valley, Anguilla, B.W.I

(Address of principal executive offices)

(888) 374-2163

(Issuer's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	KIDZ	Toronto Venture Stock Exchange

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Sections 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company.

Large accelerated filer	[ ]	Accelerated file	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[X]
		Emerging growth company	[ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes [ ] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

APPLICABLE ONLY TO CORPORATE ISSUERS The number of outstanding shares of the Issuer’s common stock, no par value per share, was 131,124,989 as of August 12, 2020.

KIDOZ INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2020

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PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements.

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Consolidated Balance Sheets
(Unaudited)

As at		June 30, 2020		December 31, 2019
Assets				
Current assets:				
Cash	$	1,115,332	$	967,212
Accounts receivable, less allowance for doubtful accounts $53,633 (2019 - $53,708) (Note 4)		1,216,023		2,392,778
Prepaid expenses		77,618		109,914
Total Current Assets		2,408,973		3,469,904
Equipment (Note 5)		22,466		27,182
Goodwill (Note 7)		3,301,439		3,301,439
Intangible assets (Note 6)		2,529,026		2,807,062
Long term cash equivalent		37,206		38,412
Operating lease right-of-use assets (Note 13)		114,621		134,914
Security deposit		7,373		7,727
Total Assets	$	8,421,104	$	9,786,640
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable	$	313,539	$	851,866
Accrued liabilities		271,502		287,698
Accounts payable and accrued liabilities - related party (Note 14)		44,897		112,120
Operating lease liabilities – current portion (Note 13)		25,215		25,715
Total Current Liabilities		655,153		1,277,399
Government CEBA loan (Note 9)		29,321		-
Operating lease liabilities - non current portion (Note 13)		84,222		101,900
Total Liabilities		768,696		1,379,299
Commitments (Note 12)				
Stockholders' Equity (Note 10):				
Common stock, no par value, unlimited shares authorized, 131,124,989 shares issued and outstanding (December 31, 2019 - 131,124,989)		48,945,603		48,935,213
Accumulated deficit		(41,317,775)		(40,552,452)
Accumulated other comprehensive income:				
Foreign currency translation adjustment		24,580		24,580
Total Stockholders' Equity		7,652,408		8,407,341
Total Liabilities and Stockholders' Equity	$	8,421,104	$	9,786,640

See accompanying notes to the consolidated financial statements.

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Consolidated Statements of Operations and Comprehensive Loss
For Periods Ended June 30, 2020 and 2019
(Unaudited)

	Six Months ended June 30, 2020	Six Months ended June 30, 2019	Three Months ended June 30, 2020	Three Months ended June 30, 2019
Revenue:				
Ad tech advertising revenue	$ 1,507,264	$ 809,914	$ 611,709	$ 579,052
Content revenue	213,542	314,328	125,118	239,234
Total revenue	1,720,806	1,124,242	736,827	818,286
Cost of sales:	950,862	752,285	411,058	574,324
Total cost of sales	950,862	752,285	411,058	574,324
Gross profit	769,944	371,957	325,769	243,962
Operating expenses:				
Amortization of operating lease right-of-use assets (Note 13)	28,961	37,503	13,589	24,943
Acquisition of subsidiary (Note 3)	-	190,228	-	(4,835)
Depreciation and amortization (Notes 5 & 6)	282,752	6,559	141,421	4,811
Directors fees	5,000	4,500	2,500	3,500
General and administrative	249,823	280,905	106,568	174,977
Salaries, wages, consultants and benefits	236,852	432,947	100,612	144,284
Selling and marketing	193,099	181,991	77,392	95,639
Stock-based compensation (Note 10)	10,390	9,930	9,849	4,950
Content and software development (Note 8)	525,853	502,258	241,130	260,361
Total operating expenses	1,532,730	1,646,821	693,061	708,630
Loss before other income (expense) and income taxes	(762,786)	(1,274,864)	(367,292)	(464,668)
Other income (expense):				
Foreign exchange (loss) gain	(3,328)	49,446	5,376	65,608
Interest and other income	791	818	517	764
Loss before income taxes	(765,323)	(1,224,600)	(361,399)	(398,296)
Income tax expense	-	-	-	-
Loss after tax	(765,323)	(1,224,600)	(361,399)	(398,296)
Other comprehensive income (loss)	-	-	-	-
Comprehensive loss	$ (765,323)	(1,224,600)	(361,399)	(398,296)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.00)
Weighted average common shares outstanding, basic	131,124,989	111,128,481	131,124,989	131,124,989
Weighted average common shares outstanding, diluted	131,124,989	111,128,481	131,124,989	131,124,989

See accompanying notes to the consolidated financial statements.

KIDOZ INC. and subsidiaries
(Expressed in United States Dollars)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the periods ended June 30, 2020 and 2019
(Unaudited)

	Six-Month period Ended June 30, 2020				
	Common stock			Accumulated Other Comprehensive income	
	Shares	Amount	Accumulated Deficit	Foreign currency translation adjustment	Total Stockholders' Equity
Balance, December 31, 2019	131,124,989	$48,935,213	$ (40,552,452)	$ 24,580	$8,407,341
Stock-based compensation	-	541	-	-	541
Net loss and comprehensive loss	-	-	(403,924)	-	(403,924)
Balance, March 31, 2020	131,124,989	$48,935,754	$ (40,956,376)	$ 24,580	$8,003,958
Stock-based compensation	-	9,849	-	-	9,849
Net loss and comprehensive loss	-	-	(361,399)	-	(361,399)
Balance, June 30, 2020	131,124,989	$48,945,603	$ (41,317,775)	$ 24,580	$7,652,408

	Six-Month period Ended June 30, 2019				
	Common stock			Accumulated Other Comprehensive income	
	Shares	Amount	Accumulated Deficit	Foreign currency translation adjustment	Total Stockholders' Equity
Balance, December 31, 2018	73,674,703	$26,552,468	$ (25,898,220)	$ 24,580	$678,828
Acquisition of subsidiary	52,450,286	20,603,655			20,603,655
Private placement	5,000,000	2,000,000	-	-	2,000,000
Share issuance costs	-	(236,800)	-	-	(236,800)
Stock-based compensation	-	4,980	-	-	4,980
Net loss and comprehensive loss	-	-	(826,304)	-	(826,304)
Balance, March 31, 2019	131,124,989	$48,924,303	$ (26,724,524)	$ 24,580	$22,224,359
Stock-based compensation	-	4,950	-	-	4,950
Net loss and comprehensive loss	-	-	(398,296)	-	(398,296)
Balance, June 30, 2019	131,124,989	$48,929,253	$ (27,122,820)	$ 24,580	$21,831,013

See accompanying notes to the consolidated financial statements.

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Consolidated Statements of Cash Flows
For the six month periods ended June 30, 2020 and 2019
(Unaudited)

		2020		2019
Cash flows from operating activities:				
Net loss	$	(765,323)	$	(1,224,600)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization		282,752		6,559
Amortization of operating lease right-of-use assets		28,961		37,503
Stock-based compensation		10,390		9,930
Changes in operating assets and liabilities:				
Accounts receivable		1,176,755		(83,067)
Prepaid expenses		32,296		(13,861)
Accounts payable and accrued liabilities		(621,746)		78,838
Net cash provided by (used in) operating activities		144,085		(1,188,698)
Cash flows from investing activities:				
Acquisition of equipment		-		(27,007)
Acquisition of subsidiary		-		183,264
Long-term cash equivalent		1,206		-
Payments on right-of-use assets		(8,668)		(28,388)
Security deposits		354		(7,685)
Net cash (used in) provided by investing activities		(7,108)		120,184
Cash flows from financing activities:				
Government CEBA loan		29,321		-
Private placement, net		-		1,763,200
Payments on operating lease liabilities		(18,178)		(9,115)
Repayment of short-term loan		-		(278,063)
Net cash generated by financing activities		11,143		1,476,022
Change in cash		148,120		407,508
Cash, beginning of period		967,212		641,536
Cash, end of period	$	1,115,332	$	1,049,044
Supplementary information:				
Interest paid	$	-	$	(1,363)
Income taxes recovery	$	-	$	-
			$	
Non-cash investing activity - operating lease right-of-use assets	$	-	$	(158,181)
Non-cash investing activity - operating lease liabilities	$	-	$	158,181

See accompanying notes to the consolidated financial statements.

1. Basis of Presentation:

The accompanying unaudited financial statements have been prepared by Kidoz Inc. (“the Company”) in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) applicable to interim financial information and with the rules and regulations of the United States Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed, or omitted, pursuant to such rules and regulations. In the opinion of management, the unaudited interim consolidated financial statements include all adjustments necessary for the fair presentation of the results of the interim periods presented. All adjustments are of a normal recurring nature, except as otherwise noted below. These unaudited interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto for the year ended December 31, 2019, included in the Company’s Annual Report on Form 10-K, filed April 22, 2020, with the Securities and Exchange Commission. The results of operations for the interim periods are not necessarily indicative of the results of operations for any other interim period or for a full fiscal year.

Continuing operations

These unaudited interim consolidated financial statements have been prepared on the going concern basis, which presumes the realization of assets and the settlement of liabilities in the normal course of operations. The application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continued operations, or, in the absence of adequate cash flows from operations, obtaining additional financing. The Company has reported losses from operations for the quarters ended June 30, 2020 and 2019 and has an accumulated deficit of $41,317,775 as at June 30, 2020. These material uncertainties raise substantial doubt about the Company’s ability to continue as a going concern.

In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts and settlement of the liability amounts shown in the accompanying balance sheets is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Management continues to review operations in order to identify additional strategies designed to generate cash flow, improve the Company’s financial position, and enable the timely discharge of the Company’s obligations. If management is unable to identify sources of additional cash flow in the short term, it may be required to further reduce or limit operations.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, has led to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company’s. In early March 2020, the Company employees commenced working from home and commenced social distancing. This outbreak has decreased spending, adversely affecting demand for the Company’s product and has harmed the Company’s business and results of operations. It is not possible for

(Expressed in United States Dollars)

1. Basis of Presentation: (Continued)

the Company to predict the duration or magnitude of the adverse results of the outbreak and at this time its full effects on the Company's business, its future results of operations or ability to raise funds.

2. Summary of significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") applicable to annual financial information and with the rules and regulations of the United States Securities and Exchange Commission. The financial statements include the accounts of the Company's subsidiaries:

Company	Registered	% Owned
Shoal Media (Canada) Inc.	British Columbia, Canada	100%
Coral Reef Marketing Inc.	Anguilla	100%
Kidoz Ltd.	Israel	100%
Rooplay Media Ltd.	British Columbia, Canada	100%
Rooplay Media Kenya Limited	Kenya	100%
Shoal Media Inc.	Anguilla	100%
Shoal Games (UK) Plc	United Kingdom	99%
Shoal Media (UK) Ltd.	United Kingdom	100%

In addition, there are the following dormant subsidiaries; Bingo.com (Antigua) Inc., Bingo.com (Wyoming) Inc., and Bingo Acquisition Corp.

During the quarter ended March 31, 2019, the Company acquired Kidoz Ltd. a company incorporated under the laws of Israel. (Note 3)

All inter-company balances and transactions have been eliminated in the consolidated financial statements.

(b) Use of estimates:

The preparation of consolidated financial statements in conformity with US GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and recognized revenues and expenses for the reporting periods.

Significant areas requiring the use of estimates include the collectability of accounts receivable, stock-based compensation, the valuation of deferred tax assets, the valuation of the acquisition of Kidoz Ltd. and the associated intangible assets, the useful lives of intangible assets, the

2. Summary of significant accounting policies (Continued):

(b) Use of estimates: (Continued)

determination of the fair value of goodwill after impairment, and the estimated interest rate of 12% for the license right-of-use assets and 4.12% - 5% for the rental units right-of-use asset. Actual results may differ significantly from these estimates.

(c) Revenue recognition:

In accordance with ASC 606, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of promised services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these services.

We derive substantially all of our revenue from the sale of Ad tech advertising revenue.

To achieve this core principle, the Company applied the following five steps:

1) Identify the contract with a customer

A contract with a customer exists when (i) the Company enters into an enforceable contract with a customer that defines each party's rights regarding the services to be transferred, whose impression count will form the basis of the revenue and identifies the payment terms related to these services, (ii) the contract has commercial substance and, (iii) the Company determines that collection of substantially all consideration for services that are transferred is probable based on the customer's intent and ability to pay the promised consideration. The Company applies judgment in determining the customer's ability and intention to pay, which is based on a variety of factors including the customer's historical payment experience or, in the case of a new customer, published credit and financial information pertaining to the customer.

2) Identify the performance obligations in the contract

Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from the Company, and are distinct in the context of the contract, whereby the transfer of the services is separately identifiable from other promises in the contract. To the extent a contract includes multiple promised services, the Company must apply judgment to determine whether promised services are capable of being distinct and distinct in the context of the contract. If these criteria are not met the promised services are accounted for as a combined performance obligation.

3) Determine the transaction price

The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring services to the customer. None of the Company's contracts

2. Summary of significant accounting policies (Continued):

(c) Revenue recognition: (Continued)

contain financing or variable consideration components.

4) Allocate the transaction price to performance obligations in the contract

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price basis. The Company determines standalone selling price based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, the Company estimates the standalone selling price taking into account available information such as market conditions and internally approved pricing guidelines related to the performance obligations.

5) Recognize revenue when or as the Company satisfies a performance obligation

The Company satisfies performance obligations at a point in time as discussed in further detail under "Disaggregation of Revenue" below. Revenue is recognized at the time the related performance obligation is satisfied by transferring a promised service to a customer.

Disaggregation of Revenue

All of the Company's performance obligations, and associated revenue, are generally transferred to customers at a point in time. The Company has the following revenue streams:

1) Ad tech advertising revenue - The Company generally offers these services under a customer contract Cost-per-Impression (CPM), Cost-Per-Install or CPI arrangements, Cost per completed video view or CPC and/or Cost-Per-Action or CPA arrangements with third-party advertisers and developers, as well as advertising aggregators, generally in the form of insertion orders that specify the type of arrangement (as detailed above) at particular set budget amounts/restraints. These advertiser customer contracts are generally short term in nature at less than one year as the budget amounts are typically spent in full within this time period. These agreements typically include the delivery of Ad tech advertising through partner networks, defined as publishers / developers, to home screens of devices and agree on whose results will be relied on from a revenue point of view.

The Company has concluded that the delivery of the Ad tech advertising is delivered at a point in time and, as such, has concluded these deliveries are a single performance obligation. The Company invoices fees which are generally variable based on the arrangement, which would typically include the number of impressions delivered at a specified price per application. For impressions delivered, revenue is recognized in the month in which the Company delivers the application to the end consumer.

2. Summary of significant accounting policies (Continued):

(c) Revenue recognition: (Continued)

2) Content revenue – The Company recognizes content revenue on the following forms of revenue:

a) Carriers and OEMs - The Company generally offers these services under a customer contract per tablet device license fee model with OEMs. Monthly or quarterly license fees are based on the OEM agreement with the number of devices the Kidoz Kid Mode is installed upon.

b) Rooplay - The Company generates revenue through subscriptions or premium sales of Rooplay, (www.rooplay.com) the cloud-based EduGame system for kids to learn and play within its games on smartphones and tablet devices, such as Apple's iPhone and iPad, and mobile devices utilizing Google's Android operating system. Users can download the Company's games through digital storefronts and decide to subscribe to the multiple of educational and fun games in the Rooplay, cloud-based EduGame system or make a premium per purchase of particular games. The revenue is recognized net of platform fees.

c) Rooplay licensing - The Company licenses its branded educational games under a monthly cost per game agreement license fee model. Monthly license fees are based on the number of games licensed.

d) Trophy Bingo and Garfield Bingo - The Company generates revenue through in-application purchases ("in-app purchases") within its games; Garfield's Bingo (www.garfieldsbingo.com) and Trophy Bingo (www.trophybingo.com) on smartphones and tablet devices, such as Apple's iPhone and iPad, and mobile devices utilizing Google's Android operating system. Users can download the Company's free-to-play games through Facebook Messenger, Android, Amazon and iOS and pay to acquire virtual currency which can be redeemed in the game for power plays. The initial download of the mobile game from the digital storefront does not create a contract under ASC 606 because of the lack of commercial substance; however, the separate election by the player to make an in-application purchase satisfies the criterion thus creating a contract under ASC 606.

The Company has identified the following performance obligations in these contracts:

i. Ongoing game related services such as hosting of game play, storage of customer content, when and if available content updates, maintaining the virtual currency management engine, tracking gameplay statistics, matchmaking as it relates to multiple player gameplay, etc.

ii. Obligation to the paying player to continue displaying and providing access to the virtual items within the game.

Neither of these obligations are considered distinct since the actual mobile game and the related ongoing services are both required to purchase and benefit from the related virtual items. As such, the Company's performance obligations represent a single combined performance obligation which is to make the game and the ongoing game related services available to the players. The revenue is

2. Summary of significant accounting policies (Continued):

(c) Revenue recognition: (Continued)

recognized net of platform fees.

The Company also has relationships with certain advertising service providers for advertisements within smartphone games and revenue from these advertising providers is generated through impressions, clickthroughs, banner ads, and offers. Offers are the type of advertisements where the players are rewarded with virtual currency for completing specified actions, such as downloading another application, watching a short video, subscribing to a service or completing a survey. The Company has determined the advertising buyer to be its customer and displaying the advertisements within the mobile games is identified as the single performance obligation. Revenue from advertisements and offers are recognized at the point-in-time the advertisements are displayed in the game or the offer has been completed by the user as the customer simultaneously receives and consumes the benefits provided from these services.

(d) Foreign currency:

The consolidated financial statements are presented in United States dollars, the functional currency of the Company and its subsidiaries. The Company accounts for foreign currency transactions and translation of foreign currency financial statements under Statement ASC 830, Foreign Currency Matters. Transaction amounts denominated in foreign currencies are translated at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities are adjusted at each balance sheet date to reflect the exchange rate at that date. Non-monetary assets and liabilities are translated at the exchange rate on the original transaction date.

Gains and losses from restatement of foreign currency monetary and non-monetary assets and liabilities are included in operations. Revenues and expenses are translated at the rates of exchange prevailing on the dates such items are recognized in earnings.

(e) Software Development Costs:

Software development costs incurred in the research and development of new software products and enhancements to existing software products for external use are expensed as incurred until technological feasibility has been established. After technological feasibility is established, any software development costs are capitalized and amortized at the greater of the straight-line basis over the estimated economic life of the related product or the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for the related product.

If a determination is made that capitalized amounts are not recoverable based on the estimated cash flows to be generated from the applicable software, any remaining capitalized amounts are written off. Although the Company believes that its approach to estimates and judgments as described herein is reasonable, actual results could differ and the Company may be exposed to increases or decreases in revenue that could be material. As at December 31, 2019 and 2018, all capitalized software development costs have been fully amortized and the Company has no capitalized

(Expressed in United States Dollars)

2. Summary of significant accounting policies (Continued):

(e) Software Development Costs: (Continued)

software development costs. As at June 30, 2020 and December 31, 2019, all capitalized software development costs have been fully amortized and the Company has no capitalized software development costs.

Total software development costs were $8,256,704 as at June 30, 2020 (December 31, 2019 - $7,730,851).

(f) Equipment:

Equipment is recorded at cost less accumulated depreciation. Depreciation is provided for annually on the declining balance method over the following periods:

Equipment and computers	33.3%
Furniture and fixtures	20.0%

Expenditures for maintenance and repairs are charged to expenses as incurred. Major improvements are capitalized. Gains and losses on disposition of equipment are included in operations as realized.

In accordance with ASU No. 2016-02 "Leases (Topic 842), leasehold improvements are accounted as a prepayment of rental payments since they are deemed to be an asset of the lessor.

(g) Right of use assets:

The Company determines if an agreement is a lease at inception. The Company evaluates the lease terms to determine whether the lease will be accounted for as an operating or finance lease. Operating leases are included in operating lease right-of-use ("ROU") assets, operating lease liabilities, current portion, and operating lease liabilities, net of current portion in the consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease.

Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company leases do not provide an implicit rate, the Company uses the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

A lease that transfers substantially all of the benefits and risks incidental to ownership of property are accounted for as finance leases. At the inception of a finance lease, an asset and finance lease obligation is recorded at an amount equal to the lesser of the present value of the minimum lease

2. Summary of significant accounting policies (Continued):

(g) Right of use assets: (Continued)

payments and the property's fair market value. Finance lease obligations are classified as either current or long-term based on the due dates of future minimum lease payments, net of interest.

(h) Business Combinations:

When the Company acquires a business, the purchase consideration is allocated to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated respective fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require the Company to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired users, acquired technology, and trade names from a market participant perspective, useful lives and discount rates. The Company's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to non-operating income (expense) in the consolidated statements of operations and comprehensive loss.

(i) Impairment of long-lived assets and long-lived assets to be disposed of:

The Company accounts for long-lived assets in accordance with the provisions of ASC 360, Property, Plant and Equipment and ASC 350, Intangibles-Goodwill and Others. During the periods presented, the only long-lived assets reported on the Company's consolidated balance sheet are equipment, and security deposits. These provisions require that long-lived assets and certain identifiable recorded intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset.

If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount and the fair value less costs to sell.

The Company identified the following intangible assets in the acquisition of Kidoz Ltd. (Note 3). Intangible assets are recorded at cost less accumulated amortization. Amortization is provided for annually on the straight-line method over the following periods:

	Amortization period
Ad Tech technology	5 years
Kidoz OS technology	3 years
Customer relationship	8 years

2. Summary of significant accounting policies (Continued):

(j) Goodwill :

The Company accounts for goodwill in accordance with the provisions of ASC 350, Intangibles-Goodwill and Others. Goodwill is the excess of the purchase price over the fair value of identifiable assets acquired, less liabilities assumed, in a business combination. The Company reviews goodwill for impairment. Goodwill is not amortized but is evaluated on a qualitative or a quantitative assessment, for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The goodwill impairment test is used to identify both the existence of impairment and the amount of impairment loss, and compares the fair value of a reporting unit with its carrying amount and is based on discounted future cash flows, and a market approach, based on market multiples applied to free cash flow. The determination of the fair value of our reporting units requires management to make significant estimates and assumptions including the selection of control premiums, discount rates, terminal growth rates, forecasts of revenue and expense growth rates, income tax rates, changes in working capital, depreciation, amortization and capital expenditures. Changes in assumptions concerning future financial results, exogenous market conditions, or other underlying assumptions could have a significant impact on either the fair value of the reporting unit or the amount of the goodwill impairment charge. If the carrying value of the reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

(k) New accounting pronouncements and changes in accounting policy:

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". The accounting standard changes the methodology for measuring credit losses on financial instruments and the timing when such losses are recorded. ASU No. 2016-13 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2019. Early adoption is permitted for fiscal years, and interim periods within those years, beginning after December 15, 2018. In November 2018, the FASB issued ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments - Credit Losses ("ASU 2018-19") . ASU 2018-19 clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842, Leases. In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, which replaces the "incurred loss" impairment methodology with an approach based on "expected losses" to estimate credit losses on certain types of financial instruments and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates.

2. Summary of significant accounting policies (Continued):

(k) New accounting pronouncements and changes in accounting policy: (Continued)

The guidance requires financial assets measured at amortized cost to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset. The Update also modified the accounting for available-for-sale ("AFS") debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments - Credit Losses - Available-for-Sale Debt Securities. Credit losses relating to AFS debt securities will be recorded through an allowance for credit losses.

The codification improvements in ASU 2019-04 clarify that an entity should include recoveries when estimating the allowance for credit losses. The amendments specify that expected recoveries of amounts previously written off and expected to be written off should be included in the valuation account and should not exceed the aggregate of amounts previously written off and expected to be written off by the entity. In addition, for collateral dependent financial assets, the amendments clarify that an allowance for credit losses that is added to the amortized cost basis of the financial asset(s) should not exceed amounts previously written off. The amendment also clarifies FASB's intent to include all reinsurance recoverables that are within the scope of Topic 944 to be within the scope of Subtopic 326-20, regardless of the measurement basis of those recoverables. The Company adopted ASU 2016-13 as of January 1, 2020 and ASU 2016-13 has not had a material impact on the consolidated financial position or results of operations.

In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment, which eliminates Step 2 from the goodwill impairment test. The annual, or interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. In addition, income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit should be considered when measuring the goodwill impairment loss, if applicable.

The amendments also eliminate the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. This guidance is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted. ASU 2017-04 should be adopted on a prospective basis. The Company adopted ASU 2017-04 as of January 1, 2020 and ASU 2017-04 has not had a material impact on the consolidated financial position or results of operations.

2. Summary of significant accounting policies (Continued):

(k) New accounting pronouncements and changes in accounting policy: (Continued)

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurement: Disclosure Framework (Topic 840) - Changes to the Disclosure Requirements for Fair Value Measurement", which will improve the effectiveness of disclosure requirements for recurring and nonrecurring Level 1, Level 2 and Level 3 instruments in the fair value measurements. The standard removes, modifies, and adds certain disclosure requirements, and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted ASU 2018-13 as of January 1, 2020 and ASU 2018-13 has not had a material impact on the consolidated financial position or results of operations and liquidity.

In August 2018, the FASB issued ASU No. 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which requires implementation costs in a hosting arrangement that is a service contract to be capitalized consistent with the rules in ASC 350-40, Intangibles—Goodwill and Other—Internal-Use Software. This aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). Costs incurred during the application development stage are to be capitalized and expensed according to their nature, while costs incurred during the preliminary project and post-implementation stages are to be expensed. This ASU also contains guidance with regard to the amortization period, impairment and presentation within the financial statements. The ASU is required to be adopted by the Company during 2020, however early adoption is allowed in an interim period before then and may be applied retrospectively or prospectively to applicable costs on the Company's consolidated financial statements. The Company adopted ASU 2018-15 as of January 1, 2020 and ASU 2018-15 has not had a material impact on the consolidated financial position or results of operations and liquidity.

In March 2019, the FASB issued ASU No. 2019-01, Leases (Topic 842) ("ASU 2019-01"), Codification Improvements , which aligned the new leases guidance with existing guidance for fair value of the underlying asset by lessors that are not manufacturers or dealers. As a result, the fair value of the underlying asset at lease commencement is its cost, reflecting any volume or trade discounts that may apply. However, if there has been a significant lapse of time between when the underlying asset is acquired and when the lease commences, the definition of fair value (in ASC 820, Fair Value Measurement) should be applied. More importantly, the ASU also exempts both lessees and lessors from having to provide certain interim disclosures in the fiscal year in which a company adopts the new leases standard. This standard is effective for fiscal years beginning after December 15, 2019. Early adoption is allowed. The Company adopted ASU 2019-01 as of January 1, 2020 and ASU 2019-01 has not had a material impact on the consolidated financial

2. Summary of significant accounting policies (Continued):

(k) New accounting pronouncements and changes in accounting policy: (Continued)

position or results of operations and liquidity.

In May 2019, the FASB issued ASU 2019-05, Financial Instruments - Credit Losses (Topic 326) ("ASU 2019-05"). ASU 2019-05 provides entities that have certain instruments within the scope of Subtopic 326-20, Financial Instruments - Credit Losses - Measured at Amortized Cost, with an option to irrevocably elect the fair value option in Subtopic 825-10, Financial Instruments - Overall, applied on an instrument-by-instrument basis for eligible instruments. ASU 2019-05 is effective for the Company's financial statements for annual and interim periods beginning on or after December 15, 2019. In November 2019, FASB issued ASU 2019 -10 Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and leases (Topic 842). ASU 2019 -10 extended the effectiveness of Topic 326 for smaller reporting companies until fiscal years beginning after December 31, 2020. Early adoption is permitted. The Company adopted ASU 2019-05 as of January 1, 2020 and ASU 2019-05 has not had a material impact on the consolidated financial position or results of operations and liquidity.

In November 2019, the FASB issued ASU 2019-11, "Codification Improvements to Topic 326, Financial Instruments – Credit Losses." This ASU addresses issues raised by stakeholders during the implementation of ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." Among other narrow-scope improvements, the new ASU clarifies guidance around how to report expected recoveries. "Expected recoveries" describes a situation in which an organization recognizes a full or partial write-off of the amortized cost basis of a financial asset, but then later determines that the amount written off, or a portion of that amount, will in fact be recovered. While applying the credit losses standard, stakeholders questioned whether expected recoveries were permitted on assets that had already shown credit deterioration at the time of purchase (also known as PCD assets). In response to this question, the ASU permits organizations to record expected recoveries on PCD assets.

In addition to other narrow technical improvements, the ASU also reinforces existing guidance that prohibits organizations from recording negative allowances for available-for-sale debt securities. The ASU includes effective dates and transition requirements that vary depending on whether or not an entity has already adopted ASU 2016-13. The Company adopted ASU 2019-11 as of January 1, 2020 and ASU 2019-11 has not had a material impact on the consolidated financial position or results of operations and liquidity.

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes". The ASU is expected to reduce cost and complexity related to the accounting for income taxes by removing specific exceptions to general principles in Topic 740 (eliminating the need for an organization to analyze whether certain exceptions apply in a given

2. Summary of significant accounting policies (Continued):

(k) New accounting pronouncements and changes in accounting policy: (Continued)

period) and improving financial statement preparers' application of certain income tax-related guidance. This ASU is part of the FASB's simplification initiative to make narrow-scope simplifications and improvements to accounting standards through a series of short-term projects. This new guidance includes several provisions to simplify the accounting for income taxes. The standard removes certain exceptions for recognizing deferred taxes for investments, performing intraperiod allocation, and calculating income taxes in interim periods. This standard is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Early adoption of this standard is permitted. The Company does not expect the adoption of this guidance will have a material impact on the Company's financial position, results of operations and liquidity.

In January 2020, the FASB issued ASU 2020-01, "Investments – Equity Securities (Topic 321), Investments – Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815." The ASU is based on a consensus of the Emerging Issues Task Force and is expected to increase comparability in accounting for these transactions. ASU 2016-01 made targeted improvements to accounting for financial instruments, including providing an entity the ability to measure certain equity securities without a readily determinable fair value at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Among other topics, the amendments clarify that an entity should consider observable transactions that require it to either apply or discontinue the equity method of accounting. For public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Early adoption is permitted. The Company does not expect the adoption of this guidance will have a material impact on the Company's financial position, results of operations and liquidity.

Effective November 25, 2019, the SEC adopted Staff Accounting Bulletin (SAB) 119. SAB 119 updated portions of SEC interpretative guidance to align with FASB ASC 326, "Financial Instruments – Credit Losses." It covers topics including (1) measuring current expected credit losses; (2) development, governance, and documentation of a systematic methodology; (3) documenting the results of a systematic methodology; and (4) validating a systematic methodology.

There have been no other recent accounting standards, or changes in accounting standards, during the period ended June 30, 2020, as compared to the recent accounting standards described in the Annual Report, that are of material significance, or have potential material significance, to us.

2. Summary of significant accounting policies (Continued):

(l) Financial instruments and fair value measurements:

(i) Fair values:

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on measurement date. The Company classifies assets and liabilities recorded at fair value under the fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. The fair value measurements are classified under the following hierarchy:

Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets and liabilities in active markets;

Level 2—Observable inputs, other than quoted market prices, that are either directly or indirectly observable in the marketplace for identical or similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities; and

Level 3—Unobservable inputs that are supported by little or no market activity that are significant to the fair value of assets or liabilities.

When available, we use quoted market prices to determine fair value, and we classify such measurements within Level 1. In some cases where market prices are not available, we make use of observable market based inputs to calculate fair value, in which case the measurements are classified within Level 2. If quoted or observable market prices are not available, fair value is based upon valuations in which one or more significant inputs are unobservable, including internally developed models that use, where possible, current market-based parameters such as interest rates, yield curves and currency rates. These measurements are classified within Level 3.

Fair value measurements are classified according to the lowest level input or value-driver that is significant to the valuation. A measurement may therefore be classified within Level 3 even though there may be significant inputs that are readily observable.

Fair value measurement includes the consideration of nonperformance risk. Nonperformance risk refers to the risk that an obligation (either by a counterparty) will not be fulfilled. For financial assets traded in an active market (Level 1 and certain Level 2), the nonperformance risk is included in the market price. For certain other financial assets and liabilities (certain Level 2 and Level 3), our fair value calculations have been adjusted accordingly.

The fair value of accounts receivable, accounts payable, accrued liabilities, and accounts payable and accrued liabilities - related party approximate their financial statement carrying

2. Summary of significant accounting policies (Continued):

(l) Financial instruments and fair value measurements: (Continued)

amounts due to the short-term maturities of these instruments and are therefore carried at historical cost basis. The government CEBA loan is classified as a financial liability and its fair value was determined using the effective interest rate method, and is carried at amortised cost.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income.

Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and included situations where there is little, if any, market activity for the asset. The Company's cash and long-term cash equivalents were measured using Level 1 inputs. Stock-based compensation was measured using Level 2 inputs. Goodwill impairment was measured using Level 3 inputs.

(ii) Foreign currency risk:

The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. The Company has not entered into any forward exchange contracts or other derivative instrument to hedge against foreign exchange risk.

3. Acquisition of Kidoz Ltd. :

During the quarter ended March 31, 2019, the Company issued 52,450,286 shares for total consideration of $20,603,655 in the acquisition of all the issued and outstanding ordinary and preferred shares in the capital stock of Kidoz Ltd., a company incorporated under the laws of the State of Israel. Kidoz Ltd. is a global kids' content distribution and monetization marketplace. The Company paid a commission of $130,000 and incurred transaction costs of $60,228. The acquisition closed with the effective date of acquisition being February 28, 2019.

The acquisition enables the global reach of Kidoz Ltd.'s content network to be combined with the Company's Rooplay subscription OTT platform.

This acquisition is accounted for as a business combination. On acquisition of Kidoz Ltd., the Company allocated the purchase price to the fair value of the net assets acquired.

(Expressed in United States Dollars)

3. Acquisition of Kidoz Ltd. : (Continued)

The Company has estimated the following assets and liabilities were acquired with the acquisition of Kidoz Ltd.

Cash	$	183,264
Accounts receivable		1,417,546
Prepaid expenses		35,179
Equipment		14,873
Accounts payable and accrued liabilities		(466,219)
Short term loan		(278,063)
Deferred tax liability		(752,205)
Intangible assets		3,270,456
Goodwill		17,178,824
	$	20,603,655

4. Accounts Receivable:

The accounts receivable as at June 30, 2020, is summarized as follows:

		June 30, 2020		December 31, 2019
Accounts receivable	$	1,269,656	$	2,446,486
Expected credit losses		(53,633)		(53,708)
Net accounts receivable	$	1,216,023	$	2,392,778

The Company had bank accounts with the National Bank of Anguilla. During the year ended December 31, 2016, the National Bank of Anguilla filed for chapter 11 protection. The Company expensed the balance on account of $27,666 in fiscal 2016 as a doubtful debt. Additionally, the Company has a doubtful debt provision of $25,967 for existing accounts receivable.

5. Equipment

June 30, 2020		Cost		Accumulated depreciation		Net book Value
Equipment and computers	$	143,333	$	127,073	$	16,260
Furniture and fixtures		14,787		8,581		6,206
	$	158,120	$	135,654	$	22,466

December 31, 2019		Cost		Accumulated depreciation		Net book Value
Equipment and computers	$	143,333	$	123,123	$	20,210
Furniture and fixtures		14,787		7,815		6,972
	$	158,120	$	130,938	$	27,182

Depreciation expense was $2,403 (June 30, 2019 - $4,811) for the quarter ended June 30, 2020.

(Expressed in United States Dollars)

6. Intangible assets

June 30, 2020		Cost		Accumulated depreciation		Net book Value
Ad Tech technology	$	1,877,415	$	500,644	$	1,376,771
Kidoz OS technology		31,006		13,780		17,226
Customer relationship		1,362,035		227,006		1,135,029
	$	3,270,456	$	741,430	$	2,529,026

December 31, 2019		Cost		Accumulated amortization		Net book Value
Ad Tech technology	$	1,877,415	$	312,902	$	1,564,513
Kidoz OS technology		31,006		8,613		22,393
Customer relationship		1,362,035		141,879		1,220,156
	$	3,270,456	$	463,394	$	2,807,062

Amortization expense was $139,018 (June 30, 2019 - $nil) for the quarter ended June 30, 2020.

7. Goodwill

The changes in the carrying amount of goodwill for the periods ended June 30, 2020, and 2019 were as follows:

		June 30, 2020		December 31, 2019
Goodwill, balance at beginning of period	$	3,301,439	$	-
Acquisition of Kidoz Ltd. (Note 3)		-		17,178,824
Impairment of goodwill		-		(13,877,385)
Goodwill, balance at end of period	$	3,301,439	$	3,301,439

The Company's annual goodwill impairment analysis performed during the fourth quarter of fiscal 2019 included a quantitative analysis of Kidoz Ltd. reporting unit. The Company classified these fair value measurements as Level 3. The Company performed a discounted cash flow analysis and market multiple analysis for Kidoz Ltd. These discounted cash flow models included management assumptions for expected sales growth, margin expansion, operational leverage, capital expenditures, and overall operational forecasts. The market multiple analysis included historical and projected performance, market capitalization, volatility, and multiples for industry peers and exogenous current market conditions. These analyses led to the conclusion that the fair value of these reporting units was less than their carrying values by an amount that exceeded the carrying value of goodwill. Accordingly, during the year ended December 31, 2019, the Company recognized impairment of $13,877,385 to the carrying value of the goodwill.

8. Content and software development assets:

Since the year ended December 31, 2014, the Company has been developing software technology and content for our websites. This software technology and content includes the development of Trophy Bingo, a social bingo game, the license and development of Garfield Bingo, a social bingo game, the development of the Rooplay platform and the development of the Rooplay Originals games and the continued development of the Kidoz OS/SDK.

(Expressed in United States Dollars)

8. Content and software development assets: (Continued)

During the period ended June 30, 2020, the Company has expensed the development costs of all its technology as incurred and has expensed the following software development costs.

		Six Months ended June 30, 2020		Six Months ended June 30, 2019		Three Months ended June 30, 2020		Three Months ended June 30, 2019
Opening total software development costs	$	7,730,851	$	6,716,810	$	8,015,574	$	6,958,707
Software development during the period		525,853		502,258		241,130		260,361
Closing total Software development costs	$	8,256,704	$	7,219,068	$	8,256,704	$	7,219,068

9. Government CEBA loan

During the quarter ended June 30, 2020, the Company was granted a loan of $29,321 (CAD$40,000) under the Canada Emergency Business Account (CEBA) loan program for small businesses. The CEBA loan program is one of the many incentives the Canadian Government put in place in response to COVID-19. The loan is interest free and a quarter of the loan $7,330 (CAD$10,000) is eligible for complete forgiveness if $21,991 (CAD$30,000) is fully repaid on or before December 31, 2022. If the loan cannot be repaid by December 31, 2022, it can be converted into a 3-year term loan charging an interest rate of 5%.

10. Stockholders' Equity:

The holders of common stock are entitled to one vote for each share held. There are no restrictions that limit the Company's ability to pay dividends on its common stock. The Company has not declared any dividends since incorporation. The Company's common stock has no par value per common stock.

(a) Common stock issuances:

There have not been any shares issued during the quarter ended June 30, 2020.

During the period ended March 31, 2019, the Company closed a TSX Venture Exchange approved private placement financing totaling $2,000,000. The private placement consisted of 5,000,000 common shares priced at $0.40 per share. Pursuant to the private placement the Company paid a commission of $200,000 and incurred share issuance expense of $36,800.

During the period ended March 31, 2019, the Company issued 52,450,286 shares for total consideration of $20,603,655 in the acquisition of all the issued and outstanding ordinary and preferred shares in the capital stock of Kidoz Ltd., a company incorporated under the laws of the State of Israel. (Note 3)

(b) Stock option plans:

2015 stock option plan

In the year ended December 31, 2015, the shareholders approved the 2015 stock option plan and the 1999, 2001 and the 2005 plans were discontinued. The 2015 stock option plan is intended to provide incentive to employees, directors, advisors and consultants of the Company to encourage proprietary interest in the Company, to encourage such employees to remain in the employ of the Company or such directors, advisors

(Expressed in United States Dollars)

10. Stockholders' Equity: (Continued)

(b) Stock option plans: (Continued)

and consultants to remain in the service of the Company, and to attract new employees, directors, advisors and consultants with outstanding qualifications. The maximum number of shares issuable under the Plan shall not exceed 10% of the number of Shares of the Company issued and outstanding as of each Award Date unless shareholder approval is obtained in advance. The Board of Directors determines the terms of the options granted, including the number of options granted, the exercise price and their vesting schedule. The maximum term possible is 10 years. Under the amended 2015 plan we have reserved 10% of the number of Shares of the Company issued and outstanding as of each Award Date.

During the quarter ended June 30, 2020, the Company granted 2,745,000 options at CAD$0.45 ($0.33). As at June 30, 2020, there were a total of 5,875,750 stock options (December 31, 2019 – 3,200,750) outstanding. Of the options outstanding at June 30, 2020, a total of 3,120,450 (December 31, 2019 - 3,065,000) were fully vested and a total of 2,755,300 (December 31, 2019 – 135,750) were issued with vesting over the period of the option.

	Number of options		Weighted average exercise price
Outstanding, December 31, 2019	3,200,750	$	0.45
Granted	2,745,000		-
Exercised	-		-
Cancelled	(70,000)		(0.42)
Outstanding June 30, 2020	5,875,750	$	0.45

The aggregate intrinsic value for options as of June 30, 2020 was $nil (December 31, 2019 - $nil).

The following table summarizes information concerning outstanding and exercisable stock options at June 30, 2020:

Exercise prices per share	Number outstanding	Number exercisable	Expiry date
$ 0.33	2,745,000	60,000	June 30, 2025
0.42	620,000	620,000	December 20, 2021
0.42	522,750	452,450	November 8, 2022
0.42	713,000	713,000	June 4, 2023
0.50	1,275,000	1,275,000	June 4, 2023
	5,875,750	3,120,450	

During the quarter ended June 30, 2020, the Company recorded stock-based compensation of $9,849 on the options granted and vested (June 30, 2019 – $4,950) and as per the Black-Scholes option-pricing model, with a weighted average fair value per option of $0.26 (2019 - $0.29).

During the six months ended June 30, 2020, the Company recorded stock-based compensation of $10,390 on the options granted and vested (June 30, 2019 – $9,930).

(Expressed in United States Dollars)

11. Fair value measurement

The following table sets forth the fair value of the Company's financial assets and liabilities measured at fair value on a recurring basis based on the three-tier fair value hierarchy.

	Level 1	Level 2	Level 3	Total
As at June 30, 2020				
Assets				
Cash	$1,115,332	$-	$-	$1,115,332
Long term cash equivalent	37,206	-	-	37,206
Total assets measured and recorded at fair value	$1,152,538	$-	$-	$1,152,538

	Level 1	Level 2	Level 3	Total
As at December 31, 2019				
Assets				
Cash	$967,212	$-	$-	$967,212
Long term cash equivalent	38,412	-	-	38,412
Total assets measured and recorded at fair value	$1,005,624	$-	$-	$1,005,624

12. Commitments:

The Company leases office facilities in Vancouver, British Columbia, Canada, The Valley, Anguilla, British West Indies and Netanya, Israel. These office facilities are leased under operating lease agreements.

During the quarter ended March 31, 2019, the Company signed a five year lease for a facility in Vancouver, Canada, commencing April 1, 2019 and ending March 2024. This facility comprises approximately 1,459 square feet. The Company accounts for the lease in accordance with ASU 2016-02 (Topic 842) and has recognized a right-of-use asset and operating lease liability.

The Netanya, Israel operating lease expired on July 14, 2017 but unless 3 month's notice is given it automatically renews for a future 12 months until notice is given. During the year ended December 31, 2019, the lease was extended for a further 12 months. This facility comprises approximately 190 square metres. The Company has accounted for this lease as a short-term lease.

The Anguillan operating lease expired on April 1, 2011 but unless 3 month's notice is given it automatically renews for a further 3 months. The Company will account for the lease in accordance with ASU 2016-02 (Topic 842) and will recognize a right-of-use asset and operating lease liability.

(Expressed in United States Dollars)

12. Commitments: (Continued)

The minimum lease payments under these operating leases are approximately as follows:

2020	$	32,172
2021		44,404
2022		45,474
2023		46,543
2024		11,703

The Company paid rent expense totaling $24,827 for the quarter ended June 30, 2020 (June 30, 2019 - $20,065).

The Company has a management consulting agreement with T.M. Williams (Row), Inc., an Anguilla incorporated company, and Mr. T. M. Williams. During the year ended December 31, 2014, the Company amended a previous agreement with Mr. T. M. Williams to provide for a consultancy payment of 2.5% of the monthly social bingo business with a minimum of $11,000 and a maximum of $25,000 per month.

During the year ended December 31, 2014, the Company entered into an agreement with Jayska Consulting Ltd. and Mr. J. M. Williams, Chief Executive Officer of the Company for the provision of services of Mr. J. M. Williams as Chief Executive Officer of the Company. The Consulting agreement provides for a consultancy payment of GBP£5,000 per month. In addition, during the year ended December 31, 2014, the Company entered into an agreement with LVA Media Inc. and Mr. J. M. Williams, for the provision of services of Mr. J. M. Williams as Chief Executive Officer of the Company. The Consulting agreement provides for a consultancy payment of 2.5% of the monthly social bingo business with a minimum of $7,500 and a maximum of $25,000 per month.

As at June 30, 2020, the Company had a number of renewable license commitments with large brands, including, Garfield, Moomins, Mr. Men and Little Miss, Mr. Bean, Peter Rabbit, and the Winx club.

As at June 30, 2020, there are no further commitments to pay minimum guarantee payments for royalties on the revenue from the licenses.

The Company expensed the minimum guarantee payments over the life of the agreement and recognized license expense of $10,121 (June 30, 2019 - $18,458) for the quarter ended June 30, 2020, and $27,003 (June 30, 2019 - $27,874) for the six months ended June 30, 2020.

13. Right of Use assets:

On January 1, 2019, the Company adopted ASC Topic 842 using the modified retrospective transition method. Topic 842 requires the recognition of lease assets and liabilities for operating leases, in addition to the finance lease assets and liabilities previously recorded on our consolidated balance sheets. Beginning on January 1, 2019, our consolidated financial statements are presented in accordance with the revised policies, while prior period amounts are not adjusted and continue to be reported in accordance with our historical policies. The modified retrospective transition method required the cumulative effect, if any, of initially applying the guidance to be recognized as an adjustment to our accumulated deficit as of our

(Expressed in United States Dollars)

13. Right of Use assets: (Continued)

adoption date. There is no discount rate implicit in the Anguilla office operating lease agreement, so the Company estimated a 5% discount rate for the incremental borrowing rate for the lease as of the adoption date, January 1, 2019. There is no discount rate implicit in the license agreement, so the Company estimated a 12% discount rate for the incremental borrowing rate for the licenses as of the adoption date, January 1, 2019.

Effective April 1, 2019, we recognized lease assets and liabilities of $125,474, in relation to the Vancouver office. We estimated a discount rate of 4.12%.

There was no cumulative effect adjustment to our accumulated deficit as a result of initially applying the guidance.

We elected the package of practical expedients permitted under the transition guidance within Topic 842, which allowed us to carry forward prior conclusions about lease identification, classification and initial direct costs for leases entered into prior to adoption of Topic 842. Additionally, we elected to not separate lease and non-lease components for all of our leases. For leases with a term of 12 months or less, our current offices, we elected the short-term lease exemption, which allowed us to not recognize right-of-use assets or lease liabilities for qualifying leases existing at transition and new leases we may enter into in the future, as there is significant uncertainty on whether the leases will be renewed.

The right-of-use assets are summarized as follows:

		June 30, 2020		December 31, 2019
Opening balance for the period	$	134,914	$	-
Initial recognition of operating lease right-of-use assets		-		76,557
Capitalization of operating lease right-of-use assets		-		125,474
Capitalization of additional license leases		8,668		5,299
Amortization of operating lease right-of use assets		(28,961)		(72,416)
Closing balance for the period	$	114,621	$	134,914

The operating lease as at June 30, 2020, is summarized as follows:

As at June 30, 2020		**Operating lease**
		Office lease
2020	$	15,002
2021		30,806
2022		31,875
2023		32,945
2024		7,553
Total lease payments	$	118,181
Less: Interest		(8,744)
Present value of lease liabilities	$	109,437

(Expressed in United States Dollars)

13. Right of Use assets: (Continued)

		June 30, 2020		December 31, 2019
Opening balance for the period	$	127,615	$	-
Initial recognition of operating lease liabilities		-		81,856
Operating lease liability incurred during the period		-		125,474
Payments on operating lease liabilities		(18,178)		(79,715)
Closing balance for the period		109,437		127,615
Less: current portion		(25,215)		(25,715)
Operating lease liabilities – non-current portion as at end of period	$	84,222	$	101,900

14. Related Party Transactions:

The Company has a liability of $13,210 (December 31, 2019 - $33,000) to a company owned by a current director and officer of the Company for payment of consulting services rendered of $28,875 (June 30, 2019 - $33,000) by the current director and officer of the Company.

The Company has an asset of $nil (December 31, 2019 - $9) to a current director and officer of the Company for expenses incurred.

The Company has a liability of $nil (December 31, 2019 - $267) to a current director and officer of the Company for expenses incurred.

The Company has a liability of $nil (December 31, 2019 - $19,779) to a company owned by a current director and officer of the Company for payment of consulting services rendered of $nil (June 30, 2019 - $19,363) by the current director and officer of the Company.

The Company has a liability of $6,672 (December 31, 2019 - $22,500) to a company owned by a current director and officer of the Company for payment of consulting services rendered of $28,815 (June 30, 2019 - $22,500) by the current director and officer of the Company.

The Company has a liability of $7,509 (December 31, 2019 - $30,974) to a current director and officer of the Company for payroll.

The Company has a liability of $9,500 (December 31, 2019 - $5,500), to independent directors of the Company for payment of directors' fees. During the quarter ended June 30, 2020, the Company accrued $2,500 (June 30, 2019 - $3,500) to the independent directors in director fees.

The Company has a liability of $8,006 (December 31, 2019 - $91), to an officer of the Company for payment of consulting services rendered and expenses incurred of $23,502 (June 30, 2019 - $37,333) by the officer of the Company.

The Company has a liability of $nil (December 31, 2019 - $nil), to an officer of the Company for payment of consulting fees and expenses incurred of $18,916 (June 30, 2019 - $27,911) by the officer of the Company.

(Expressed in United States Dollars)

14. Related Party Transactions: (Continued)

The related party transactions are in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

15. Segmented information:

Revenue

The Company operates in reportable business segments, the sale of Ad tech advertising and content revenue.

The Company had the following revenue by geographical region.

		Six Months ended June 30, 2020		Six Months ended June 30, 2019		Three Months ended June 30, 2020		Three Months ended June 30, 2019
Ad tech advertising revenue								
Western Europe	$	635,540	$	119,278	$	301,100	$	119,278
North America		814,121		685,982		305,127		455,120
Other		57,603		4,654		5,482		4,654
Total ad tech advertising revenue	$	1,507,264	$	809,914	$	611,709	$	579,052
Content revenue								
Western Europe	$	53,257	$	34,686	$	26,855	$	32,233
Central, Eastern and Southern Europe		52,996		99,893		20,452		50,496
North America		75,063		125,606		56,432		107,302
Other		32,226		54,143		21,379		49,203
Total content revenue	$	213,542	$	314,328	$	125,118	$	239,234
Total revenue								
Western Europe	$	688,797	$	153,964	$	327,955	$	151,511
Central, Eastern and Southern Europe		52,996		99,893		20,452		50,496
North America		889,184		811,588		361,559		562,422
Other		89,829		58,797		26,861		53,857
Total revenue	$	1,720,806	$	1,124,242	$	736,827	$	818,286

Equipment

The Company's equipment is located as follows:

Net Book Value		June 30, 2020		December 31, 2019
Anguilla	$	204	$	245
Canada		9,272		11,061
Israel		11,337		13,892
United Kingdom		1,653		1,984
	$	22,466	$	27,182

16. Concentrations:

Major customers

During the quarter ended June 30, 2020 and 2019, the Company sold Ad tech revenue and content revenue including subscriptions on its site Rooplay, in-app purchases on its social bingo sites, Trophy Bingo and Garfield's Bingo and Rooplay Originals. During the quarter ended June 30, 2020, the Company had three customers: $266,338, $134,847, and $78,218 (June 30, 2019 – one customer: $666,054) who purchased more than 10% of the total revenue. The Company is reliant on the Google App, iOS App and Amazon App Stores to provide a content platform for Rooplay, Trophy Bingo and Garfield's Bingo to be played thereon and certain advertising agencies for the Ad tech revenue.

17. Concentrations of credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company places its cash with high quality financial institutions and limits the amount of credit exposure with any one institution.

The Company currently maintains a substantial portion of its day-to-day operating cash balances at financial institutions. At June 30, 2020, the Company had total cash and cash equivalents balances of $1,152,538 (December 31, 2019 - $1,005,624) at financial institutions, where $955,173 (December 31, 2019 - $661,741) is in excess of federally insured limits.

The Company has concentrations of credit risk with respect to accounts receivable, the majority of its account's receivable are concentrated geographically in the United States amongst a small number of customers.

As of June 30, 2020, the Company had three customers, totaling $477,535, $135,308 and $134,847 who accounted for greater than 10% of the total accounts receivable. As of December 31, 2019, the Company had one customer, totaling $1,430,646 who accounted for greater than 10% of the total accounts receivable.

The Company controls credit risk through monitoring procedures and receiving prepayments of cash for services rendered. The Company performs credit evaluations of its customers but generally does not require collateral to secure accounts receivable.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis or Plan of Operation contains forward-looking statements that involve risks and uncertainties, as described below. Kidoz Inc's (the "Company", "we", or "us") actual results could differ materially from those anticipated in these forward-looking statements. The following discussion should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto included in Part I - Item 1 of this Quarterly Report, and the audited consolidated financial statements and notes thereto and the Management Discussion and Analysis or plan of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

FORWARD LOOKING STATEMENTS

All statements contained in this Quarterly Report on Form 10-Q and the documents incorporated herein by reference, as well as statements made in press releases and oral statements that may be made by us or by officers, directors or employees acting on our behalf, that are not statements of historical fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Readers should consider statements that include the terms "believe," "belief," "expect," "plan," "anticipate," "intend" or the like to be uncertain and forward-looking. In addition, all statements, trends, analyses and other information contained in this report relative to trends in net sales, gross margin, anticipated expense levels and liquidity and capital resources, constitute forward-looking statements. Particular attention should be paid to the facts of our limited operating history, the unpredictability of our future revenues, our need for and the availability of capital resources, the evolving nature of our business model, and the risks associated with systems development, management of growth and business expansion. Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. All cautionary statements made herein should be read as being applicable to all forward-looking statements wherever they appear. Readers should consider the risks more fully described in our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Toronto Venture Stock Exchange on SEDAR and the Securities and Exchange Commission (the "SEC") and should not place undue reliance on any forward-looking statements.

OVERVIEW

KIDOZ Inc. (TSXV:KIDZ) (the "Company") is a kid-tech software developer and owner of the leading mobile KidSafe advertising network (www.KIDOZ.net), the KIDOZ Kid-Mode Operating System, the Kidoz publisher SDK, the Rooplay edu-games platform (www.rooplay.com), and the Rooplay Originals games library. We help create a free and safe Internet for children, by enabling content producers to monetize their apps and video with safe, relevant, and fun ads. Our commitment to children's privacy and safety has created one of the fastest growing mobile networks in the world.

For app developers focused on kids, the Kidoz solution allows them to safely monetize their traffic with brand advertisements from Lego, Disney and other leading brands. For brands, Kidoz is the leading mobile digital media network for reaching kids 13 and under with toys, content and promotions. Unlike most digital advertising, every campaign on the Kidoz platform is free of location information, device identifiers, behavioural data, and other trackers used by advertisers to identify and track users all over the Internet.

By addressing the privacy concerns of our users, the children first, we ensure regulatory compliance with privacy laws and Google and Apple's strict rules for mobile apps on the Android and iOS platforms. Since Google's certification of Kidoz and Apple's updated rules endorsing Kidoz's methodologies, the Company is experiencing unprecedented demand for its safe advertising solutions which now reaches more than 100,000,000 kids a month. Advertisers benefit from the brand safety that our technology creates and the compliant contextual targeting opportunities that we deliver. However, the greatest benefit that Kidoz brand advertisers enjoy is the quality of the media available on the network. As Kidoz is a mobile network, our users are highly engaged on their devices at the time advertising is delivered which results in excellent performance.

In 2019, Kidoz secured a leadership position in the market amongst app developers and the segment is only beginning to develop as new rules and stricter regulations are being enacted and enforced by Google, Apple, and governments around the world who are demanding privacy and safety for children online. The Kidoz KidSafe ad technology is now installed in more than 3,800 different apps, making it the most popular child focused mobile solution in the market. 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.

Driving our revenue growth is strong underlying system growth for both users and publishers that are using our Kid Safe technology. Media budgets continue to shift from linear TV to digital platforms like KIDOZ as brands seek to engage their customers where kids spend most of their screen time. As mobile penetration among kids continues to increase the global usage of mobile is steadily increasing. In addition, regulation at the government level is positively influencing growth of the KIDOZ Safe Ad Network. COPPA in America and GDPR in Europe have forced advertisers and publishers to ensure their data and advertising methodologies are safe. Regulators in America are considering updating COPPA to further enhance child safety online, and regulators in China, India and other regions are considering similar measures. As KIDOZ is compliant, it benefits from all child-safe advertising regulation.

Our sales, product, and operational strategies are custom fit to match the favourable regulatory, consumer, and technological trends occurring in the market. As developments in privacy laws in almost every country worldwide look to provide additional protection to digital minors by controlling digital services and, potentially in some cases, raising the age of minority, Kidoz's importance in the eco-system increases. For consumers, the ubiquity of mobile devices and increasing mobile usage is a long established trend. For children growing up in a digital world mobile is their preferred device and with kids representing more than thirty percent of internet users globally, children are a consumer segment of immense size and influence.

As we invest in the Kidoz products and methodologies to protect kids and help our mobile partners to monetize their content safely, we increase the value that we can provide to our advertiser customers. As more content developers prioritize segmenting their customers to protect the minors on their systems, the market increases in size and those companies providing compliant solutions, like Kidoz, benefit.

KIDOZ's other mobile products include the Kidoz Kid Mode operating system installed on millions of OEM tablets worldwide, Rooplay (www.rooplay.com) the cloud-based EduGame system for kids to learn and play, Garfield's Bingo (www.garfieldsbingo.com) live on Facebook Messenger, Android, and iOS; and Trophy Bingo (www.trophybingo.com), live across mobile platforms.

References in this document to "the Company," "we," "us," and "our" refer to Kidoz Inc.

Our executive offices are located at Hansa Bank Building, Ground Floor, Landsome Road, The Valley, AI 2640, The Valley, Anguilla, B.W.I. Our telephone number is (888) 374-2163.

CRITICAL ACCOUNTING POLICIES

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which except for lack of all detailed note disclosures, have been prepared in conformity with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates these judgments and estimates, including whether there are any uncertainties as to compliance with the revenue recognition criteria described below, and recoverability of long-lived assets, as well as the assessment as to whether there are contingent assets and liabilities that should be recognized or disclosed for the consolidated financial statements to fairly present the information required to be set forth therein. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We consider the following accounting policies to be both those most important to the portrayal of our financial condition and require the most subjective judgment:

- Revenue recognition;
- Software development
- Impairment of long-lived assets
- Goodwill

Revenue Recognition

In accordance with ASC 606, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of promised services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these services.

We derive substantially all of our revenue from the sale of Ad tech advertising revenue.

To achieve this core principle, the Company applied the following five steps:

1) Identify the contract with a customer

A contract with a customer exists when (i) the Company enters into an enforceable contract with a customer that defines each party's rights regarding the services to be transferred, whose impression count will form the basis of the revenue and identifies the payment terms related to these services, (ii) the contract has commercial substance and, (iii) the Company determines that collection of substantially all consideration for services that are transferred is probable based on the customer's intent and ability to pay the promised consideration. The Company applies judgment in determining the customer's ability and intention to pay, which is based on a variety of factors including the customer's historical payment experience or, in the case of a new customer, published credit and financial information pertaining to the customer.

2) Identify the performance obligations in the contract

Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from the Company, and are distinct in the context of the contract, whereby the transfer of the services is separately identifiable from other promises in the contract. To the extent a contract includes multiple promised services, the Company must apply judgment to determine whether promised services are capable of being distinct and distinct in the context of the contract. If these criteria are not met the promised services are accounted for as a combined performance obligation.

3) Determine the transaction price

The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring services to the customer. None of the Company's contracts contain financing or variable consideration components.

4) Allocate the transaction price to performance obligations in the contract

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price basis. The Company determines standalone selling price based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, the Company estimates the standalone selling price taking into account available information such as market conditions and internally approved pricing guidelines related to the performance obligations.

5) Recognize revenue when or as the Company satisfies a performance obligation

The Company satisfies performance obligations at a point in time as discussed in further detail under "Disaggregation of Revenue" below. Revenue is recognized at the time the related performance obligation is satisfied by transferring a promised service to a customer.

Disaggregation of Revenue

All of the Company's performance obligations, and associated revenue, are generally transferred to customers at a point in time. The Company has the following revenue streams:

1) Ad tech advertising revenue - The Company generally offers these services under a customer contract Cost-per-Impression (CPM), Cost-Per-Install or CPI arrangements, Cost per completed video view or CPC and/or Cost-Per-Action or CPA arrangements with third-party advertisers and developers, as well as advertising aggregators, generally in the form of insertion orders that specify the type of arrangement (as detailed above) at particular set budget amounts/restraints. These advertiser customer contracts are generally short term in nature at less than one year as the budget amounts are typically spent in full within this time period. These agreements typically include the delivery of Ad tech advertising through partner networks, defined as publishers / developers, to home screens of devices and agree on whose results will

be relied on from a revenue point of view. The Company has concluded that the delivery of the Ad tech advertising is delivered at a point in time and, as such, has concluded these deliveries are a single performance obligation. The Company invoices fees which are generally variable based on the arrangement, which would typically include the number of impressions delivered at a specified price per application. For impressions delivered, revenue is recognized in the month in which the Company delivers the application to the end consumer.

2) Content revenue – The Company recognizes content revenue on the following forms of revenue:

a) Carriers and OEMs - The Company generally offers these services under a customer contract per tablet device license fee model with OEMs. Monthly or quarterly license fees are based on the OEM agreement with the number of devices the Kidoz Kid Mode is installed upon.

b) Rooplay - The Company generates revenue through subscriptions or premium sales of Rooplay, (www.rooplay.com) the cloud-based EduGame system for kids to learn and play within its games on smartphones and tablet devices, such as Apple's iPhone and iPad, and mobile devices utilizing Google's Android operating system. Users can download the Company's games through Digital Storefronts and decide to subscribe to the multiple of educational and fun games in the Rooplay, cloud-based EduGame system or make a premium per purchase of particular games. The revenue is recognized net of platform fees.

c) Rooplay licensing - The Company licenses it branded educational games under a monthly cost per game agreement license fee model. Monthly license fees are based on the number of games licensed.

d) Trophy Bingo and Garfield Bingo - The Company generates revenue through in-application purchases ("in-app purchases") within its games; Garfield's Bingo (www.garfieldsbingo.com) and Trophy Bingo (www.trophybingo.com) on smartphones and tablet devices, such as Apple's iPhone and iPad, and mobile devices utilizing Google's Android operating system. Users can download the Company's free-to-play games through Facebook Messenger, Android, Amazon and iOS and pay to acquire virtual currency which can be redeemed in the game for power plays. The initial download of the mobile game from the Digital Storefront does not create a contract under ASC 606 because of the lack of commercial substance; however, the separate election by the player to make an in-application purchase satisfies the criterion thus creating a contract under ASC 606. The Company has identified the following performance obligations in these contracts:

i. Ongoing game related services such as hosting of game play, storage of customer content, when and if available content updates, maintaining the virtual currency management engine, tracking gameplay statistics, matchmaking as it relates to multiple player gameplay, etc.

ii. Obligation to the paying player to continue displaying and providing access to the virtual items within the game.

Neither of these obligations are considered distinct since the actual mobile game and the related ongoing services are both required to purchase and benefit from the related virtual items. As such, the Company's performance obligations represent a single combined performance obligation which is to make the game and the ongoing game related services available to the players. The revenue is recognized net of platform fees.

The Company also has relationships with certain advertising service providers for advertisements within smartphone games and revenue from these advertising providers is generated through impressions, clickthroughs, banner ads, and offers. Offers are the type of advertisements where the players are rewarded with virtual currency for completing specified actions, such as downloading another application, watching a short video, subscribing to a service or completing a survey. The Company has determined the advertising buyer to be its customer and displaying the advertisements within the mobile games is identified as the single performance obligation. Revenue from advertisements and offers are recognized at the point-in-time the advertisements are displayed in the game or the offer has been completed by the user as the customer simultaneously receives and consumes the benefits provided from these services.

Software Development Costs

Software development costs incurred in the research and development of new software products and enhancements to existing software products for external use are expensed as incurred, until technological feasibility has been established. After technological feasibility is established, any software development costs are capitalized and amortized at the greater of the straight-line basis over the estimated economic life of the related product or the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for the related product.

If a determination is made that capitalized amounts are not recoverable based on the estimated cash flows to be generated from the applicable software, any remaining capitalized amounts are written off. Although the Company believes that its approach to estimates and judgments as described herein is reasonable, actual results could differ and the Company may be exposed to increases or decreases in revenue that could be material. As at June 30, 2020 and 2019, all capitalized software development costs have been fully amortized and the Company has no capitalized software development costs.

Total software development costs were $8,256,704 as at June 30, 2020 (December 31, 2019 - $7,730,851).

Impairment of Long-lived Assets

The Company accounts for long-lived assets in accordance with the provisions of ASC 360, Property, Plant and Equipment and ASC 350, Intangibles-Goodwill and Others. During the periods presented, the only long-lived assets reported on the Company’s consolidated balance sheet are equipment, and security deposits. These provisions require that long-lived assets and certain identifiable recorded intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset.

If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount and the fair value less costs to sell.

The Company identified the following intangible assets in the acquisition of Kidoz Ltd. (Note 3). Intangible assets are recorded at cost less accumulated amortization. Amortization is provided for annually on the straight-line method over the following periods:

	Amortization period
Ad Tech technology	5 years
Kidoz OS technology	3 years
Customer relationship	8 years

Goodwill

The Company accounts for goodwill in accordance with the provisions of ASC 350, Intangibles-Goodwill and Others. Goodwill is the excess of the purchase price over the fair value of identifiable assets acquired, less liabilities assumed, in a business combination. The Company reviews goodwill for impairment. Goodwill is not amortized but is evaluated for impairment at least annually or whenever events or changes in circumstances indicate that it is more likely than not that the carrying amount may not be recoverable. The evaluation begins with a qualitative assessment to determine whether a quantitative impairment test is necessary. If, after assessing qualitative factors, we determine it is more likely than not that the fair value of the reporting unit is less than the carrying amount, then the quantitative goodwill impairment test is performed.

The quantitative goodwill impairment test used to identify both the existence of impairment and the amount of impairment loss, compares the fair value of a reporting unit with its carrying amount and is based on discounted future cash flows, and a market approach, based on market multiples applied to free cash flow. The determination of the fair value of our reporting units requires management to make significant estimates and assumptions including the selection of control premiums, discount rates, terminal growth rates, forecasts of revenue and expense growth rates, income tax rates, changes in working capital, depreciation, amortization and capital expenditures. Changes in assumptions concerning future financial results, exogenous market conditions or other underlying assumptions could have a significant impact on either the fair value of the reporting unit or the amount of the goodwill impairment charge. If the carrying value of the reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

RESULTS OF OPERATIONS

Revenue

Total revenue, net of platform fees (to Apple, Google and Amazon) and withholding taxes, for the quarter ended June 30, 2020, decreased to $736,827, a decrease of 10% from revenue of $818,286 for the second quarter of 2019 and a decrease of 25% from revenue of $983,979 for the first quarter of 2020. Ad Tech advertising revenue increased to $611,709 for the quarter ended June 30, 2020, an increase of 6% from ad tech advertising revenue of $579,052 in the second quarter of 2019 and a decrease of 32% from ad tech revenue of $895,555 in the first quarter of fiscal 2020. Content revenue decreased to $125,118, for the quarter ended June 30, 2020, a decrease of 48% from revenue of $239,234 in the second quarter of 2019 and an increase of 41% from content revenue of $88,424 in the first quarter of fiscal 2020. The decrease in total revenue compared to the second quarter of fiscal 2019 and the first quarter of fiscal 2020 is due to COVID-19 where many advertising campaigns were postponed to the third and fourth quarters of fiscal 2020.

Selling and marketing expenses

Selling and marketing expenses were $77,392 for the quarter ended June 30, 2020, a decrease of 19% over expenses of $95,639 in the second quarter of fiscal 2019 and a decrease of 33% over expenses of $115,707 in the first quarter of fiscal 2020. This decrease in sales and marketing expenses in the quarter ended June 30, 2020, compared to the second quarter of fiscal 2019 and the first quarter of fiscal 2020 is due to salary reductions of our sales staff and the postponement of several marketing campaigns to save funds as a result of COVID-19.

We expect to incur increased sales and marketing expenses in selling the Ad tech advertising and to grow the Ad tech advertising revenue and to bring new players to Rooplay; our Rooplay Originals; and our bingo games. There can be no assurances that these expenditures will result in increased traffic or significant additional revenue.

General and administrative expenses

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 $106,568 for the quarter ended June 30, 2020, a decrease of 39% from costs of $174,977 for the second quarter of fiscal 2019 and a decrease of 26% from costs of $143,255 in the first quarter of fiscal 2020. The decrease in general and administrative expenses compared to the second quarter of fiscal 2019 and the first quarter of fiscal 2020, is due primarily to COVID-19, where the company reduced general and administrative expenses.

We expect to continue to incur general and administrative expenses to support the business, and there can be no assurances that we will be able to generate sufficient revenue to cover these expenses.

Salaries, wages, consultants and benefits

Salaries, wages, consultants, and benefits decreased to $100,612 for the quarter ended June 30, 2020, a decrease of 30% compared to salaries, wages, consultants, and benefits of $144,284 in the second quarter of 2019 and a decrease of 26% compared to salaries, wages, consultants, and benefits of $136,240 in the first quarter of 2020. This decrease compared to the second quarter of fiscal 2019 and the first quarter of fiscal 2020, is due to reduction in salaries as a result of COVID-19.

Depreciation and amortization

Intangible assets are amortized using a straight-line method over three to eight years. These intangible assets include customer lists, the technology for Kidoz OS and the software development kits (SDK) for advertising platform. These intangible assets are as result of the acquisition of Kidoz Ltd. The amortization for the quarter ended June 30, 2020, was $139,018.

Equipment is depreciated using the declining balance method over the useful lives of the assets, ranging from three to five years. Depreciation and amortization decreased to $2,403 during the quarter ended June 30, 2020, a decrease over costs of $4,811 during the same quarter in the prior year and an increase over costs of $2,313 in the first quarter of fiscal 2020. This decrease in depreciation and amortization compared to the second quarter of fiscal 2019, is due to the aging of equipment.

Content and software development

The Company does not capitalize its development costs. The Company expensed $241,130 in content and software development costs during the quarter ended June 30, 2020, a decrease of 7% compared to content and software development costs of $260,361 expensed during the second quarter of fiscal 2019 and a decrease of 15% in content and software development costs of $284,723 in the first quarter of fiscal 2020. The decrease compared to the second quarter of fiscal 2019 and the first quarter of fiscal 2020, is due to the decrease in development as a result of COVID-19.

Stock-based compensation expense

During the quarter ended June 30, 2020, the Company incurred non-cash stock compensation expenses of $9,849 from the issuance of stock options granted during the quarter ended June 30, 2020, an increase compared to stock-based compensation expense $4,950 in the second quarter of fiscal 2019 and an increase compared to stock-based compensation expense $541 in the first quarter of fiscal 2020. This increase compared to the second quarter of fiscal 2019 and the first quarter of fiscal 2020 is due to the granting of stock options during the quarter ended June 30, 2020. The options are issued to consultants and employees as per the Companies amended 2015 Stock Option Plan.

Net loss and loss per share

The net loss after taxation for the quarter ended June 30, 2020, amounted to ($361,399), a loss of ($0.00) per share, compared to a net loss of ($398,296) or ($0.00) per share in the quarter ended June 30, 2019 and compared to net loss of ($403,924) or ($0.00) per share in the quarter ended March 31, 2020. This decrease in total loss for the quarter compared to the second quarter of fiscal 2019 and the first quarter of fiscal 2020 is due to cost saving measures implemented as a result of COVID-19.

Earnings before interest; depreciation and amortization; stock-based compensation and impairment of goodwill ("EBITDA") for the period ended June 30, 2020, amounted to ($197,057), compared to EBITDA of ($394,134) in the period ended June 30, 2019 and compared to EBITDA of ($246,954) in the period ended March 31, 2020.

LIQUIDITY AND CAPITAL RESOURCES

We had cash of $1,115,332 and working capital of $1,753,820 at June 30, 2020. This compares to cash of $967,212 and working capital of $2,192,505 at December 31, 2019.

During the quarter ended June 30, 2020, we provided cash of $144,085 in operating activities compared to cash used in operating activities of ($1,118,698) in the same period in the prior year.

During the quarter ended June 30, 2020, we used cash of ($7,108) in investing activities compared to cash provided by investing activities of $120,184 in the same period in the prior year.

Net cash generated by financing activities was $11,143 in the quarter ended June 30, 2020. This compares to cash generating financing activity of $1,476,022 in the same period in the prior year. The cash generated by financing activity in the first quarter of fiscal 2019 is due to the cash raised from a private placement.

Our future capital requirements will depend on a number of factors, including the revenues from the Ad tech business; the revenues from the Kidoz OS license fees; the revenues from the content platforms and games; the costs associated with the further development of the Ad tech advertising business, the further development of the content platform including, Rooplay; Rooplay Originals; Shoal.js; Garfield's Bingo and Trophy Bingo; the cost of sales and marketing of the Ad tech business, the Kidoz OS license fees and player acquisition costs for Rooplay; Rooplay Originals; Garfield's Bingo and Trophy Bingo, the development of new products, the acquisition of new companies and the success of Rooplay; Rooplay Originals; Garfield's Bingo and Trophy Bingo.

ITEM 4 Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Co-Chief Executive Officers and the Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of June 30, 2020. In designing and evaluating the Company's disclosure controls and procedures, the Company and its management recognize that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, the Company's management was required to apply its reasonable judgment. Furthermore, in the course of this evaluation, management considered certain internal control areas, in which we have made and are continuing to make changes to improve and enhance controls. Based upon the required evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that as of June 30, 2020, the Company's disclosure controls and procedures were effective (at the "reasonable assurance" level mentioned above) to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

From time-to-time, the Company and its management have conducted and will continue to conduct further reviews and, from time to time put in place additional documentation, of the Company's disclosure controls and procedures, as well as its internal control over financial reporting. The Company may from time to time make changes aimed at enhancing their effectiveness, as well as changes aimed at ensuring that the Company's systems evolve with, and meet the needs of, the Company's business. These changes may include changes necessary or desirable to address recommendations of the Company's management, its counsel and/or its independent auditors, including any recommendations of its independent auditors arising out of their audits and reviews of the Company's financial statements. These changes may include changes to the Company's own systems, as well as to the systems of businesses that the Company has acquired or that the Company may acquire in the future and will, if made, be intended to enhance the effectiveness of the Company's controls and procedures. The Company is also continually striving to improve its management and operational efficiency and the Company expects that its efforts in that regard will from time to time directly or indirectly affect the Company's disclosure controls and procedures, as well as the Company's internal control over financial reporting.

(b) Changes in internal controls.

There were no significant changes in the Company’s internal controls or other factors that could significantly affect the Company’s internal controls subsequent to the date of their evaluation.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

We are not currently a party to any legal proceeding and was not a party to any other legal proceeding during the quarter ended June 30, 2020. We are currently not aware of any other legal proceedings proposed to be initiated against the Company. However, from time to time, we may become subject to claims and litigation generally associated with any business venture.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of equity securities during the quarter ended June 30, 2020.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to the shareholders during the period.

ITEM 5. Other Information

None

ITEM 6. Exhibits and reports on Form 8-K
Exhibits

The following instruments are included as exhibits to this Report. Exhibits incorporated by reference are so indicated.

Exhibit Number	Description
4.4	Convertible Debenture between the Company and unrelated parties dated July 2, 2002. (b)
4.5	Common Stock Purchase Warrant between the Company and unrelated parties dated July 2, 2002. (b)
10.2	Asset Purchase Agreement by and between Bingo, Inc. and Progressive Lumber, Corp. dated January 18, 1999. (a)
10.24	Amended Consulting Agreement dated February 28, 2002, between the Company, T.M. Williams (Row), Ltd., and T.M. Williams. (c)
10.32	Code of Business Conduct and Ethics dated December 22, 2006. (d)
10.33	Amended Consulting Agreement dated June 16, 2010, between the Company, T.M. Williams (Row), Ltd., and T.M. Williams. (e)
10.37	Amended Consulting Agreement dated August 1, 2013, between the Company, T.M. Williams (Row), Ltd., and T.M. Williams. (f)
10.38	Consulting Agreement dated January 1, 2014, between the Company, Jayska Consulting Ltd., and J.M. Williams. (f)
10.39	Consulting Agreement dated January 1, 2014, between the Company, LVA Media Inc., and J.M. Williams. (f)
10.41	Consulting Agreement dated January 1, 2014, between the Company, Bromley Accounting Services Limited, and H. W. Bromley. (f)
10.42	Share Purchase Agreement for the purchase of Kidoz Ltd. (g)
31.1	Certificate of Co-Chief Executive Officer pursuant to the Securities Exchange Act Rules 13a-15(e) and 15d -15(e) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated August 12, 2020.
31.2	Certificate of Co-Chief Executive Officer pursuant to the Securities Exchange Act Rules 13a-15(e) and 15d -15(e) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated August 12, 2020.
31.3	Certificate of Chief Financial Officer pursuant to the Securities Exchange Act Rules 13a-15(e) and 15d -15(e) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated August 12, 2020.
32.1	Certification from the Co-Chief Executive Officer of Kidoz Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated August 12, 2020.
32.2	Certification from the Co-Chief Executive Officer of Kidoz Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated August 12, 2020.
32.3	Certification from the Chief Financial Officer of Kidoz Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated August 12, 2020.

(a) Previously filed with the Registrant's registration statement on Form 10 on June 9, 1999.
(b) Previously filed with the Company's quarterly report on Form 10-Q for the period ended September 30, 2002, on November 14, 2002.
(c) Previously filed with the Company's quarterly report on Form 10-Q for the period ended September 30, 2002, on August 14, 2002.

(d) Previously filed with the Company's report on Form 8-K on December 26, 2006.
(e) Previously filed with the Company's report on Form 8-K on June 17, 2010.
(f) Previously filed with the Company's report on Form 8-K on March 24, 2014.
(g) Previously filed with the Company's report on Form 8-K on March 12, 2019.

Reports on Form 8-K.

During the quarter ended June 30, 2020, the Company filed a Form 8-K applying for an extension of 45 days to file its Quarterly report on Form 10-Q, for the first quarter of fiscal 2020 ended March 31, 2020, based on the Securities and Exchange Commission Order Under Section 36 Of The Securities Exchange Act Of 1934 modifying Exemptions From the Reporting and Proxy Delivery Requirements for Public Companies set forth in Release No. 34-88465, issued March 25, 2020. The order modifies the exemptions from certain provisions of Section 36 of the Exchange Act and the rules thereunder related to the reporting requirements for certain public companies to cover filings due on or before July 1, 2020, is appropriate in the public interest and consistent with the protection of investors.

Reports Subsequent to the quarter ended June 30, 2020.

There were no reports subsequent to the quarter ended June 30, 2020.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 12, 2020	**KIDOZ INC.** (Registrant)
Date: August 12, 2020	*/S/ J.M. Williams* J. M. Williams, Co-Chief Executive Officer (Principal Executive Officer)
Date: August 12, 2020	*/S/ E. Ben Tora* E. Ben Tora, Co -Chief Executive Officer (Principal Executive Officer)
Date: August 12, 2020	*/S/ H. W. Bromley* H.W. Bromley, Chief Financial Officer (Principal Accounting Officer)

EXHIBIT 31.1

CERTIFICATIONS

I, J. M. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kidoz Inc. ;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Kidoz Inc. as of, and for, the periods presented in this quarterly report;
4. Kidoz Inc.'s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Kidoz Inc. , including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Kidoz Inc.'s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of June 30, 2020, covered by this quarterly report based on such evaluation; and

   (d) Disclosed in this report any change in Kidoz Inc.'s internal control over financial reporting that occurred during Kidoz Inc.'s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Kidoz Inc.'s internal control over financial reporting; and

5. Kidoz Inc.'s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Kidoz Inc.'s auditors and the audit committee Kidoz Inc.'s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Kidoz Inc.'s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Signed: /S/ J. M. Williams ***Date:*** August 12, 2020

J. M. Williams,
Co-Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, E. Ben Tora, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kidoz Inc. ;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Kidoz Inc. as of, and for, the periods presented in this quarterly report;
4. Kidoz Inc.'s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Kidoz Inc. , including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Kidoz Inc.'s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of June 30, 2020, covered by this quarterly report based on such evaluation; and

   (d) Disclosed in this report any change in Kidoz Inc.'s internal control over financial reporting that occurred during Kidoz Inc.'s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Kidoz Inc.'s internal control over financial reporting; and

5. Kidoz Inc.'s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Kidoz Inc.'s auditors and the audit committee Kidoz Inc.'s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Kidoz Inc.'s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Signed: /S/ E. Ben Tora ***Date:*** August 12, 2020

E. Ben Tora,
Co- Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.3

CERTIFICATIONS

I, H. W. Bromley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kidoz Inc. ;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Kidoz Inc. as of, and for, the periods presented in this quarterly report;
4. Kidoz Inc.'s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Kidoz Inc. , including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Kidoz Inc.'s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of June 30, 2020, covered by this quarterly report based on such evaluation; and

   (d) Disclosed in this report any change in Kidoz Inc.'s internal control over financial reporting that occurred during Kidoz Inc.'s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Kidoz Inc.'s internal control over financial reporting; and

5. Kidoz Inc.'s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Kidoz Inc.'s auditors and the audit committee Kidoz Inc.'s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Kidoz Inc.'s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

***Signed*:** /S/ H. W. Bromley

Date: August 12, 2020

H.W. Bromley,
Chief Financial Officer
(Principal Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Kidoz Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. M. Williams, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ J.M. Williams

J. M. Williams
Co-Chief Executive Officer
August 12, 2020

A signed original of this written statement required by Section 906 has been provided to Kidoz Inc. and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Kidoz Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, E. Ben Tora, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

c) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

d) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ E. Ben Tora
E. Ben Tora
Co-Chief Executive Officer
August 12, 2020

A signed original of this written statement required by Section 906 has been provided to Kidoz Inc. and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.3

CERTIFICATION PURSUANT TO 18 U.S.C. §1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Kidoz Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, H. W. Bromley, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
b) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ H. W. Bromley
H. W. Bromley
Chief Financial Officer
August 12, 2020

A signed original of this written statement required by Section 906 has been provided to Kidoz Inc. and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.