



KIDOZ Inc.

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Kidoz Inc. Announces Record Full Year 2020 Financial Results

ANGUILLA, B.W.I., March 31, 2021 – Kidoz Inc. (TSXV:KIDZ) (the "Company"), AdTech software developer and owner of the KIDOZ Safe Ad Network (www.kidoz.net), the KIDOZ Kid-Mode Operating System, the KIDOZ publisher SDK, and the Rooplay edu-games platform, announced today its audited financial results for the year ended December 31, 2020. All amounts are presented in United States dollars and are in accordance with United States Generally Accepted Accounting Principles.

Recent Kidoz Inc. 2020 highlights include:

- Fiscal 2020 Total Revenue of \$7,148,029 - growth of 58% over fiscal 2019 Total Revenue of \$4,517,379
- Fiscal 2020 Profit of \$103,971, compared to loss of (\$14,654,232) in fiscal 2019
- Fiscal 2020 EBITDA of \$880,550 compared to EBITDA loss of (\$779,966) in fiscal 2019
- Cash of \$1,226,045 and working capital of \$3,071,545 as at December 31, 2020.

Kidoz owns and develops the leading kid-focused advertising network that compliantly reaches kids and families on mobile devices – 300+ million users worldwide. In 2020, Kidoz secured a leadership position in Safe Mobile Advertising for the kids and pre-teen markets. As mobile is increasingly the dominant entertainment platform used by kids of all ages, Kidoz is experiencing record user growth and advertiser demand. Advertisers can no longer reach children effectively on broadcast television and have increased both the frequency and size of advertising campaigns with Kidoz.

“2020 saw Kidoz succeed amongst a global shift in consumer and commercial behaviours,” stated Jason Williams, Kidoz Co-CEO. “Our strategies, teams, and products have proven to be successful in the wider advertising ecosystem and Kidoz technology now reaches hundreds of millions of kids and families every month. Mobile continues to grow and Kidoz’s proprietary products are only beginning to show their potential in the high-growth global market of in-app advertising”.

“For 2021, Kidoz is well positioned to continue to increase market share and continue on a path of growth,” commented Eldad Ben Tora, Kidoz Co-CEO. “As a new age of digital advertising begins, free of IDFA and other persistent trackers, Kidoz stands to benefit as our systems were built to perform completely free of data tracking and other invasive data dependencies. Presently, only a small portion of Kidoz’s growing, accessible inventory of impressions is utilized each month and that the Company’s potential scale is not yet realized. We believe that as the full potential of our systems are recognized our rapid growth will also be recognized by the market.

2020 Annual Financial Results

Total Current Assets as at December 31, 2020 were \$5,249,555, compared to \$3,469,904 as at December 31, 2019, and Total Current Liabilities as at December 31, 2020, were \$2,178,010, compared to \$1,277,399 as at December 31, 2019.

Total revenue, net of platform fees (to Apple, Google and Amazon) and withholding taxes, for the year ended December 31, 2020 increased to \$7,148,029, an increase of 58% over total revenue net of fees and withholding taxes of \$4,517,379 for fiscal 2019. Ad Tech advertising revenue for the year ended December 31, 2019, was \$6,748,064 an increase of 76% over Ad Tech advertising revenue of \$3,828,914 for fiscal 2019. Content revenue

for year ended December 31, 2020 decreased to \$399,965, a decrease of 42% over content revenue of \$688,465 for fiscal 2019. The increase in total revenue over fiscal 2019 is due to the growth of our advertising customers and our growing publisher reach. The decrease in content revenue is due to the reduced OEM sales of kids tablets.

Sales and marketing expenses for the year ended December 31, 2020 were \$397,948, an increase of 8% over selling and marketing expenses of \$369,321 for fiscal 2019. The increase in sales and marketing expenses over fiscal 2019 was due to additional marketing expenses. Selling and marketing expenses consist primarily of sales staff salaries and benefits and publishing services and user acquisition costs incurred to acquire game players.

General and administrative expenses consist primarily of premises costs for our offices and development facilities, legal and professional fees, and other general corporate and office expenses. General and administrative expenses increased to \$528,708 for the year ended December 31, 2020, an increase from general and administrative expenses of \$526,914 in fiscal 2019. The Company continues to maintain its current office space despite the large majority of our staff working from home since early March 2020.

Salaries, wages, consultants and benefits decreased to \$470,658 for the year ended December 31, 2020, a decrease of 35% over salaries, wages, consultants and benefits of \$722,741 for fiscal 2019. The decrease in salaries, wages, consultants and benefits over fiscal 2019, is due to reduction in salaries and consultant fees as a result of COVID-19. Regular salary and consultant fees were reinstated at the beginning of October 2020.

We do not capitalize our development costs. Content and software development costs of \$1,149,902 were expensed for year ended December 31, 2020, an increase of 13% from content and software development costs of \$1,014,041 expensed for fiscal 2019. These increases over fiscal 2019, is due to the hiring of additional staff to facilitate the Companies continued growth and the further development of playable ads.

The net income after taxation for the year ended December 31, 2020, amounted to \$103,971 an income of \$0.00 per share, compared to a net loss of (\$14,654,232), a loss of \$0.12 per share, in the year ended December 31, 2019.

Earnings before interest; depreciation and amortization; stock-based compensation and impairment of goodwill (“EBITDA”) for the year ended December 31, 2020, amounted to \$880,550 compared to EBITDA of (\$779,966) in the year ended December 31, 2019.

During the year ended December 31, 2020, we provided cash of \$256,978 in operating activities compared to using cash of \$1,210,357 in the prior year.

We had cash of \$1,226,045 and working capital of \$3,071,545 as at December 31, 2020. This compares to cash of \$967,212 and working capital of \$2,192,505 as at December 31, 2019.

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

About Kidoz Inc.

KIDOZ Inc. (TSXV:KIDZ) (www.kidoz.net) owns the popular Kid-Safe mobile network. Engaging more than 300 million kids a month across our leading mobile KidTech network, KIDOZ provides an essential suite of services that unites kids' brands, content publishers and families. KIDOZ is certified safe by Google and Apple approved for use in the App Store. Trusted by Disney, Hasbro, Lego and more, the KIDOZ Safe Ad Network helps the world's largest brands to safely reach and engage kids across thousands of mobile apps and sites. The KIDOZ OS solution helps carriers and brands such as Lenovo, Acer, and PBS Kids bring a kid-focused experience to their family devices, in a fully GDPR and COPPA compliant way. KIDOZ's Rooplay (www.rooplay.com) offers an interactive learning experience worldwide with original content featuring Moomin, Mr. Men, Little Miss, Mr. Bean and hundreds more kid-focused learning games.

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. Certain information included in this press release (as well as information included in oral statements or other written statements made or to be made by the company) contains statements that are forward-looking, such as statements relating to anticipated future success of the company. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of the company. For a description of additional risks and uncertainties, please refer to the company's filings with the Securities and Exchange Commission. Specifically, readers should read the Company's Annual Report on Form 10-K, filed with the SEC on March 31, 2021, and the prospectus filed under Rule 424(b) of the Securities Act on March 9, 2005 and the SB2 filed July 17, 2007, and the TSX Venture

Exchange Listing Application for Common Shares filed on June 29, 2015 on SEDAR, for a more thorough discussion of the Company's financial position and results of operations, together with a detailed discussion of the risk factors involved in an investment in Kidoz Inc.

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