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Kidoz Inc. Announces 47% Revenue Growth in Q3 2021 Results

ANGUILLA, B.W.I., November 15, 2021 – Kidoz Inc. (TSXV:KIDZ) (the "Company"), mobile AdTech developer and owner of the market leading KIDOZ Contextual Ad Network (www.kidoz.net) and the Kidoz Publisher SDK, announced today its unaudited financial results for the third quarter ended September 30, 2021. All amounts are presented in United States dollars and are in accordance with United States Generally Accepted Accounting Principles.

Recent Kidoz Inc. Q3 2021 highlights include:

1. Total Revenue of \$2,814,642 - growth of 47% compared to Q3 2020 Total Revenue of \$1,919,973 and growth of 29% from revenue of \$2,177,505 for the second quarter of 2021.
2. Gross Profit of \$1,226,534 – growth of 34% compared to Q3 2020 Gross Profit of \$914,657 and growth of 20% from Gross Profit of \$1,024,333 for the second quarter of 2021.
3. Adjusted EBITDA of \$265,984 compared to an adjusted EBITDA of \$16,484 for Q2 2021.
4. Net Loss of (\$75,040) compared to a net loss of (\$545,077) for Q2 2021.
5. Cash used in operations of \$45,247 for the nine months ended September 30, 2021 compared to cash provided by operations of \$171,612 in the same period in the prior year.
6. Cash of \$1,190,008 and working capital of \$3,197,215 as at September 30, 2021.

"Kidoz management is excited to release another quarter of strong revenue and adjusted EBITDA growth," commented Eldad Ben Tora, Company Co-CEO. "The market forces powering our strategy continue to increase in strength as the enormous mobile advertising industry pivots towards contextual targeting which is at the core of Kidoz' technology. Advertisers, on a global basis, are shifting budgets to mobile advertising as television's reach continues its sharp decline. As global data and privacy regulations continue to be enacted and Apple and Google advance the security and privacy of their platforms, Kidoz benefits as our offering is completely aligned with data security and offers privacy to all those who adopt or engage with our products."

"The Kidoz system continues to grow in scale and has seen an increased rate of adoption amongst app developers," stated Jason Williams, Kidoz Co-CEO. "Kidoz is the contextual ads market leader with more than double the SDK installs over the next competitive network. As we continue to advance our products we increase the value that we can provide to our advertisers and publishers and further increases our growth. The Kidoz programmatic technology is live and actively filling publisher inventory with campaigns safely sourced from the programmatic marketplace. As Kidoz advances its multiple product offerings, new opportunities arise in the bountiful mobile advertising ecosystem that is projected by eMarketer to exceed over US\$400 billion by 2023 (eMarketer). Kidoz is perfectly positioned with powerful technology in a booming market and management anticipates a record Q4 ahead."

Third Quarter 2021 Financial Results

Total Current Assets as at September 30, 2021 were \$4,856,439, compared to \$5,249,555 as at December 31, 2020, and Total Current Liabilities as at September 30, 2021, were 1,659,224, compared to \$2,178,010 as at December 31, 2020.

Total revenue, net of platform fees (to Apple, Google and Amazon) and withholding taxes, for the quarter ended September 30, 2021, increased to \$2,814,642, an increase of 47% from revenue of \$1,919,973 for the third quarter of 2020 and an increase of 29% from revenue of \$2,177,505 for the second quarter of 2021. Ad Tech advertising

revenue increased to \$2,759,508 for the quarter ended September 30, 2021, an increase of 53% from ad tech advertising revenue of \$1,809,169 in the third quarter of 2020 and an increase of 30% from Ad tech revenue of \$2,120,500 for the second quarter of 2021. Content revenue decreased to \$55,134, for the quarter ended September 30, 2021, a decrease of 50% from revenue of \$110,804 in the third quarter of 2020 and a decrease of 3% from Content revenue of \$57,005 for the second quarter of 2021. The increase in total revenue compared to the third quarter of fiscal 2020 and the second quarter of fiscal 2021 is due to the ongoing shift from TV advertising to mobile advertising and the strong demand for kid safe advertising generated by the introduction of strong regulations worldwide.

Selling and marketing expenses were \$156,122 for the quarter ended September 30, 2021, an increase of 85% over expenses of \$84,507 in the third quarter of fiscal 2020 and a decrease of 14% over expenses of \$181,144 in the second quarter of fiscal 2021. This increase in sales and marketing expenses in the quarter ended September 30, 2021, compared to the third quarter of fiscal 2020, is due to an increase in sales and marketing staff. The decrease compared to the second quarter of fiscal 2021 is due to one-time bonuses paid in the second quarter of fiscal 2021 to our sales staff in recognition of their dedicated service during the stressful COVID-19 period.

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 increased to \$145,765 for the quarter ended September 30, 2021, an increase of 17% from costs of \$124,245 for the third quarter of fiscal 2020, and a decrease of 12% from costs of \$166,361 for the second quarter of fiscal 2021. The increase in general and administrative expenses compared to the third quarter of fiscal 2020 is due an increase in recruiting fees to hire additional employees. The decrease in general and administrative expenses compared to the second quarter of fiscal 2021, is due a decrease in fees paid to our professional advisors.

During the quarter ended June 30, 2021 the Company commenced a corporate stock awareness program. The Company engaged Research Capital Corporation, Agora Internet Relations Corp., Stockhouse Publishing Ltd. and Proactive for financial and capital markets advisory services and to assist with general market outreach to increase investor awareness as the Company continues to achieve important milestones and grow its investor base. The Company incurred stock awareness expenses of \$65,392 during the quarter ended September 30, 2021.

Salaries, wages, consultants, and benefits increased to \$123,381 for the quarter ended September 30, 2021, an increase of 47% compared to salaries, wages, consultants, and benefits of \$84,003 in the third quarter of 2020 and a decrease of 52% compared to salaries, wages, consultants, and benefits of \$256,336 in the second quarter of 2021. This increase compared to the third quarter of fiscal 2020 is due to the resumption of full salaries in Q3 2021 compared to a reduction in salaries in Q3 2020 as a result of COVID-19. The decrease compared to the second quarter of fiscal 2021 is primarily due to one-time bonuses paid in the second quarter of fiscal 2021 in recognition of their dedicated service during the stressful COVID-19 period.

The Company does not capitalize its development costs. The Company expensed \$477,559 in content and software development costs during the quarter ended September 30, 2021, an increase of 71% compared to content and software development costs of \$279,364 expensed during the third quarter of fiscal 2020 and an increase of 30% compared to content and software development costs of \$366,046 expensed during the second quarter of fiscal 2021. The increase in development costs compared to the third quarter of fiscal 2020 and the second quarter of fiscal 2021 is due to hiring additional development staff to increase the development of our base technology.

Adjusted earnings before interest; depreciation and amortization; stock awareness program; stock-based compensation and impairment of goodwill (“Adjusted EBITDA”) for the period ended September 30, 2021, amounted to \$265,984, a decrease of 20%, compared to an Adjusted EBITDA of \$330,852 in the period ended September 30, 2020 and an increase compared to an Adjusted EBITDA of \$16,484 in the second quarter of fiscal 2021.

The net loss after taxation for the quarter ended September 30, 2021, amounted to (\$75,040), a loss of (\$0.00) per share, compared to a net income of \$116,634 or \$0.00 per share in the quarter ended September 30, 2020 and compared to a net loss of (\$545,077) or (\$0.00) per share in the quarter ended June 30, 2021. This increase in net loss for the quarter compared to the third quarter of fiscal 2020, is due to the salary reductions instituted in fiscal 2020 as a result of COVID-19. The decrease in net loss from the second quarter of fiscal 2021 is due to the

initiation of the stock awareness program and one-time bonuses paid to our staff and consultants in the second quarter of fiscal 2021 in recognition of their dedicated service during the stressful COVID-19 period.

During the Nine months ended September 30, 2021, we used cash of \$45,247 in operating activities compared to cash provided in operating activities of \$171,612 in the same period in the prior year.

During the Nine months ended September 30, 2021, we used cash in investing activities of (\$78) compared to cash used in investing activities of (\$9,632) in the same period in the prior year.

Net cash provided by financing activities was \$9,288 in the Nine months ended September 30, 2021. This compares to cash provided by financing activities of \$7,807 in the same period in the prior year.

We had cash of \$1,190,008 and working capital of \$3,197,215 at September 30, 2021. This compares to cash of \$1,226,045 and working capital of \$3,071,545 as at December 31, 2020.

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 on the www.sedar.com website.

About KIDOZ INC.

Kidoz Inc. (TSXV:KIDZ) (www.kidoz.net) owns the leading COPPA & GDPR compliant contextual mobile advertising network that safely reaches hundreds of million kids, teens, and families every month. Google certified and Apple approved, Kidoz provides an essential suite of advertising technology that unites brands, content publishers and families. Trusted by Disney, Hasbro, Lego and more, the Kidoz Contextual Ad Network helps the world's largest brands to safely reach and engage kids across thousands of mobile apps, websites and video channels. The Kidoz network does not use location or PII data tracking commonly used in digital advertising. Instead, Kidoz has developed advanced contextual targeting tools to enable brands to reach their ideal customers with complete brand safety. A focused AdTech solution provider, the Kidoz SDK and Kidoz Programmatic network have become essential products in the digital advertising ecosystem.

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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