



KIDUZ Inc.

Hansa Bank Building, Ground Floor
Landsome Road, The Valley
AI 2640, Anguilla, BWI
Ph: +1 888-374-2163
Fax: +1 604-694-0301

Kidoz Inc. Announces Record Full Year 2021 Financial Results

ANGUILLA, B.W.I., March 30, 2022 – Kidoz Inc. (TSXV:KIDZ) (the "Company"), mobile AdTech developer and owner of the market leading Kidoz Contextual Ad Network (www.kidoz.net); the safe programmatic ad solution “Kidoz Connect”; and the Kidoz Publisher SDK, announced today its audited financial results for the year ended December 31, 2021. All amounts are presented in United States dollars and are in accordance with United States Generally Accepted Accounting Principles.

Financial highlights from fiscal 2021 include:

- Total Revenue of \$12,475,480 an increase of 75% over fiscal 2020 Total Revenue of \$7,148,029
- Ad Tech Advertising Revenue of \$12,243,866 an increase of 81% over Ad Tech Advertising Revenue of \$6,748,064 for fiscal 2020.
- Adjusted EBITDA of \$1,507,951 compared to Adjusted EBITDA of \$771,236 in fiscal 2020
- Net income before tax of \$26,346, compared to \$48,728 in fiscal 2020.
- Net loss after deferred tax of (\$190,321), compared to a net profit of \$103,971 in fiscal 2020
- Cash of \$2,078,607 and working capital of \$4,536,852 as at December 31, 2021
- Non Capitalized R&D expenditures of \$1,678,848 up from \$1,149,902 in fiscal 2020.

Our commitment to children's privacy and safety has created one of the fastest growing mobile networks in the world. We continue to invest heavily into our systems and technology to increase our network reach and solidify our position as the market leader. The Kidoz network continues to grow in size and now boasts more than double the SDK app adoption than its closest direct mobile ad competitor. The success of our strategy and technology increases the pace of our technical investments and creates further opportunities to accelerate the speed of our growth as we refine our software and systems.

"Fiscal 2021 saw Kidoz's growth, profitability, and revenues reach new heights," said Jason Williams, Kidoz Co-CEO. "The Company's continued and increasing pace of growth is attributed to potent market and consumer forces both from the wider digital economy and also specific to the Kidoz niche of private, safe, and contextual advertising. One of the key factors driving growth is the ever increasing dominance of mobile usage and mobile entertainment across all age groups. Mobile is consumers' preferred choice for entertainment and Kidoz provides a safe and high performance platform to reach hundreds of millions of consumers on their mobile devices."

"We continue to invest heavily into our systems and technology to increase our network reach and solidify our position as the market leader," commented Eldad Ben Tora, Kidoz Co-CEO. "The latest Kidoz technology that was released in 2021 has the power to further increase our growth rate and fill the billions of impressions exposed monthly on the Kidoz network. The most powerful new product is Kidoz's COPPA compliant programmatic technology solution: Kidoz Connect. Kidoz Connect creates a safe pipeline of advertising sources to be connected to the Kidoz Contextual Ad Network and funneled to the thousands of apps currently utilizing Kidoz monetization technology. Kidoz has also developed new tools for enabling the growth of performance campaigns and the Company has now expanded its offering to include both the teens (13-19) and parents' markets. Kidoz finished 2021 with exception growth, and we've carried that momentum into 2022 as we look to expand our market share and increase our rate of growth in 2022."

2021 Annual Financial Results

Total Current Assets as at December 31, 2021 were \$8,811,939, compared to \$5,249,555 as at December 31, 2020, and Total Current Liabilities as at December 31, 2021, were \$4,275,088, compared to \$2,178,010 as at December 31, 2020.

We had cash of \$2,078,607 and working capital of \$4,536,852 as at December 31, 2021. This compares to cash of \$1,226,045 and working capital of \$1,226,045 as at December 31, 2020.

Total revenue, net of platform fees (to Apple, Google and Amazon) and withholding taxes, for the year ended December 31, 2021 increased to \$12,475,480, an increase of 75% over total revenue net of fees and withholding taxes of \$7,148,029 for fiscal 2020. Ad Tech advertising revenue for the year ended December 31, 2021, was \$12,243,866 an increase of 81% over Ad Tech advertising revenue of \$6,748,064 for fiscal 2020. Content revenue for year ended December 31, 2021 decreased to \$231,614, a decrease of 42% over content revenue of \$399,965 for fiscal 2020. The increase in total revenue over fiscal 2020 is due to the growth of our publisher reach and our advertising customers increasing their advertising budgets with the Kidoz safe mobile network. 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, 2021 were \$641,393, an increase of 61% over selling and marketing expenses of \$397,948 for fiscal 2020. The increase in sales and marketing expenses over fiscal 2020 is due to an increase in the sales and marketing team to serve our clients better. Selling and marketing expenses consist primarily of sales staff salaries and benefits and publishing services and user acquisition costs incurred to acquire game players.

Additionally, the Company commenced a Stock Awareness Program during the year ended December 31, 2021 to increase the visibility of the Company to the general investment community at a total cost of \$402,845. The total number of shares traded on the TSXV over the period increased 500% to 4,232,681 shares from 844,921 shares in the comparable 9 month period in 2020.

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 \$604,882 for the year ended December 31, 2021, an increase of 14% over general and administrative expenses of \$528,708 in fiscal 2020. The increase in general and administrative expenses is due an increase in fees paid to our professional advisors. The Company continues to maintain its current office space at the present time despite the large majority of our staff working from home since early March 2020.

Salaries, wages, consultants and benefits increased to \$693,964 for the year ended December 31, 2021, an increase of 47% over salaries, wages, consultants and benefits of \$470,658 for fiscal 2020. The increase in salaries, wages, consultants and benefits over fiscal 2020, is due to an increase in the overall headcount of staff employed by the Company to service its rapid growth and bonuses paid.

We do not capitalize our development costs. Content and software development costs of \$1,678,848 were expensed for year ended December 31, 2021, an increase of 46% from content and software development costs of \$1,149,902 expensed for fiscal 2020. These increases over fiscal 2020, are due to the hiring of additional development staff as a result of an increased focus in development of our base technology and the development of our safe programmatic ad sourcing solution Kidoz Connect. Throughout the year the Company hired additional development and sales and marketing staff to facilitate our continued growth. This hiring has continued into the first quarter of fiscal 2022 to our present total complement of 32 staff worldwide.

The net income before tax for the year ended December 31, 2021, amounted to \$26,346, compared to a net income of \$48,728, in the year ended December 31, 2020.

During the year ended December 31, 2021, the Company had a tax expense of \$216,677. Our Israeli subsidiary had a deferred tax liability of \$210,449 from the acquisition of Kidoz Ltd. intangible assets and a subsidiary of the Company a tax expense of \$6,178. During the year ended December 31, 2020, a subsidiary of the Company applied for a Canadian tax credit in relation to fiscal 2019. The Company received a tax credit of \$55,243 in fiscal 2020. The Company is no longer eligible to receive the Canadian Tax credit, so no funds were received in fiscal 2021.

The net loss after taxation for the year ended December 31, 2021, amounted to (\$190,321) a loss of (\$0.00) per share, compared to a net income of \$103,971, an income of \$0.00 per share, in the year ended December 31, 2020.

Adjusted earnings before interest; depreciation and amortization; stock awareness program; stock-based compensation and impairment of goodwill (“Adjusted EBITDA”) for the year ended December 31, 2021 amounted to \$1,507,951 compared to EBITDA of \$771,236 in fiscal 2020.

During the year ended December 31, 2021, we provided cash of \$851,533 in operating activities compared to providing cash of \$256,978 in the prior year.

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 leading COPPA & GDPR compliant contextual mobile advertising network that safely reaches hundreds of millions of 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 Contextual Ad 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 30, 2022, 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.

For more information contact:

Henry Bromley

CFO

ir@kidoz.net

(888) 374-2163