
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2021

**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 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 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
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

APPLICABLE ONLY TO CORPORATE ISSUERS The number of outstanding shares of the Issuer's common stock, no par value per share, was 131,354,989 as of May 12, 2021.

KIDOZ INC.

**QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED MARCH 31, 2021**

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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 December 31,	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash	\$ 1,611,592	\$ 1,226,045
Accounts receivable, less allowance for doubtful accounts \$54,661 (December 31, 2020 - \$55,660) (Note 3)	2,389,012	3,933,540
Prepaid expenses	136,633	89,970
Total Current Assets	4,137,237	5,249,555
Equipment (Note 4)	21,290	21,839
Goodwill (Note 6)	3,301,439	3,301,439
Intangible assets (Note 5)	2,111,971	2,250,989
Long term cash equivalent	31,766	31,392
Operating lease right-of-use assets (Note 12)	88,806	106,315
Security deposit	7,691	7,600
Total Assets	\$ 9,700,200	\$ 10,969,129
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 676,891	\$ 1,722,066
Accrued liabilities	418,539	375,089
Accounts payable and accrued liabilities - related party (Note 13)	58,278	50,772
Operating lease liabilities – current portion (Note 12)	32,064	30,083
Total Current Liabilities	1,185,772	2,178,010
Government CEBA loan (Note 8)	47,650	47,089
Operating lease liabilities – non-current portion (Note 12)	66,606	73,835
Total Liabilities	1,300,028	2,298,934
Commitments (Note 11)		
Stockholders' Equity (Note 9):		
Common stock, no par value, unlimited shares authorized, 131,124,989 shares issued and outstanding (December 31, 2020 - 131,124,989)	49,171,117	49,094,096
Accumulated deficit	(40,795,525)	(40,448,481)
Accumulated other comprehensive income:		
Foreign currency translation adjustment	24,580	24,580
Total Stockholders' Equity	8,400,172	8,670,195
Total Liabilities and Stockholders' Equity	\$ 9,700,200	\$ 10,969,129

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 March 31, 2021 and 2020
(Unaudited)

	2021	2020
Revenue:		
Ad tech advertising revenue	\$ 1,504,300	\$ 895,555
Content revenue	53,642	88,424
Total revenue	1,557,942	983,979
Cost of sales:	872,901	539,804
Total cost of sales	872,901	539,804
Gross profit	685,041	444,175
Operating expenses:		
Amortization of operating lease right-of-use assets (Note 12)	17,509	15,372
Depreciation and amortization (Notes 4 & 5)	141,832	141,331
Directors fees	2,000	2,500
General and administrative	157,695	143,255
Salaries, wages, consultants and benefits	132,242	136,240
Selling and marketing	128,688	115,707
Stock-based compensation (Note 9)	77,021	541
Content and software development (Note 7)	337,293	284,723
Total operating expenses	994,280	839,669
Loss before other income (expense) and income taxes	(309,239)	(395,494)
Other income (expense):		
Foreign exchange loss	(37,805)	(8,704)
Interest and other income	-	274
Loss before income taxes	(347,044)	(403,924)
Income tax expense	-	-
Loss after tax	(347,044)	(403,924)
Other comprehensive income (loss)	-	-
Comprehensive loss	\$ (347,044)	\$ (403,924)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)
Weighted average common shares outstanding, basic	131,124,989	131,124,989
Weighted average common shares outstanding, diluted	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 March 31, 2021 and 2020

(Unaudited)

Three-Month period Ended March 31, 2021					
	Common stock		Accumulated Deficit	Accumulated Other Comprehensive income	Total Stockholders' Equity
	Shares	Amount		Foreign currency translation adjustment	
Balance, December 31, 2020	131,124,989	\$49,094,096	(\$40,448,481)	\$ 24,580	\$8,670,195
Stock-based compensation	-	77,021	-	-	77,021
Net loss and comprehensive loss	-	-	(347,044)	-	(347,044)
Balance, March 31, 2021	131,124,989	\$49,171,117	(\$40,795,525)	\$ 24,580	\$8,400,172

Three-Month period Ended March 31, 2020					
	Common stock		Accumulated Deficit	Accumulated Other Comprehensive income	Total Stockholders' Equity
	Shares	Amount		Foreign currency translation adjustment	
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

See accompanying notes to the consolidated financial statements.

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Consolidated Statements of Cash Flows For the Three month period ended March 31, 2021 and 2020

(Unaudited)

	2021		2020
Cash flows from operating activities:			
Net loss	\$ (347,044)	\$	(403,924)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	141,832		141,331
Amortization of operating lease right-of-use assets	17,509		15,372
Stock-based compensation	77,021		541
Realized foreign exchange loss	96		-
Changes in operating assets and liabilities:			
Accounts receivable	1,544,528		311,301
Prepaid expenses	(46,663)		(1,173)
Accounts payable and accrued liabilities	(994,219)		(464,052)
Net cash provided by (used in) operating activities	393,060		(400,604)
Cash flows from investing activities:			
Acquisition of equipment	(2,265)		-
Long-term cash equivalent	-		3,130
Acquisition of right-of-use assets	-		(8,668)
Security deposits	-		629
Net cash used in investing activities	(2,265)		(4,909)
Cash flows from financing activities:			
Proceeds of short-term loan	200,000		-
Repayment of short-term loan	(200,000)		-
Payments on operating lease liabilities	(5,248)		(16,187)
Government CEBA loan	-		-
Net cash used in financing activities	(5,248)		(16,187)
Change in cash	385,547		(421,700)
Cash, beginning of period	1,226,045		967,212
Cash, end of period	\$ 1,611,592	\$	545,512
Supplementary information:			
Interest paid	\$ 987	\$	-
Income taxes recovery	\$ -	\$	-

See accompanying notes to the consolidated financial statements.

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Notes to Consolidated Financial Statements
Three Months ended March 31, 2021 and 2020
(Unaudited)

1. Basis of Presentation:

The accompanying unaudited interim consolidated 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, 2020, included in the Company’s Annual Report on Form 10-K, filed March 31, 2021, 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 Three Months ended March 31, 2021 and 2020 and has an accumulated deficit of \$40,795,525 as at March 31, 2021. 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’s employees commenced working from home and commenced social distancing. This outbreak has affected spending, thereby affecting demand for the

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Notes to Consolidated Financial Statements
Three Months ended March 31, 2021 and 2020
(Unaudited)

1. Basis of Presentation: (Continued)

Company's product and the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude 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 unaudited interim 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.

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

(b) Use of estimates:

The preparation of unaudited interim 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, the valuation of stock-based compensation, the valuation of deferred tax assets, the useful lives of intangible assets, 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.

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Notes to Consolidated Financial Statements
Three Months ended March 31, 2021 and 2020
(Unaudited)

2. Summary of significant accounting policies (Continued):

(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 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

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Notes to Consolidated Financial Statements
Three Months ended March 31, 2021 and 2020
(Unaudited)

2. Summary of significant accounting policies (Continued):

(c) Revenue recognition: (Continued)

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 (CPI) arrangements, Cost per completed video view (CPC) and/or Cost-Per-Action (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 or the month when the campaign ends.

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.

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Notes to Consolidated Financial Statements
Three Months ended March 31, 2021 and 2020
(Unaudited)

2. Summary of significant accounting policies (Continued):

(c) Revenue recognition: (Continued)

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 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

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Notes to Consolidated Financial Statements
Three Months ended March 31, 2021 and 2020
(Unaudited)

2. Summary of significant accounting policies (Continued):

(c) Revenue recognition: (Continued)

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) Software development costs:

The Company expensed all software development costs as incurred for the period ended March 31, 2021 and 2020. As at March 31, 2021 and 2020, all capitalized software development costs have been fully amortized and the Company has no capitalized 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.

As at March 31, 2021 and December 31, 2020, all capitalized software development costs have been fully amortized and the Company has no capitalized software development costs.

Total software development costs were \$9,218,046 as at March 31, 2021 (December 31, 2020 - \$8,880,753).

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

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.

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

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Notes to Consolidated Financial Statements
Three Months ended March 31, 2021 and 2020
(Unaudited)

2. Summary of significant accounting policies (Continued):

(f) 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 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, 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.

During the year ended December 31, 2020, the Company deemed there was no impairment of the goodwill.

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

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 period) and improving financial statement preparers' application of certain income tax-related guidance. 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.

There have been no other recent accounting standards, or changes in accounting standards, during the period ended March 31, 2021, as compared to the recent accounting standards described in the Annual Report, that are of material significance, or have potential material significance, to us.

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Notes to Consolidated Financial Statements
Three Months ended March 31, 2021 and 2020
(Unaudited)

(h) 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 amounts due to the short-term maturities of these instruments and are therefore carried at historical cost basis.

KIDOZ INC. and subsidiaries

(Expressed in United States Dollars)

Notes to Consolidated Financial Statements
Three Months ended March 31, 2021 and 2020
(Unaudited)

2. Summary of significant accounting policies (Continued):

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

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 amortized cost.

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. Accounts receivable:

The accounts receivable as at March 31, 2021, is summarized as follows:

	March 31, 2021	December 31, 2020
Accounts receivable	\$ 2,443,673	\$ 3,989,200
Expected credit losses	(54,661)	(55,660)
Net accounts receivable	\$ 2,389,012	\$ 3,933,540

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 \$26,995 for existing accounts receivable.

4. Equipment:

March 31, 2021	Cost	Accumulated depreciation	Net book Value
Equipment and computers	\$ 148,810	\$ 133,400	\$ 15,410
Furniture and fixtures	14,787	8,907	5,880
	\$ 163,597	\$ 142,307	\$ 21,290
December 31, 2020	Cost	Accumulated depreciation	Net book Value
Equipment and computers	\$ 146,545	\$ 130,798	\$ 15,747
Furniture and fixtures	14,787	8,695	6,092
	\$ 161,332	\$ 139,493	\$ 21,839

Depreciation expense was \$2,814 (March 31, 2020 - \$2,313) for the quarter ended March 31, 2021.

KIDOZ INC. and subsidiaries

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5. Intangible assets:

March 31, 2021	Cost	Accumulated depreciation	Net book Value
Ad Tech technology	\$ 1,877,415	\$ 782,256	\$ 1,095,159
Kidoz OS technology	31,006	21,532	9,474
Customer relationship	1,362,035	354,697	1,007,338
	\$ 3,270,456	\$ 1,158,485	\$ 2,111,971

December 31, 2020	Cost	Accumulated amortization	Net book Value
Ad Tech technology	\$ 1,877,415	\$ 688,386	\$ 1,189,029
Kidoz OS technology	31,006	18,948	12,058
Customer relationship	1,362,035	312,133	1,049,902
	\$ 3,270,456	\$ 1,019,467	\$ 2,250,989

Amortization expense was \$139,018 (March 31, 2020 - \$139,018) for the quarter ended March 31, 2021.

6. Goodwill:

The changes in the carrying amount of goodwill for the periods ended March 31, 2021, and 2020 were as follows:

	March 31, 2021	December 31, 2020
Goodwill, balance at beginning of period	\$ 3,301,439	\$ 3,301,439
Impairment of goodwill	-	-
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 2020 included a quantitative analysis of Kidoz Ltd. reporting unit (consisting of intangible assets (Note 5) and goodwill). The reporting unit has a carrying amount of \$5,413,410 (December 31, 2020 - \$5,552,428) as at December 31, 2020. The Company performed a discounted cash flow analysis for Kidoz Ltd. for the year ended December 31, 2020. These discounted cash flow models included management assumptions for expected sales growth, margin expansion, operational leverage, capital expenditures, and overall operational forecasts. The Company classified these significant inputs and assumptions as Level 3 fair value measurements. Based on the annual impairment test described above there was no additional impairment determined for fiscal 2020.

7. 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 Safe Ad Network, the KIDOZ Kid-Mode Operating System, and the KIDOZ publisher SDK.

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7. Content and software development assets: (Continued)

During the period ended March 31, 2021, the Company has expensed the development costs of all its technology as incurred and has expensed the following software development costs.

	March 31, 2021	March 31, 2020
Opening total development costs	\$ 8,880,753	\$ 7,730,851
Development during the period	337,293	284,723
Closing total development costs	\$ 9,218,046	\$ 8,015,574

8. Government CEBA loan:

During the year ended December 31, 2020, the Company was granted a loan of \$47,089 (CAD\$60,000) 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 CAD\$20,000 is eligible for complete forgiveness if CAD\$40,000 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%.

During the quarter ended March 31, 2021, the Company drew \$200,000 from its line of credit with the Leumi Bank. The loan was repaid in full during the quarter ended March 31, 2021 with interest costs of \$987.

9. 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.

There have not been any shares issued during the quarter ended March 31, 2021 and the year ended December 31, 2020.

Subsequent to the quarter ended March 31, 2021, the Company engaged Research Capital Corporation ("RCC") as a financial and capital markets advisor. As part of the compensation for its services, RCC will receive a monthly fee of \$5,162 (CAD\$6,500) for its trading advisory services for a minimum of 6 months with extension by mutual agreement and a financial advisory fee to be satisfied by the issuance of 230,000 common shares of the Company. In addition, the Company granted 230,000 common share purchase warrants to RCC. Each warrant will entitle the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.78 (CAD\$0.98) at any time up to 24 months following the date of issuance. Subsequent to the quarter ended March 31, 2021, the Company issued the shares and granted the warrants.

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9. Stockholders' Equity: (Continued)

(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 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 March 31, 2021, the Company granted 1,075,000 options at CAD\$0.50 (\$0.39)

During the year ended December 31, 2020, the Company granted 2,745,000 options at CAD\$0.45 (\$0.33).

	Number of options		Weighted average exercise price
Outstanding December 31, 2019	3,200,750	\$	0.45
Granted	2,745,000		0.33
Exercised	-		-
Cancelled	(70,000)		(0.42)
Outstanding, December 31, 2020	5,875,750	\$	0.39
Granted	1,075,000		0.39
Exercised	-		-
Cancelled	(140,000)		(0.35)
Outstanding March 31, 2021	6,810,750	\$	0.39

The aggregate intrinsic value for options as of March 31, 2021 was \$2,511,086 (December 31, 2020 - \$137,250).

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9. Stockholders' Equity: (Continued)

(b) Stock option plans: (Continued)

The following table summarizes information concerning outstanding and exercisable stock options at March 31, 2021:

	Exercise prices per share	Number outstanding	Number exercisable	Expiry date
	\$ 0.33	2,645,000	87,000	June 30, 2025
	0.39	1,035,000	135,000	February 1, 2026
	0.40	620,000	620,000	December 20, 2021
	0.42	522,750	486,650	November 8, 2022
	0.42	713,000	713,000	June 4, 2023
	0.50	1,275,000	1,275,000	June 4, 2023
		6,810,750	3,316,650	

During the quarter ended March 31, 2021, the Company recorded stock-based compensation of \$77,021 on the options granted and vested (March 31, 2020 – \$541) and as per the Black-Scholes option-pricing model, with a weighted average fair value per option of \$0.28 (March 31, 2020 - \$0.29).

Subsequent to the quarter ended March 31, 2021, a further 1,300,000 options were awarded where 2% vests per month thereafter, with an exercise price of CAD\$1.02 (\$0.81), expiring on April 6, 2026.

10. 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.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
As at March 31, 2021				
<u>Assets</u>				
Cash	\$1,611,592	\$-	\$-	\$1,611,592
Long term cash equivalent	31,766	-	-	31,766
Total assets measured and recorded at fair value	\$1,643,358	\$-	\$-	\$1,643,358
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
As at December 31, 2020				
<u>Assets</u>				
Cash	\$1,226,045	\$-	\$-	\$1,226,045
Long term cash equivalent	31,392	-	-	31,392
Total assets measured and recorded at fair value	\$1,257,437	\$-	\$-	\$1,257,437

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11. 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, 2020, 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.

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

2021	\$	49,129
2022		49,267
2023		50,426
2024		12,679

The Company paid rent expense totaling \$32,419 for the quarter ended March 31, 2021 (March 31, 2020 - \$25,873).

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 March 31, 2021, the Company had a number of renewable license commitments with large brands, including, Garfield, Moomins, Mr. Men and Little Miss, Mr. Bean, and Peter Rabbit.

As at March 31, 2021, there are no further commitments to pay minimum guarantee payments for royalties

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11. Commitments: (Continued)

on the revenue from the licenses.

The Company expensed the minimum guarantee payments over the life of the agreement and recognized license expense of \$8,814 (March 31, 2020 - \$16,882) for the quarter ended March 31, 2021.

12. Right of use assets:

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%.

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:

	March 31, 2021		December 31, 2020	
Opening balance for the period	\$	106,315	\$	134,914
Capitalization of additional license leases		-		25,472
Amortization of operating lease right-of use assets		(17,509)		(54,071)
Closing balance for the period	\$	88,806	\$	106,315

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12. Right of use assets: (Continued)

The operating lease as at March 31, 2021, is summarized as follows:

As at March 31, 2021		Operating lease- Office lease
2021	\$	25,062
2022		34,284
2023		35,443
2024		8,183
Total lease payments	\$	102,972
Less: Interest		(4,302)
Present value of lease liabilities	\$	98,670
Amounts recognized on the balance sheet		
Current lease liabilities	\$	32,064
Long-term lease liabilities		66,606
Total lease payments	\$	98,670

	March 31, 2021	December 31, 2020
Opening balance for the period	\$ 103,918	\$ 127,615
Payments on operating lease liabilities	(5,248)	(23,697)
Closing balance for the period	98,670	103,918
Less: current portion	(32,064)	(30,083)
Operating lease liabilities – non-current portion as at end of period	\$ 66,606	\$ 73,835

13. Related party transactions:

The Company has a liability of \$11,000 (December 31, 2020 - \$10,968) to a company owned by a current director and officer of the Company for payment of consulting services rendered of \$33,000 (March 31, 2020 - \$33,000) by the current director and officer of the Company.

The Company has a liability of \$1,795 (December 31, 2020 - \$nil) to a current director and officer of the Company for expenses incurred.

The Company has a liability of \$6,879 (December 31, 2020 - \$6,098) to a company owned by a current director and officer of the Company for payment of consulting services rendered of \$20,666 (March 31, 2020 - \$18,900) by the current director and officer of the Company.

The Company has a liability of \$7,500 (December 31, 2020 - \$7,500) to a company owned by a current director and officer of the Company for payment of consulting services rendered of \$22,500 (March 31, 2020 - \$22,500) by the current director and officer of the Company.

The Company has a liability of \$12,318 (December 31, 2020 - \$12,519) to a current director and officer of

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13. Related party transactions: (Continued)

the Company for payroll.

The Company has a liability of \$3,500 (December 31, 2020 - \$1,500), to independent directors of the Company for payment of directors' fees. During the quarter ended March 31, 2021, the Company accrued \$2,000 (March 31, 2020 - \$2,500) to the independent directors in director fees.

The Company has a liability of \$15,286 (December 31, 2020 - \$12,187), to an officer of the Company for payment of consulting services rendered and expenses incurred of \$36,330 (March 31, 2020 - \$40,014) by the officer of the Company.

The Company has a liability of \$nil (December 31, 2020 - \$nil), to an officer of the Company for payment of consulting fees and expenses incurred of \$36,495 (March 31, 2020 - \$28,379) by the officer of the Company.

In the quarter ended March 31, 2021, the Company issued stock options to its directors, employees, and consultants. During the quarter ended March 31, 2021, the Company incurred stock-based compensation expense of \$30,311 to related parties from this stock option grant.

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.

14. 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.

	Three Months ended March 31, 2021		Three Months ended March 31, 2020	
<u>Ad tech advertising revenue</u>				
Western Europe	\$	216,799	\$	334,441
North America		1,219,730		508,994
Other		67,771		52,120
Total ad tech advertising revenue	\$	1,504,300	\$	895,555
<u>Content revenue</u>				
Western Europe	\$	21,839	\$	26,420
Central, Eastern and Southern Europe		562		32,545
North America		18,464		18,604
Other		12,777		10,855
Total content revenue	\$	53,642	\$	88,424

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14. Segmented information: (Continued)

	Three Months ended March 31, 2021		Three Months ended March 31, 2020	
Total revenue				
Western Europe	\$	238,638	\$	360,861
Central, Eastern and Southern Europe		562		32,545
North America		1,238,194		527,598
Other		80,548		62,975
Total revenue	\$	1,557,942	\$	983,979

Equipment

The Company's equipment is located as follows:

Net Book Value	March 31, 2021		December 31, 2020	
Anguilla	\$	125	\$	164
Canada		8,308		7,482
Israel		11,708		12,870
United Kingdom		1,149		1,323
	\$	21,290	\$	21,839

15. Concentrations:

Major customers

During the quarter ended March 31, 2021 and 2020, 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 March 31, 2021, the Company had two Ad tech customers: \$651,402, and \$441,787 (March 31, 2020 – three customers: \$341,920, \$122,908 and \$114,914 respectively) 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.

16. 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 March 31, 2021, the Company had total cash and cash equivalents balances of \$1,611,592 (December 31, 2020 - \$1,226,045) at financial institutions, where \$1,486,536 (December 31, 2020 - \$970,453) 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.

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16. Concentrations of credit risk: (Continued)

As of March 31, 2021, the Company had two customers, totaling \$1,227,393 and \$432,546 who accounted for greater than 10% of the total accounts receivable. As of December 31, 2020, the Company had two customers, totaling \$1,618,244 and \$807,346 respectively 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, 2020.

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, 2020, 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) is a mobile advertising technology company and owner of the KIDOZ Safe Ad Network (www.kidoz.net) and the Kidoz Publisher SDK. By developing solutions for app developers to monetize with safe, relevant, and fun ads we help keep the Google and Apple app stores safe and free for children. Our commitment to children's privacy and safety has created one of the fastest growing mobile networks in the world. 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 across the Internet commonly known as IDFA and AAID. Our technology does not rely on any permanent identifiers, and as Google and Apple begin to disallow persistent trackers from being employed by any network (child-directed or not), Kidoz's strength increases.

Kidoz is the market leader in child and pre-teen safe mobile advertising 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 demand privacy and safety for children online. The Kidoz proprietary advertising technology is installed in thousands of different apps, making it the most popular child focused mobile solution in the market. Our KIDOZ Safe Ad Network offers publishers a unique technology and monetization solution that every app with kids traffic can use to compliantly monetize their content.

Kidoz builds and maintains the Kidoz SDK (Software Development Kit) that app developers install into their apps before releasing them into the App Stores. The Kidoz SDK is the core of the advertising technology that enables Kidoz to have advertising impressions available for sale. The Kidoz proprietary advertising system is compliant with COPPA, GDPR-K and other regulations adopted to protect children in a complex digital world. While a closed proprietary system design made sense for the initial phase of Kidoz, digital advertising systems are constantly evolving and Kidoz is no exception. Kidoz continues to upgrade its advertising systems to be compatible with the latest IAB specifications for real-time-bidding, header bidding, and server-to-server direct connections. Our design of these upgrades incorporates a view to their utilization, not only in the kid's marketplace but to the entire advertising market. The upgrades in the Kidoz platform increases our commitment to protect children, increases the value we offer to our publishing partners, and increases the transparency we provide to the advertisers on the Kidoz system. In addition, we are building the foundation to increase the capabilities of our technology to handle more types of mobile advertising thereby significantly increasing the reach and the size of our addressable market.

Driving our revenue growth is strong underlying system growth for both users and publishers that are using our Kidoz 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, the Company benefits from all child-safe advertising regulation.

Building on Kidoz's high-growth performance in 2020, management plans to further invest in similar growth strategies in 2021. Our sales, product, and operational strategies are custom fit to match the favourable regulatory, consumer, and technological trends occurring in the market. Kidoz is actively recruiting the biggest and most successful apps in the world to offer our technology to their kids audiences for monetization. Each time a new app adopts our technology, our advertising inventory increases and we offer increased value to our advertising partners. The Company is developing technology to access a wider range of inventories app types so that we can continue to increase Kidoz's capabilities and importance in the market.

Furthermore, while the focus of the Company is the development and expansion of the KIDOZ Safe Ad Network, we are investigating options to use our technology to expand into new markets, either through new connections to the wider mobile advertising market, or via synergistic M&A.

Kidoz's mobile products include the 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 Kidz 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 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

The Company expensed all software development costs as incurred for the period ended March 31, 2021 and 2020. As at March 31, 2021 and 2020, all capitalized software development costs have been fully amortized and the Company has no capitalized 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.

As at March 31, 2021 and December 31, 2020, all capitalized software development costs have been fully amortized and the Company has no capitalized software development costs.

Total software development costs were \$9,218,046 as at March 31, 2021 (December 31, 2020 - \$8,880,753).

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. 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 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, 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.

During the year ended December 31, 2020, the Company deemed there was no impairment of the goodwill.

RESULTS OF OPERATIONS

Revenue

Total revenue, net of platform fees (to Apple, Google and Amazon) and withholding taxes, for the quarter ended March 31, 2021, increased to \$1,557,942, an increase of 58% from revenue of \$983,979 for the first quarter of 2020. Ad Tech advertising revenue increased to \$1,504,300 for the quarter ended March 31, 2021, an increase of 68% from ad tech advertising revenue of \$895,555 in the first quarter of 2020. Content revenue decreased to \$53,642, for the quarter ended March 31, 2021, a decrease of 39% from revenue of \$88,424 in the first quarter of 2020. The increase in total revenue compared to the first quarter of fiscal 2020 is due to the strong demand for kid safe advertising generated by the introduction of strong regulations worldwide.

Selling and marketing expenses

Selling and marketing expenses were \$128,688 for the quarter ended March 31, 2021, an increase of 11% over expenses of \$115,707 in the first quarter of fiscal 2020. This increase in sales and marketing expenses in the quarter ended March 31, 2021, compared to the first quarter of fiscal 2020 is due to hiring additional sales staff.

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 increased to \$157,695 for the quarter ended March 31, 2021, an increase of 10% from costs of \$143,255 for the first quarter of 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 despite the large majority of our staff continuing to work from home since early March 2020.

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 \$132,242 for the quarter ended March 31, 2021, a decrease of 3% compared to salaries, wages, consultants, and benefits of \$136,240 in the first quarter of 2020. This decrease compared to the first quarter of fiscal 2020 is due to reduction in consulting fees.

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 March 31, 2021 and 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 increased to \$2,814 during the quarter ended March 31, 2021, an increase over costs of \$2,313 during the same quarter in the prior year. This increase in depreciation and amortization compared to the first quarter of fiscal 2020, is due writing off of old equipment.

Content and software development

The Company does not capitalize its development costs. The Company expensed \$337,293 in content and software development costs during the quarter ended March 31, 2021, an increase of 18% compared to content and software development costs of \$284,723 expensed during the first quarter of fiscal 2020. The increase is due to an increase focus in development of our base technology and the development of playable ads as a result of hiring additional development staff.

Stock-based compensation expense

During the quarter ended March 31, 2021, the Company incurred non-cash stock compensation expenses of \$77,021 from the issuance of stock options granted during the quarter ended March 31, 2021 and June 30, 2020, an increase compared to stock-based compensation expense \$541 in the first quarter of fiscal 2020. This increase compared to the first quarter of fiscal 2020 is due to the granting of stock options during the quarter ended March 31, 2021 and 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 March 31, 2021, amounted to (\$347,044), a loss of (\$0.00) per share, compared to a 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 first quarter of fiscal 2020 is due to the strong demand for kid safe advertising generated by the introduction of strong regulations worldwide.

Earnings before interest; depreciation and amortization; stock-based compensation and impairment of goodwill (“EBITDA”) for the period ended March 31, 2021, amounted to (\$110,682), a reduction of 123%, compared to EBITDA of (\$246,954) in the period ended March 31, 2020.

LIQUIDITY AND CAPITAL RESOURCES

We had cash of \$1,611,592 and working capital of \$2,951,465 at March 31, 2021. This compares to cash of \$1,226,045 and working capital of \$3,071,545 as at December 31, 2020.

During the quarter ended March 31, 2021, we provided cash of \$393,060 in operating activities compared to cash used in operating activities of (\$400,604) in the same period in the prior year.

During the quarter ended March 31, 2021, we used cash in investing activities of (\$2,265) compared to cash used in investing activities of (\$4,909) in the same period in the prior year.

Net cash used in financing activities was (\$5,248) in the quarter ended March 31, 2021. This compares to cash used in financing activities of (\$16,187) in the same period in the prior year.

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 March 31, 2021. 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 March 31, 2021, 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 March 31, 2021. 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 March 31, 2021.

Subsequent to the quarter ended March 31, 2021, the Company issued 230,000 common shares to Research Capital Corporation (“RCC”) as payment for the financial and capital markets advisor. In addition, the Company granted 230,000 common share purchase warrants to RCC. Each warrant will entitle the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.78 (CAD\$0.98) at any time up to 24 months following the date of issuance.

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 May 12, 2021.
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 May 12, 2021.
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 May 12, 2021.
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 May 12, 2021.
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 May 12, 2021.
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 May 12, 2021.

(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.

There were no Form 8-K filed by the Company during the quarter ended March 31, 2021.

Reports Subsequent to the quarter ended March 31, 2021.

Subsequent to the quarter ended March 31, 2021, the Company issued a Form 8-K announcing the signing the agreement with Research Capital Corporation and the issuance of 230,000 common shares and the granting of 230,000 warrants as per the agreement.

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: May 12, 2021

KIDOZ INC.

(Registrant)

Date: May 12, 2021

/S/ J.M. Williams

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

Date: May 12, 2021

/S/ E. Ben Tora

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

Date: May 12, 2021

/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 March 31, 2021, 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
J. M. Williams,
Co-Chief Executive Officer
(Principal Executive Officer)

Date: May 12, 2021

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 March 31, 2021, 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
E. Ben Tora,
Co- Chief Executive Officer
(Principal Executive Officer)

Date: May 12, 2021

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 March 31, 2021, 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
H.W. Bromley,
Chief Financial Officer
(Principal Accounting Officer)

Date: May 12, 2021

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 March 31, 2021, 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
May 12, 2021

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.

