

# Destiny Media Technologies Inc. Announces Third Quarter Fiscal Year 2020 Results

Vancouver, British Columbia--(Newsfile Corp. - July 15, 2020) - Destiny Media Technologies (TSXV: DSY) (OTCQB: DSNY), the makers of Play MPE®, a cloud-based music distribution, collaboration and content discovery platform, today announced financial results for its fiscal 2020 third quarter ended May 31, 2020.

## **Highlights**

Highlights for the quarter:

- Glenn Mattern joins Play MPE® as Director of Business Development
- Canadian Play MPE® trials expand to include Sony Music Canada and several Canadian major independent record labels
- Play MPE® launches Mexican distribution lists
- USA Latin Music and Mexican seeding distribution commences
- Launch of the Play MPE® thought leadership panel series
- Play MPE® product management launches its beta testing program

## **Fiscal 2020 Third Quarter Financial Results**

In the quarter ending May 31, 2020, Play MPE® revenue declined by approximately 2.4%. Adjustments in pricing to a long-standing customer agreement and negative impacts of foreign exchange resulted in a small decline to revenue. This was offset by continued growth in usage by independent music labels. Adjustments to pricing in this agreement is designed to facilitate longer term growing usage of the Play MPE® platform in under used market segments.

"We saw very encouraging results from our Canadian and Latin Music initiatives in our third quarter as usage expanded to include Sony Music Canada and several major independent record labels. We also launched our Latin lists in the United States and Mexico and commenced seeding those networks with popular content," said Fred Vandenberg, Chief Executive Officer for Destiny Media Technologies. "Play MPE® continues to raise its profile as a thought leader with the launch of our new panel and webinar series."

The Company commenced a stock repurchase program in September 2019, resulting in market purchases of 550,140 shares (representing 5% of shares outstanding as of August 31, 2019) for a total cost of \$533,223 USD.

## **Fiscal 2020 Third Quarter Earnings Conference Call**

Destiny Media Technologies will host a conference call at 5:00 p.m. ET (2:00pm PT) on July 15, 2020, to further discuss its fiscal 2020 third quarter results. Investors and interested parties may participate in the call by dialing 1-416-764-8688 or 1-888-390-0546 and referring to conference ID # 44093102. A written transcript and archived stream will subsequently be made available on Destiny's corporate site at <https://investors.dsnyc.com>.

## **CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

**(Expressed in United States dollars)**

**Unaudited**

	<b>Three Months Ended May 31, 2020 \$</b>	Three Months Ended May 31, 2019 \$	<b>Nine Months Ended May 31, 2020 \$</b>	Nine Months Ended May 31, 2019 \$
<b>Service revenue</b>	<b>939,873</b>	970,435	<b>2,792,458</b>	2,833,818
<b>Cost of revenue</b>				
Hosting costs	<b>30,905</b>	24,348	<b>73,361</b>	83,556
Internal engineering support	<b>5,915</b>	7,010	<b>19,278</b>	21,297
Customer support	<b>33,523</b>	30,179	<b>109,245</b>	86,456
Third Party and transactions costs	<b>16,641</b>	11,009	<b>39,502</b>	31,019
	<b>86,984</b>	72,546	<b>241,386</b>	222,328
<b>Gross Margin</b>	<b>852,889</b>	897,889	<b>2,551,072</b>	2,611,490
<b>Operating expenses</b>				
General and administrative	<b>273,070</b>	178,392	<b>708,667</b>	556,270
Sales and marketing	<b>140,690</b>	273,574	<b>786,846</b>	707,473
Product development	<b>355,625</b>	233,225	<b>963,351</b>	806,761
Depreciation and amortization	<b>33,194</b>	26,764	<b>100,744</b>	67,099
	<b>802,579</b>	711,955	<b>2,559,608</b>	2,137,603
<b>Income (loss) from operations</b>	<b>50,310</b>	185,934	<b>(8,536)</b>	473,887
<b>Other income</b>				
Interest income	<b>5,266</b>	8,233	<b>19,743</b>	21,154
Other income	<b>(677)</b>	1,545	<b>19</b>	1,580
Net income (loss)	54,899	195,712	11,226	496,621
<b>Other comprehensive income (loss)</b>				
Foreign currency translation adjustments	<b>(66,657)</b>	(80,709)	<b>(80,213)</b>	(100,562)
<b>Total comprehensive income (loss)</b>	<b>(11,758)</b>	115,003	<b>(68,987)</b>	396,059
<b>Net income (loss) per common share,</b>				
<b>basic and diluted</b>	<b>0.01</b>	0.02	<b>0.00</b>	0.05
<b>Weighted average common shares outstanding:</b>				
<b>Basic and diluted</b>	<b>10,450,646</b>	11,002,775	<b>10,623,432</b>	11,002,775

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS**

(Expressed in United States Dollars)

Unaudited

As at,

	May 31, 2020 \$	August 31, 2019 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	913,349	2,512,138
Short-term investments	1,097,806	380,056
Accounts receivable, net of allowance for doubtful accounts of \$23,111, [August 31, 2019 – \$10,106]	748,440	332,271
Other receivables	19,135	14,240
Prepaid expenses	93,331	77,067
<b>Total current assets</b>	<b>2,872,061</b>	<b>3,315,772</b>
Deposits	32,536	33,716
Property and equipment, net	211,529	260,907
Intangible assets, net	19,032	24,695
Right of use asset	435,234	—
<b>Total assets</b>	<b>3,570,392</b>	<b>3,635,090</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable	165,819	132,451
Accrued liabilities	353,235	303,470
Deferred leasehold inducement	—	46,774
Deferred revenue	1,999	23,388
Current portion of operating lease liability	219,864	—
<b>Total current liabilities</b>	<b>740,917</b>	<b>506,083</b>
Operating lease liability, net of current portion	266,769	—
<b>Total liabilities</b>	<b>1,007,686</b>	<b>506,083</b>
Commitments and contingencies		
<b>Stockholders' equity</b>		
Common stock, par value \$0.001		
Authorized: 20,000,000 shares		
Issued and outstanding: 10,450,656 shares		
[August 31, 2019 – issued and outstanding 11,000,796 shares]	10,451	11,001
Additional paid-in capital	9,353,584	9,850,348
Accumulated deficit	(6,329,257)	(6,340,483)
Accumulated other comprehensive loss	(472,072)	(391,859)
<b>Total stockholders' equity</b>	<b>2,562,706</b>	<b>3,129,007</b>
<b>Total liabilities and stockholders' equity</b>	<b>3,570,392</b>	<b>3,635,090</b>

## About Destiny Media Technologies Inc.

Destiny Media Technologies ("Destiny") provides software as service (SaaS) solutions to businesses in

the music industry solving critical problems in distribution and promotion. The core service, Play MPE® ([www.plaympe.com](http://www.plaympe.com)), provides promotional music marketing to engaged networks of decision makers in radio, film, TV, and beyond. More information can be found at [www.dsnny.com](http://www.dsnny.com).

### **Forward-Looking Statements**

This release contains forward-looking statements that reflect current views with respect to future events and operating performance. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. Destiny Media Technologies is not obligated to update these statements in the future. For more information on the Company's risks and uncertainties relating to those forward-looking statements, please refer to the Risk Factors section in our Annual Form 10-K for the fiscal year ended August 31, 2019, which is available on [www.sedar.com](http://www.sedar.com) or [www.sec.gov](http://www.sec.gov).

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