UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **May 31, 2020**

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **0-28259**

DESTINY MEDIA TECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

NEVADA	**84-1516745**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1110 - 885 West Georgia Street, Vancouver, British Columbia, Canada	**V6C 3E8**
(Address of principal executive offices)	(Zip Code)

604-609-7736

(Registrant's telephone number, including area code)

____

(Former name, former address and former fiscal year, if changes since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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.

[X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted 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 and post such files).

[X] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[X]
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 [X] No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date:

The number of shares outstanding of the registrant's common stock, par value $0.001, as of July 10, 2020 was 10,450,656.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Condensed Consolidated Interim Financial Statements

Destiny Media Technologies Inc.

(Unaudited)
May 31, 2020
(Expressed in United States dollars)

Destiny Media Technologies Inc.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
(Expressed in United States Dollars)
Unaudited

As at,

	May 31, 2020 $	August 31, 2019 $
ASSETS		
Current		
Cash and cash equivalents	**913,349**	2,512,138
Short-term investments *[note 3]*	**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
Total current assets	**2,872,061**	3,315,772
Deposits	**32,536**	33,716
Property and equipment, net *[note 4]*	**211,529**	260,907
Intangible assets, net *[note 4]*	**19,032**	24,695
Right of use asset *[note 5]*	**435,234**	—
Total assets	**3,570,392**	3,635,090
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current		
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 *[note 7]*	**219,864**	—
Total current liabilities	**740,917**	506,083
Operating lease liability, net of current portion *[note 7]*	**266,769**	—
Total liabilities	**1,007,686**	506,083
Commitments and contingencies *[notes 7 and 8]*		
Stockholders' equity		
Common stock, par value $0.001 *[note 6]*		
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 *[note 6]*	**9,353,584**	9,850,348
Accumulated deficit	**(6,329,257)**	(6,340,483)
Accumulated other comprehensive loss	**(472,072)**	(391,859)
Total stockholders' equity	**2,562,706**	3,129,007
Total liabilities and stockholders' equity	**3,570,392**	3,635,090

See accompanying notes

Destiny Media Technologies Inc.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Expressed in United States dollars)
Unaudited

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

See accompanying notes

Destiny Media Technologies Inc.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Expressed in United States dollars)
Unaudited

Three months ended May 31, 2020 and 2019

	Common stock		Additional paid-in Capital	Accumulated Deficit	Accumulated other comprehensive Loss	Total stockholders' equity
	Shares #	Amount				
		$	$	$	$	$
Balance, February 29, 2020	**10,450,656**	**10,451**	**9,338,308**	**(6,384,156)**	**(405,415)**	**2,559,188**
Total comprehensive income (loss)	**-**	**-**	**-**	**54,899**	**(66,657)**	**(11,758)**
Stock based compensation *[note 6]*	**-**		**15,276**	**-**	**-**	**15,276**
Balance, May 31, 2020	**10,450,656**	**10,451**	**9,353,584**	**(6,329,257)**	**(472,072)**	**2,562,706**
Balance, February 28, 2019	11,002,775	11,003	9,834,783	(6,650,352)	(373,495)	2,821,939
Total comprehensive income (loss)	-	-	-	195,712	(80,709)	115,003
Stock based compensation *[note 6]*	-	-	10,363	-	-	10,363
Balance, May 31, 2019	11,002,775	11,003	9,845,146	(6,454,640)	(454,204)	2,947,305

See accompanying notes

See accompanying notes

Destiny Media Technologies Inc.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Expressed in United States dollars)

Unaudited

Nine months ended May 31, 2020 and 2019

	Common stock		Additional paid-in capital	Accumulated Deficit	Accumulated other comprehensive loss	Total stockholders' equity
	Shares	Amount				
	#	$	$	$	$	$
Balance, August 31, 2019	**11,000,796**	**11,001**	**9,850,348**	**(6,340,483)**	**(391,859)**	**3,129,007**
Total comprehensive income (loss)	**-**	**-**	**-**	**11,226**	**(80,213)**	**(68,987)**
Stock based compensation *[note 6]*	**-**	**-**	**35,909**	**-**	**-**	**35,909**
Common shares retired	**(550,140)**	**(550)**	**(532,673)**	**-**	**-**	**(533,223)**
Balance, May 31, 2020	**10,450,656**	**10,451**	**9,353,584**	**(6,329,257)**	**(472,072)**	**2,562,706**
Balance, August 31, 2018	11,002,775	11,003	9,810,676	(6,951,261)	(353,642)	2,517,776
Total comprehensive income (loss)	-	-	-	496,621	(100,562)	396,059
Stock based compensation *[note 6]*	-	-	34,470	-	-	34,470
Balance, May 31, 2019	11,002,775	11,003	9,845,146	(6,454,640)	(454,204)	2,947,305

See accompanying notes

Destiny Media Technologies Inc.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

Nine months ended May 31, 2020 and 2019

(Expressed in United States dollars)

	2020	2019
	$	$
OPERATING ACTIVITIES		
Net income (loss)	**11,226**	496,621
Items not involving cash:		
Depreciation and amortization *[note 4]*	**100,744**	67,099
Allowance for doubtful amounts	**13,672**	—
Stock-based compensation	**35,909**	34,470
Deferred leasehold inducement	**—**	(2,175)
Unrealized foreign exchange gain	**(5,321)**	(20,666)
Changes in non-cash working capital:		
Accounts receivable	**(451,575)**	38,805
Other receivables	**(5,354)**	1,869
Prepaid expenses and deposits	**(18,098)**	(58,504)
Accounts payable	**16,686**	116,335
Accrued liabilities	**82,416**	(17,340)
Deferred revenue	**(21,057)**	(20,946)
Operating lease liability	**6,409**	—
Net cash provided by (used in) operating activities	**(234,343)**	635,568
INVESTING ACTIVITIES		
Purchase of short-term investments, net	**(743,002)**	(81,300)
Purchase of property, equipment and intangibles	**(54,610)**	(377,000)
Net cash used in investing activities	**(797,612)**	(458,300)
FINANCING ACTIVITY		
Repurchase of common stock for retirement	**(533,223)**	—
Net cash used in investing activity	**(533,223)**	—
Effect of foreign exchange rate changes on cash	**(33,611)**	(43,623)
Net increase (decrease) in cash and cash equivalents	**(1,598,789)**	133,645
Cash and cash equivalents, beginning of period	**2,512,138**	1,097,434
Cash and cash equivalents, end of period	**913,349**	1,231,079
Supplementary disclosure		
Interest paid	**—**	—
Income taxes paid	**—**	—

See accompanying notes

**NOTES TO CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

May 31, 2020

1. ORGANIZATION

Destiny Media Technologies Inc. (the "Company") was incorporated in August 1998 under the laws of the State of Colorado and the corporate jurisdiction was changed to Nevada effective October 8, 2014. The Company develops technologies that allow for the distribution over the internet of digital media files in either a streaming or digital download format. The technologies are proprietary. The Company operates out of Vancouver, BC, Canada and serves customers predominantly located in the United States, Europe and Australia.

The Company's stock is listed for trading under the symbol "DSNY" on the OTCQB U.S. in the United States, under the symbol "DSY" on the TSX Venture Exchange and under the symbol "DME" on the Berlin, Frankfurt, Xetra and Stuttgart exchanges in Germany.

Effective September 13, 2019, the Company effected a reverse stock split on the basis of 5:1. As such, the Company's authorized common stock was decreased from 100,000,000 shares of common stock, par value $0.001 to 20,000,000 shares of common stock, par value $0.001 and all shares of common stock issued and outstanding were decreased on the basis of one new share for each five old shares. These consolidated financial statements give retroactive effect to such reverse stock split and all share and per share amounts have been adjusted accordingly.

2. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States for interim financial information pursuant to the rules and regulations of the United States Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by United States generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended May 31, 2020 are not necessarily indicative of the results that may be expected for the year ended August 31, 2020.

The balance sheet at August 31, 2019 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by United States generally accepted accounting principles for annual financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended August 31, 2019.

3. SHORT TERM INVESTMENTS

The Company's short-term investments consists of one-year Guaranteed Investment Certificates with a major Canadian financial institution that earn interest at variable interest rates ranging from 2.15% - 2.36%.

4. PROPERTY AND EQUIPMENT AND INTANGIBLES

	Cost $	Accumulated amortization $	Net book value $
May 31, 2020			
Property and equipment			
Furniture and fixtures	129,723	107,469	**22,254**
Computer hardware	251,891	203,786	**48,105**
Computer software	368,499	269,427	**99,072**
Leasehold improvement	154,215	112,117	**42,098**
	904,328	**692,799**	**211,529**
Intangibles			
Patents, trademarks and lists	**415,399**	**396,367**	**19,032**

	Cost $	Accumulated amortization $	Net book value $
August 31, 2019			
Property and equipment			
Furniture and fixtures	134,432	107,304	**27,128**
Computer hardware	242,736	198,990	**43,746**
Computer software	354,090	223,387	**130,703**
Leasehold improvements	159,815	100,485	**59,330**
	891,073	**630,166**	**260,907**
Intangibles			
Patents, trademarks and lists	421,520	396,825	**24,695**

Depreciation and amortization for the three and nine month periods ended May 31, 2020 was $33,194 and $100,744 respectively (2019: $26,764 and $67,099 respectively)

5. RIGHT OF USE ASSET

On adoption of ASC 842, Lease Accounting, the Company recognized right-of-use assets, and a corresponding increase in lease liabilities (note 7), in the amount of $637,014 which represented the present value of future lease payments using a discount rate of 8% per annum. The Company adopted the modified retrospective approach on adopting ASC 842 and accordingly the adoption was made effective September 1, 2019, with no restatement of the prior year comparatives.

During the three and nine-month periods ended May 31. 2020, the Company recorded a lease expense of $52,930 and $160,387, respectively, related to the depreciation of right-of-use assets.

Supplemental cash flow information related to the lease was as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$189,048
Right-of-use assets obtained in exchange for lease obligations:	
Operating lease	$435,234
Weighted-average discount rate - operating leases	8%

6. STOCKHOLDERS' EQUITY

[a] Common stock issued and authorized

The Company is authorized to issue up to 20,000,000 shares of common stock, par value $0.001 per share.

Effective September 16, 2019, the Company commenced a Normal Course Issuer Bid, pursuant to which the Company may purchase up to a maximum of 550,140 common shares, through the TSX Venture Exchange (the "TSX") at the market price at the time of purchase, subject to daily limits and compliance with the applicable rules of the TSX and Canadian securities laws. During the nine months ended May 31, 2020, the Company repurchased and cancelled 550,140 common shares for $533,223.

[b] Stock option plan

The Company has a stock option plan, namely the 2015 Stock Option Plan (the "Plan"), under which up to 530,000 shares of common stock, has been reserved for issuance. A total of 180,000 common shares remain eligible for issuance under the Plan. The options generally vest over a range of periods from the date of grant, some are immediate, and others are 12 or 24 months. Any options that do not vest as the result of a grantee leaving the Company are forfeited and the common shares underlying them are returned to the reserve. The options generally have a contractual term of five years.

6. STOCKHOLDERS' EQUITY (cont'd.)
[b] Stock option plan (cont'd.)

Stock-Based Payment Award Activity

A summary of stock option activity under the Plan as of May 31, 2020, and changes during the period then ended is presented below:

Options	Shares	Weighted Average Exercise Price $	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value $
Outstanding at August 31, 2019	**290,000**	**1.94**	**2.96**	**—**
Granted	210,000	1.24	5.00	—
Forfeited	(90,000)	1.48	0.94	—
Outstanding at May 31, 2020	**410,000**	**1.35**	**3.41**	**—**
Exercisable at May 31, 2020	**195,000**	**1.48**	**2.15**	**—**

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's common stock for the options that were in-the-money at May 31, 2020.

The following table summarizes information regarding the non-vested options outstanding as of May 31, 2020 and changes during the period then ended:

	Number of Options	Weighted Average Grant Date Fair Value $
Non-vested options at August 31, 2019	**30,000**	**0.38**
Granted	210,000	0.49
Forfeited	(10,000)	0.40
Vested	(15,000)	0.45
Non-vested options at May 31, 2020	**215,000**	**0.48**

As of May 31, 2020, there was $80,386 of total unrecognized compensation cost related to non-vested stock-based compensation awards. The unrecognized compensation cost is expected to be recognized over a weighted average period of 1.65 years.

6. STOCKHOLDERS' EQUITY (cont'd.)
[b] Stock option plan (cont'd.)

On October 3, 2019, the Company adjusted the exercise price of 140,000 employee stock options previously issued to certain employees to $1.00. The incremental fair value recorded on modification was $10,331, and determined using the Black-Scholes option-pricing model with the following assumptions weighted average volatility 146%, discount rate 1.7%, and weighted average life of 3.27 years.

Total stock-based compensation expense of $15,276 and $35,909 was recognized during the three and nine month periods ended May 31, 2020, (2019: $10,363 and $34,470) is reported in the statement of comprehensive income as follows:

	2020 **$**	2019 $
Stock-based compensation		
General and administrative	**15,319**	21,285
Sales and marketing	**10,664**	6,593
Product development	**9,926**	6,592
Total stock-based compensation	**35,909**	34,470

Valuation Assumptions

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model based on the following assumptions:

	2020	**2019**
Expected term of stock options (years)	3.25	—
Expected volatility	118.6%	—
Risk-free interest rate	1.0%	—
Dividend yields	—	—
Weighted average grant date fair value	$0.49	—

No stock options were granted in the three and nine month periods ended May 31, 2019.

Expected volatilities are based on historical volatility of the Company's stock. The Company uses historical data to estimate option exercise and employee termination within the valuation model. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the options is based on US Treasury bill rates in effect at the time of grant.

6. STOCKHOLDERS' EQUITY (cont'd.)

[c] Employee Stock Purchase Plan

The Company's 2011 Employee Stock Purchase Plan (the "Plan") became effective on February 22, 2011. Under the Plan, employees of the Company are able to contribute up to 5% of their annual salary into a pool which is matched equally by the Company in order to purchase Company shares under certain terms. Directors are able to contribute a maximum of $12,500 each for a combined maximum annual purchase of $25,000. The maximum annual combined contributions will be $400,000. All purchases are made through the Toronto Stock Exchange by a third-party plan agent. The third-party plan agent is also responsible for the administration of the Plan on behalf of the Company and the participants.

During the three and nine month periods ended May 31, 2020, the Company recognized compensation expense of $20,947 and $53,369 (2019 - $20,324 and $53,657) in salaries and wages on the consolidated statement of comprehensive income (loss) in respect of the Plan, representing the Company's employee matching of cash contributions to the Plan. During the three month period ended May 31, 2020, the shares were purchased on the open market at an average price of $0.68, for the nine-month period ended May 31, 2020: $0.78 (2019: $1.15). The shares are held in trust for a period of one year from the date of purchase.

7. COMMITMENTS

The Company has entered into a lease agreement expiring June 30, 2022 for office premises consisting of approximately 6,550 square feet. The Company is committed to lease payments as follows:

Fiscal year ending August 31,	$
2020	62,416
2021	252,465
2022	215,391
Total lease payments payable	530,272
Less amounts representing interest	(43,639)
Total operating lease liability	486,633
Less current portion of operating lease liability	(219,864)
Long term portion of operating lease liability	266,769

7. COMMITMENTS (cont'd.)

During the three and nine month periods ended May 31, 2020 the Company incurred depreciation expense of $52,930 and $160,387 respectively (2019: rent expense of $60,507 and $183,640) in connection with its office premises lease, which has been allocated between general and administrative expenses, research and development and sales and marketing on the consolidated statement of comprehensive income (loss). Amounts representing interest of $10,267 and $35,070 were recognized during the three and nine-month periods ended May 31, 2020 (2019 - nil).

8. CONTINGENCIES

The Company is subject to claims and legal proceedings that arise in the ordinary course of business. Such matters are inherently uncertain, and there can be no guarantee that the outcome of any such matter will be decided favorably to the Company or that the resolution of any such matter will not have a material adverse effect upon the Company's financial statements. The Company does not believe that any of such pending claims and legal proceedings will have a material adverse effect on its consolidated financial statements.

On September 5, 2017, the Company's former President and Chief Executive Officer filed a Notice of Civil Claim in the Supreme Court of British Columbia against the Company, its subsidiaries, independent directors and current Chief Executive Officer, claiming damages for conspiracy, breach of contract, wrongful dismissal, defamation and aggravated and punitive damages. The Company believes the claims are without merit and is defending itself against the claims. The quantum of loss, if any, is not determinable at this time and management believes it is unlikely that the outcome of this matter will have an adverse impact on its results of operations, cash flows and financial condition.

9. NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). The amendments in this Update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The FASB has also issued ASU No. 2018-11 "Leases (Topic 842): Targeted Improvements and ASU 2019-01 "Leases Codification Improvements Codification improvements to Topic 842 (leases)", which provides narrow amendments to clarify how to apply certain aspects of the new lease standard.

9. NEW ACCOUNTING PRONOUNCEMENTS (cont'd.)

Recently Adopted Accounting Standards (cont'd.)

The Company adopted ASU No. 2016-02 as of September 1, 2019 using the modified retrospective approach wherein entities are permitted to apply the new lease standard at adoption date with no effect to the opening balance of retained earnings in the period of adoption. Accordingly, all periods prior to September 1, 2019 were presented in accordance with the previous ASC Topic 840, *Leases*, with no retrospective adjustments to the comparative periods presented.

In accordance with ASC Topic 842, Leases, the Company determines, at the inception of a contract, if the arrangement is a lease and whether it meets the classification criteria for a finance or operating lease. Right of use (ROU) assets represent the Company's right to use an underlying asset during the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of fixed lease payments over the lease term. ROU assets also include any advance lease payments and are net of lease incentives. Where the operating leases do not provide an implicit rate, the Company estimates its incremental borrowing rate based on information available at commencement date in determining the present value of lease payments. Finance lease agreements generally include an interest rate that is used to determine the present value of future lease payments. Operating fixed lease expense and finance lease depreciation expense are recognized on a straight-line basis over the lease term.

Further, as permitted by the standard, the Company made an accounting policy election to not record right of use assets or lease liabilities with a term of 12 months or less. Instead, consistent with legacy accounting guidance, the Company will recognize payments for such leases in the consolidated statement of comprehensive income/(loss) on a straight-line basis over the lease term.

The adoption of this standard on September 1, 2019, resulted in the recognition of additional assets of $637,014 and liabilities of $637,014 upon adoption on its accompanying condensed consolidated balance sheet. The new standard did not have a material impact on the Company's results of operations or cash flows.

10. CONCENTRATIONS AND ECONOMIC DEPENDENCE

The Company operates solely in the digital media software segment and all revenue from its products and services are made in this segment.

Revenue from external customers, by product and location of customer, is as follows:

	Three Months Ended		**Nine Months Ended**	
	May 31 2020 $	May 31 2019 $	**May 31 2020 $**	May 31 2019 $
Play MPE®				
North America	**422,550**	432,427	**1,211,728**	1,233,207
Europe	**448,098**	457,358	**1,359,786**	1,326,623
Australasia	**69,225**	73,419	**200,522**	231,589
Total Play MPE®	**939,873**	963,204	**2,772,036**	2,791,419
Clipstream ®				
North America	**—**	7,231	**20,422**	42,399
Total revenue	**939,873**	970,435	**2,792,458**	2,833,818

Revenue in the above table is based on location of the customer's billing address. Some of these customers have distribution centers located around the globe and distribute around the world. During the three and nine month periods ended May 31, 2020, the Company generated 39% and 43% of total revenue from one customer respectively (2019 - 42% and 41%).

It is in management's opinion that the Company is not exposed to significant credit risk.

As at May 31, 2020, two customers represented $532,296 (71%) of the trade receivables balance (August 31, 2019, two customers represented $233,549 (70%)).

By July 8, 2020, the Company has collected $610,558 of the accounts receivable balance outstanding at May 31, 2020.

The Company has substantially all its assets in Canada and its current and planned future operations are, and will be, located in Canada.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. These reclassifications did not affect prior periods' net earnings.

12. FAIR VALUE MEASUREMENTS

The following table presents the classification of financial assets that are measured at fair value on a recurring basis as of May 31, 2020 and August 31, 2019.

	May 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	**913,349**	**—**	**—**	**913,349**
Short-term investments	**1,097,806**	**—**	**—**	**1,097,806**
Total financial assets	**2,011,155**	**—**	**—**	**2,011,155**

	August 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	2,512,138	—	—	2,512,138
Short-term investments	380,056	—	—	380,056
Total financial assets	2,892,194	—	—	2,892,194

The company has no financial liabilities subject to level 1, 2 or 3 fair value measurements.

13. SUBSEQUENT EVENTS

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, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD LOOKING STATEMENTS

The following discussion should be read in conjunction with the accompanying financial statements and notes thereto included within this Quarterly Report on Form 10-Q. In addition to historical information, the information in this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements involve risks and uncertainties, including statements regarding the Company's capital needs, business strategy and expectations. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors described in this Quarterly Report, including the risk factors under "Item 1A. Risk Factors." of part II, and, from time to time, in other reports the Company files with the Securities and Exchange Commission. These factors may cause the Company's actual results to differ materially from any forward-looking statement. The Company disclaims any obligation to publicly update these statements or disclose any difference between its actual results and those reflected in these statements. Such information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

OVERVIEW AND CORPORATE BACKGROUND

Destiny Media Technologies Inc. was incorporated in August 1998 under the laws of the State of Colorado and the corporate jurisdiction was changed to Nevada effective October 8, 2014. We carry out our business operations through our wholly owned subsidiary, Destiny Software Productions Inc., a British Columbia company that was incorporated in 1992, MPE Distribution, Inc. a Nevada company that was incorporated in 2007 and Sonox Digital Inc. incorporated under the Canada Business Corporations Act in 2012. The "Company", "Destiny Media", "Destiny", "we" or "us" refers to the consolidated activities of all four companies.

Our principal executive office is located at Suite 1110, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8. Our telephone number is (604) 609-7736 and our facsimile number is (604) 609-0611.

Our common stock trades on the TSX Venture Exchange in Canada under the symbol "DSY", on the OTCQB U.S. ("OTCQB") under the symbol "DSNY", and on various German exchanges (Frankfurt, Berlin, Stuttgart and Xetra) under the symbol DME, WKN 935 410.

Our corporate website is located at http://www.dsny.com.

OUR PRODUCTS AND SERVICES

Destiny develops and markets software as a service (SaaS) solutions that solve critical problems in digital distribution and promotion for businesses in the music industry. The core of our business is Play MPE®, a promotional music marketing and digital distribution service. Play MPE® is a service for promoting and securely distributing broadcast quality audio, video, images, promotional information and other digital content through the internet. The system is currently used by the recording industry for transferring pre-release broadcast quality music, radio shows, and music videos to trusted recipients such as radio stations, media reviewers, VIP's, DJ's, film and TV personnel, sports stadiums and retailers.

Play MPE®

Play MPE® is a two-sided marketplace platform that enables music labels and artists to create and distribute promotional content and musical assets on the one side, and music broadcasting professionals, music curators and music reviewers to discover, listen to, download and consume, on the other. Play MPE® is a cloud-based enterprise SaaS product.

Typically, record labels and artists promote new music through the presentation of broadcast quality audio, video, images, promotional information, industry required meta data, and other digital content. The presentation of this promotional material is catered to music curators who can expose that music to a larger consumer audience through broadcasts (examples include radio, internet radio, streaming services, DJs etc.) or publicity and media destinations. The system is also used to promote music and artists to label A&R teams, and music supervisors (who work with TV/movie producers to recommend musical content to accompany video productions).

Broadcast play of music provides revenue directly to record labels and artists through royalties and indirectly through sales, concerts / live performances, merchandise sales etc. as the profile and popularity of the musical work and artist increase. Effective marketing is critical in growing the popularity of a song or an artist and thereby revenue for a particular artist. Play MPE® is a critical step in this process. Easy-to-use and collaborative tools on the player side (music curator side) improves activity which improves the likelihood that a particular track obtains broadcast play. Feedback of recipient activity provides valuable information to record labels improving data centric marketing decision making.

Our customers range from small independent artists, small to large independent record labels ("Indies"), to promoters, and to the world's largest record labels (the "Major Record Labels") (Universal Music Group, Warner Music Group and Sony Music Entertainment). Our Major Record Label clients have offices around the world and typically represent the world's largest recording artists. All three Major Record Labels, and thousands of Indies use Play MPE® for promotional distribution.

Play MPE® provides a wide array of features which provide efficient access to a promotional hub of activity. Client characteristics determine which features are of greater interest with the active promotional recipients being of common interest to all clients. Major Labels can take advantage of the platform's more powerful and efficiency producing features including tiered rights, permissions-based user profiles, integration with database archives, release sharing with foreign territories etc. For example, some customer staff may manage assets (album cover imagery, music videos, the raw music, promotional information and other metadata), while others manage hierarchical permission-based lists of recipients. These more powerful features are unique to the Play MPE® platform.

The release dates for music can be dependent on the territory and, where administrative settings permit, local promotions staff may generate a localized distribution of the song with modified marketing information in the local language. Local staff may select pre-existing assets from the system and combine them together with a local recipient lists to form a "send". Our customers also choose the level of access for the recipients assigned to the release by designating whether the release can be streamed, downloaded, exported into an unlocked digital format or burned to a CD.

While many clients are set up to manage and upload recipient lists, many rely on the proprietary lists provided within the service. Our staff manages lists of recipients in various formats and geographies and those lists are made available to our customers using the Play MPE® system. The Play MPE® system provides Play MPE® staff with the feedback and resources necessary to manage and maintain this network of recipients, which is not available with physical distribution or by smaller competitors. Customers select lists of recipients within the proprietary network based on music format and geography.

All exported songs are marked in real time with Destiny's watermark technology, which has received three US patents and a number of analogous patents globally. From information provided by Play MPE®, songs appearing on the internet can be scanned by the International Federation of the Phonographic Industry's ("IFPI"). Headquartered in London, UK, the IFPI is the organization that represents the interests of the recording industry worldwide and one of its missions is to safeguard the rights of record producers. IFPI web crawlers visit torrents, peer to peer networks and websites searching for unauthorized content. When problem files are identified, the IFPI can run proprietary software to identify Play MPE®'s unique watermark to identify the originating source.

After the content is released, all activity by the recipient is logged in real time, providing record labels and promotions staff real time detail on which songs are accessed, streamed, downloaded and exported. This information provides valuable feedback in real time to marketing and promotions staff who can cater their programs appropriately. Recipients receive a custom library of available tracks and are able to repeat the download if music is lost.

Play MPE® browser-based tools are accessible on any computer without installation, access to both Mac and PC users. The tool provides release sharing capabilities, to facilitate faster more user-friendly sharing of assets by our global label customers. Finally, it also allows for easy translation into multiple languages to accelerate international expansion.

Throughout 2020, the Company has continued to invest in its technology stack. These investments in the Play MPE® technology stack intended to increase the speed and efficiency of new feature implementation and expand the efficient use of software resources. The Company concurrently is continuing to add functionality and improvements to the user experience. Improvements in user experience will facilitate greater success in global expansion while added functionality is designed to both improve business development success and to provide added saleable services.

In December 2019, the Company announced the new "localization" capability of the sending side of the Play MPE® platform. This feature supports easy translation of the platform. Play MPE® then added Spanish, German, Japanese and French to the sending side software.

In January 2020, Play MPE® added several updates to the recipient side of the platform including advanced recipient authentication, improved song search capabilities, and various content management features. These updates are designed to increase recipient side functionality, ease of use, increased song discovery and increased activity within the Play MPE® platform.

In late January 2020, Universal Music Canada commenced distribution of all releases within Canada through the Play MPE® platform. In March, this incremental use of the Play MPE® platform in Canada extended to all new music from Sony Music Canada. Play MPE® continues to grow new use within Canada with newly added distribution for several major independent record labels towards the end of the third quarter. This new use is "seeding" the Canadian segment for the Play MPE® platform with associated revenue expected to commence near the end of calendar 2020. Concurrently, Play MPE® list management completed a review of the Canadian recipient lists to update and include all relevant radio personnel including major conglomerates Bell Media, Corus, Pattison, Stingray and others. Play MPE®'s list management department maintains the most accurate and complete recipient lists in the industry.

In February 2020 Play MPE® completed the reconstruction of the US Latin Radio lists, updating categories and segmentation, and updated represented stations and recipients. Concurrently, the Play MPE® platform has commenced seeding the network with content from Universal Music Latin Entertainment and major independent record labels. By the end of the third quarter, Play MPE® had also completed the construction of Mexican distribution lists, and has commenced seeding the platform with suitable content.

In March, the Company appointed Glenn Mattern as Director of Business Development for Play MPE®. Mr. Mattern brings 25 years of business development experience into this newly created position.

In April, the Company commenced its collaborative thought leadership program with initiation of the Play MPE® panel, webinar and Instagram Live series. These panels and live interviews showcase success stories, share opinions and impressions, and convey industry insights. These programs are designed to grow collaborative customer interactions, align Play MPE® and record label activities and expand Play MPE® platform interactions.

In May 2020, the Company commenced its Beta testing program with trials on a new release creator. This program immediately followed the Alpha release the distribution software, now branded as "Caster". The Beta program actively seeks feedback into the user interface, feature improvements, and new features. Participants in the Beta program will be recognized as champions and earn certificates of participation and involvement. This program is expected to improve brand loyalty and customer engagement. The Company expects that this process will greatly enhance the ability of the Company to ensure that global label customers, with diverse requirements, can easily develop, upload, and distribute customized content to recipients through the Play MPE® platform.

By the end of the third quarter, Play MPE® completed an update to the web player interface to include the left navigation bar. This alteration will allow additional feature sets and functionality to be added and accessed easily by customers.

Immediately following the quarter, the Play MPE® announced the translation of our Play MPE® website into Spanish.

Clipstream®

The Company also has a legacy business, Clipstream®, in the online video industry for which it is pursuing strategic alternatives. The Clipstream® Online Video Platform (OVP) is a self-service system, for encoding, hosting and reporting on video playback which can be embedded in third party websites or emails. Playback is currently through the Company's proprietary JavaScript codec engine, which is only available on the internet through the Company. The Company's unique software-based approach to rendering video, has patents claiming initial priority to 2011. This product has incidental revenues and is not supported or marketed.

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTH PERIODS ENDED MAY 31. 2020 AND 2019

Revenue

Total revenue for the nine-month period ended May 31, 2020 declined by 1.5% ($2,792,458 in 2020 - $2,833,818 in 2019) due to the decline in Clipstream related revenue which now represents approximately 1% of the Company's revenue. Play MPE® revenue, which represents all other revenue of the Company (approximately 99%) decreased by less than 1%.

Total revenue for the three-month period ended May 31, 2020 declined by $30,562 over the comparable quarter in fiscal 2019, to $939,873 (2019 - $970,435). Foreign exchange did not significantly impact revenue in the three and nine month periods ended May 31, 2020.

Operating Expenses

Overview

As our technologies and products are developed and maintained in-house, the majority of our expenditures are on salaries and wages and associated expenses such as office space, supplies and benefits. Our operations are primarily conducted in Canada and therefore, our costs are primarily incurred in Canadian dollars while our revenues are primarily denominated in Euros and US dollars. Thus, operating expenses and the results of operations are impacted, to the extent they are not hedged, by the rise and fall of the relative values of the Canadian dollar to these currencies. The Company maintains a large portion of its financial reserves in Canadian dollars to mitigate the downside risk of adverse exchange rates on its operating expenditures.

Operating costs during the nine-month period ended May 31. 2020 increased by 19.7% to $2,559,608 (2019 - $2,137,604). The increase in costs was primarily the result of non-recurring (one-time) costs associated with staff restructuring, professional fees associated with the Company's Normal Course Issuer Bid (NCIB) repurchase of the 5% of the Company's shares, professional fees associated with the share consolidation. Additionally, the Company added staffing designed to increase the speed and quality of product enhancements and added to business development staffing to increase the speed of revenue growth.

General and administrative	**31-May 2020** (9 months) **$**	**31-May 2019** (9 months) **$**	**Change $**	**Change %**
Bad debt	13,672	3,558	10,114	284.3%
Office and miscellaneous	117,043	111,677	5,366	4.8%
Foreign exchange (gain)/loss	(23,364)	(14,946)	(8,418)	56.3%
Professional fees	227,552	131,827	95,725	72.6%
Rent	17,169	24,860	(7,691)	-30.9%
Telecommunications	2,205	2,263	(58)	-2.6%
Travel	5,541	4,552	989	21.7%
Wages and benefits	348,849	292,479	56,370	19.3%
	708,667	556,270	152,396	27.4%

Our general and administrative expenses consist of salaries and related personnel costs including overhead, office rent, and general office supplies. General and administrative costs also include professional fees and general travel expenditures. The increase in professional fees is the result of professional fees associated with staff restructuring, share consolidation and share repurchase activities. This increase is non-recurring.

Sales and marketing	**31-May 2020** (9 months) $	**31-May 2019** (9 months) $	**Change $**	**Change %**
Advertising and marketing	93,206	94,674	(1,468)	-1.6%
Rent	93,163	77,226	15,937	20.6%
Telecommunications	12,942	13,026	(84)	-0.6%
Wages and benefits	587,535	522,547	64,988	12.4%
	786,846	707,473	79,373	11.2%

Sales and marketing expenses consist of salaries and related personnel costs including overhead, office rent, and telecommunications costs. Sales and marketing expenses also include advertising and marketing expenditures, which consist of promotional materials, online or print advertising, business development tools, and marketing or business development related travel costs including attendance at conference or trade shows, and record label and client visits. The increase in staffing costs primarily relates to one-time charges associated with staff restructuring. Wages also increased over the prior year through additional staff designed to grow and enhance business development activities. The increase in advertising and marketing expenses is related to increase travel expenditures for our staff to attend label visits and industry events.

Product Development	**31-May 2020** (9 months) $	**31-May 2019** (9 months) $	**Change $**	**Change %**
Rent	82,081	81,554	527	0.6%
Software services	57,490	53,288	4,202	7.9%
Telecommunications	52,641	61,582	(8,941)	-14.5%
Wages and benefits	771,139	610,337	160,802	26.3%
	963,351	806,761	156,590	19.4%

Product development costs consist primarily of salaries and related personnel costs including overhead and consulting fees with respect to product development and deployment. The increase in wages and benefits is related to an increase in staffing in product development during the quarter. The Company has also restructured the use of external hosting services resulting in a permanent decline in costs with no reduction in system reliability or capabilities.

Depreciation and Amortization

Depreciation and amortization expense increased to $100,744 for the nine-month period ended May 31, 2020 from $67,099 for the period ended May 31, 2019, an increase of 50.1% due to an increase in computer software costs associated with externally developed Play MPE® recipient player applications.

Other earnings and expenses

Interest income was $19,743 for the nine-month period ended May 31, 2020 (2019: $21,154) and is derived from one-year Guaranteed Investment Certificates.

Net income

During the nine-month period ended May 31, 2020 we had net income of $11,226 (2019: $496,621). Overall, a modest decline in revenue was accompanied by increased spending on staffing and marketing and advertising costs, as discussed above.

For the three-month period ended May 31, 2020, adjusted EBITDA was $98,103 (2019: EBITDA $223,883). Adjusted EBITDA is not defined under generally accepted accounting principles ("GAAP") and it may not be comparable to similarly titled measures reported by other companies. We used Adjusted EBITDA, along with other GAAP measures, as a measure of profitability because Adjusted EBITDA helps us to compare our performance on a consistent basis by removing from our operating results the impact of our capital structure, the effect of operating in different tax jurisdictions, the impact of our asset base, which can differ depending on the book value of assets, the accounting methods used to compute depreciation and amortization, the existence or timing of asset impairments and the effect of non-cash stock-based compensation expense. We believe Adjusted EBITDA is useful to investors as it is a widely used measure of performance and the adjustments we make to Adjusted EBITDA provide further clarity on our profitability. We remove the effect of non-cash stock-based compensation from our earnings which can vary based on share price, share price volatility and expected life of the equity instruments we grant. In addition, this stock-based compensation expense does not result in cash payments by us. Adjusted EBITDA has limitations as a profitability measure in that it does not include the interest expense on our debts, our provisions for income taxes, the effect of our expenditures for capital assets, the effect of non-cash stock-based compensation expense and the effect of asset impairments. The following is a reconciliation of net income (loss) from operations to Adjusted EBITDA over the eight most recently completed fiscal quarters:

	2020 Q3 **$**	**2020 Q2** **$**	**2020 Q1** **$**	**2019 Q4** **$**	**2019 Q3** **$**	**2019 Q2** **$**	**2019 Q1** **$**	**2018 Q4** **$**
Net Income (loss)	54,899	(155,331)	111,658	114,157	195,712	80,719	220,190	171,775
Amortization, stock-based compensation and deferred leasehold inducements	48,470	37,307	49,140	34,983	36,404	31,042	31,942	38,108
Interest income	(5,266)	(8,110)	(6,367)	(5,999)	(8,233)	(6,522)	(6,434)	(4,940)
Adjusted EBITDA	98,103	(126,134)	154,431	143,141	223,883	105,239	245,698	204,943

LIQUIDITY AND FINANCIAL CONDITION

As at May 31, 2020, we held $913,349 (August 31, 2019 - $2,512,138) in cash and cash equivalents. Our short-term investments consist of one-year Guaranteed Investment Certificates (GICs) held through a major Canadian financial institution increased by $717,750 to $1,097,806 (August 31, 2019 - $380,056).

At May 31, 2020, we had working capital of $2,131,144 compared to $2,809,689 as at August 31, 2019. The decrease in our working capital was primarily due to the repurchase of common stock under a common stock repurchase program, pursuant to a Normal Course Issuer Bid ("NCIB") facilitated through the TSX Venture Exchange, which commenced in September 2019. During the three-month period ended May 31, 2020, the Company did not complete any NCIB purchases. During the nine-month period ended May 31, 2020, the Company completed open market purchases of 550,140 common shares for a total cost of $533,223. Working capital also declined following the recognition of an operating lease liability following adoption of ASU 2016-02, at May 31, 2020 the current portion of the operating lease liability was $219,864 (August 31, 2019 - $nil).

CASH FLOWS

Net cash used in operating activities for the nine-month period ended May 31, 2020 was $234,343, compared to net cash provided by of $635,568 for the nine-month period ended May 31, 2020. The primary reason for the decrease in cash flows from operating activities is due to an increase in operating expenses, as described above, as well as an increase in accounts receivable during the quarter.

Net cash used in investing activities for the nine-month period ended May 31, 2020 was $797,612, compared to $458,300 for the nine-month period ended May 31, 2019. During the nine-month period ended May 31 2020, approximately $743,002 was spent on the investment of cash in GICs during the period. Investing activities during the nine-month period ended May 31, 2019 were attributable largely to expenditures on property, equipment and intangibles.

Net cash used in financing activities during the nine-month period ended May 31, 2020 was $533,223, related to cash used to repurchase and retire 550,140 shares of common stock of the Company under the NCIB. There were no cash flows from financing activities during the nine-month period ended May 31, 2019.

CRITICAL ACCOUNTING POLICIES

We prepare our interim condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and make estimates and assumptions that affect our reported amounts of assets, liabilities, revenue and expenses, and the related disclosures of contingent liabilities. We base our estimates on historical experience and other assumptions that we believe are reasonable in the circumstances. Actual results may differ from these estimates.

There have been no significant changes in the critical accounting policies and estimates described in our Annual Report on Form 10-K for the year ended August 31, 2019 as filed with the SEC on November 18, 2019 except for those described in Note 9, "New Accounting Pronouncements" in the notes to our Interim Condensed Consolidated Financial Statements included in this Form 10-Q.

NEW ACCOUNTING PRONOUNCEMENTS

Please refer to Note 9 "New Accounting Pronouncements" in the notes to our Interim Condensed Consolidated Financial Statements included in this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Foreign Exchange Risk

Our revenues are primarily in United States dollars and Euros while our operating expenses are primarily in Canadian dollars. Thus, operating expenses and the results of operations are impacted to the extent they are not hedged by the rise and fall of the relative values of Canadian dollar to these currencies. During the three and nine month periods ended May 31, 2020, as a result of fluctuations in the Euro, and the Australian, Canadian, and US dollars, the Company recognized a negative impact on reported revenues and a positive impact on reported operating expenditures, for an overall marginal positive impact on reported net income.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Disclosure controls and procedures and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to management including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In connection with this quarterly report, as required by Rule 13a-15 under the Securities Exchange Act of 1934, we have carried out an evaluation of the effectiveness of the design and operation of our company's disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of our Company's management, including our company's Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our company's Chief Executive Officer and Chief Financial Officer concluded that as of May 31. 2020, our disclosure controls and procedures were effective as at the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

Our Chief Financial Officer resigned effective November 30, 2019, and on May 2, 2020, we appointed our new CFO. Where internal controls rely on a separation of duties between the CEO and the CFO, our internal controls may be temporarily affected in that respect between November 30, 2019 and May 2, 2020.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

On September 5, 2017, the Company's former President and Chief Executive Officer, Mr. Steve Vestergaard, filed a Notice of Civil Claim in the Supreme Court of British Columbia against the Company, its subsidiaries, independent directors and current Chief Executive Officer, claiming damages for conspiracy, breach of contract, wrongful dismissal, defamation and aggravated and punitive damages. The Company believes the claims are without merit and will defend itself against the claims.

Item 1A. Risk Factors.

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in "Item 1 - Risk Factors" in our Form 10-K for the fiscal year ended August 31, 2019 filed with the SEC. These risks could materially and adversely affect our business, financial condition and results of operations. The risks described in our Form 10-K have not changed materially, however, they are not the only risks we face. Our operations could also be affected by additional factors that are not presently known to us or by factors that we currently consider immaterial to our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

31.1*	Section 302 Certification of Chief Executive Officer
31.2*	Section 302 Certification of Chief Financial Officer
32.1*	Section 906 Certification of Chief Executive Officer and Chief Financial Officer
101*	Interactive Data File
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DESTINY MEDIA TECHNOLOGIES, INC.

By: /s/ Frederick Vandenberg
Frederick Vandenberg
Chief Executive Officer, President
(Principal Executive Officer)
Date: July 15, 2020

By: /s/ Samuel Ritchie
Samuel Ritchie
Chief Financial Officer, Treasurer
(Principal Financing and Accounting Officer)
Date: July 15, 2020

Exhibit 31.1

CERTIFICATIONS

I, Frederick Vandenberg, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Destiny Media Technologies 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 the registrant as of, and for, the periods presented in this report;

(4) The registrant'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 the registrant, 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 the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 the registrant'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.

Date: July 15, 2020

/s/Frederick Vandenberg________________

Frederick Vandenberg
Chief Executive Officer, President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Samuel Ritchie, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Destiny Media Technologies 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 the registrant as of, and for, the periods presented in this report;

(4) The registrant'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 the registrant, 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 the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 the registrant'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.

Date: July 15, 2020

/s/ Samuel Ritchie

Samuel Ritchie
Chief Financial Officer, Treasurer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Destiny Media Technologies Inc. (the "Company") on Form 10-Q for the nine months ended May 31. 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacities and on the date indicated below, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of our knowledge, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:	/s/Frederick Vandenberg
Name:	Frederick Vandenberg
Title:	Chief Executive Officer. President (Principal Executive Officer)
Date:	July 15, 2020
By:	/s/Samuel Ritchie
Name:	Samuel Ritchie
Title:	Chief Financial Officer, Treasurer (Principal Financial and Accounting Officer)
Date:	July 15, 2020