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, 2021**

[ ] 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 12, 2021 was 10,279,961.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Condensed Consolidated Interim Financial Statements

Destiny Media Technologies Inc.

(Unaudited)
May 31, 2021
(Expressed in United States dollars)

Destiny Media Technologies Inc.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

(Expressed in United States Dollars)

Unaudited

As at,

	May 31, 2021 $	August 31, 2020 $
ASSETS		
Current		
Cash and cash equivalents	**2,934,575**	1,841,340
Short-term investments *[note 3]*	**-**	781,490
Accounts receivable, net of allowance for doubtful accounts of $20,618, [August 31, 2020 - $23,412]	**403,196**	426,832
Other receivables	**46,869**	26,083
Prepaid expenses	**69,444**	78,562
Total current assets	**3,454,084**	3,154,307
Deposits	**37,131**	34,316
Property and equipment, net *[note 4]*	**166,913**	194,277
Intangible assets, net *[note 4]*	**86,376**	22,952
Right of use asset *[note 5]*	**258,286**	403,961
Total assets	**4,002,790**	3,809,813
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current		
Accounts payable	**140,989**	119,399
Accrued liabilities	**355,766**	353,235
Deferred revenue	**18,210**	19,638
Current portion of operating lease liability *[note 5]*	**280,028**	238,261
Total current liabilities	**794,993**	730,533
Operating lease liability, net of current portion *[note 5]*	**24,418**	219,063
Total liabilities	**819,411**	949,596
Contingencies *[note 7]*		
Stockholders' equity		
Common stock, par value $0.001 *[note 6]*		
Authorized: 20,000,000 shares		
Issued and outstanding: 10,294,961 shares		
[August 31, 2020 - issued and outstanding 10,450,646 shares]	**10,295**	10,451
Additional paid-in capital *[note 6]*	**9,186,881**	9,366,290
Accumulated deficit	**(5,880,238)**	(6,171,068)
Accumulated other comprehensive loss	**(133,559)**	(345,456)
Total stockholders' equity	**3,183,379**	2,860,217
Total liabilities and stockholders' equity	**4,002,790**	3,809,813

See accompanying notes

Destiny Media Technologies Inc.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME

(Expressed in United States dollars)
Unaudited

	Three Months Ended May 31, 2021 $	Three Months Ended May 31, 2020 $	**Nine months Ended May 31, 2021 $**	Nine months Ended May 31, 2020 $
Service revenue *[note 10]*	**1,083,987**	939,873	**3,138,663**	2,792,458
Cost of revenue				
Hosting costs	**32,582**	30,905	**92,291**	73,361
Internal engineering support	**7,375**	5,915	**20,998**	19,278
Customer support	**41,794**	33,523	**118,989**	109,245
Third Party and transactions costs	**16,053**	16,641	**47,738**	39,502
	97,804	86,984	**280,016**	241,386
Gross Margin	**986,183**	852,889	**2,858,647**	2,551,072
Operating expenses				
General and administrative	**202,878**	273,070	**526,822**	708,667
Sales and marketing	**361,411**	140,690	**1,004,839**	786,846
Product development	**326,450**	355,625	**961,930**	963,351
Depreciation and amortization	**26,673**	33,194	**77,388**	100,744
	917,412	802,579	**2,570,979**	2,559,608
Income (loss) from operations	**68,771**	50,310	**287,668**	(8,536)
Other income				
Interest income	**823**	5,266	**3,162**	19,743
Other income (loss)	**-**	(677)	**-**	19
Net income	**69,594**	54,899	**290,830**	11,226
Net income per common share,				
Basic	**0.01**	0.01	**0.03**	0.00
Diluted	**0.01**	0.01	**0.03**	0.00
Weighted average common shares outstanding:				
Basic	**10,426,961**	10,450,646	**10,428,809**	10,623,432
Diluted *[note 6]*	**10,531,708**	10,450,646	**10,543,442**	10,623,432

See accompanying notes

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Expressed in United States dollars)
Unaudited

	Three Months Ended May 31, 2021 $	Three Months Ended May 31, 2020 $	**Nine months Ended May 31, 2021 $**	Nine months Ended May 31, 2020 $
Net income for the period	**69,594**	54,899	**290,830**	11,226
Other comprehensive income (loss)				
Foreign currency translation adjustments	**149,774**	(66,657)	**211,897**	(80,213)
Comprehensive income (loss)	**219,368**	(11,758)	**502,727**	(68,987)

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, 2021 and 2020

	Common stock		Additional paid-in Capital	Accumulated Deficit	Accumulated other comprehensive Loss	Total stockholders' equity
	Shares #	Amount				
		$	$	$	$	$
Balance, February 28, 2021	**10,409,361**	**10,409**	**9,347,311**	**(5,949,832)**	**(283,333)**	**3,124,555**
Net income	**-**	**-**	**-**	**69,594**	**-**	**69,594**
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**149,774**	**149,774**
Stock based compensation *[note 6]*	**-**		**13,134**	**-**	**-**	**13,134**
Common shares retired	**(114,400)**	**(114)**	**(173,564)**	**-**	**-**	**(173,678)**
Balance, May 31, 2021	**10,294,961**	**10,295**	**9,186,881**	**(5,880,238)**	**(133,559)**	**3,183,379**
Balance, February 29, 2020	10,450,646	10,451	9,338,308	(6,384,156)	(405,415)	2,559,188
Net income	-	-	-	54,899	-	54,899
Total comprehensive loss	-	-	-	-	(66,657)	(66,657)
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

See accompanying notes

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Expressed in United States dollars)
Unaudited

Nine months ended May 31, 2021 and 2020

	Common stock		**Additional paid-in capital**	**Accumulated Deficit**	**Accumulated other comprehensive loss**	**Total stockholders' equity**
	Shares	**Amount**				
	#	$	$	$	$	$
Balance, August 31, 2020	**10,450,646**	**10,451**	**9,366,290**	**(6,171,068)**	**(345,456)**	**2,860,217**
Net income	**-**	**-**	**-**	**290,830**	**-**	**290,830**
Total comprehensive income	**-**	**-**	**-**	**-**	**211,897**	**211,897**
Stock based compensation *[note 6]*	**-**	**-**	**39,117**	**-**	**-**	**39,117**
Common shares retired	**(155,685)**	**(156)**	**(218,526)**	**-**	**-**	**(218,682)**
Balance, May 31, 2021	**10,294,961**	**10,295**	**9,186,881**	**(5,880,238)**	**(133,559)**	**3,183,379**
Balance, August 31, 2019	11,000,796	11,001	9,850,348	(6,340,483)	(391,859)	3,129,007
Net income	-	-	-	11,226	-	11,226
Total comprehensive loss	-	-	-	-	(80,213)	(80,213)
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

See accompanying notes

Destiny Media Technologies Inc.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

Nine months ended May 31, 2021 and 2020 (Expressed in United States dollars)

	2021	2020
	$	$
OPERATING ACTIVITIES		
Net income	**290,830**	11,226
Items not involving cash:		
Depreciation and amortization *[note 4]*	**77,388**	100,744
Stock-based compensation	**39,117**	35,909
Allowance for doubtful accounts	**(4,459)**	13,672
Unrealized foreign exchange (gain) loss	**18,465**	(5,321)
Changes in non-cash working capital:		
Accounts receivable	**44,048**	(451,575)
Other receivables	**(18,001)**	(5,354)
Prepaid expenses and deposits	**12,920**	(18,098)
Accounts payable	**26,646**	16,686
Accrued liabilities	**(35,591)**	82,416
Deferred revenue	**(2,873)**	(21,057)
Operating lease liability	**(10,952)**	6,409
Net cash provided by (used in) operating activities	**437,538**	(234,343)
INVESTING ACTIVITIES		
Sale (Purchase) of short-term investments, net	**800,624**	(743,002)
Purchase of property, equipment and intangibles	**(34,658)**	(54,610)
Development of software	**(63,554)**	-
Net cash provided by (used in) investing activities	**702,412**	(797,612)
FINANCING ACTIVITY		
Repurchase of common stock for retirement	**(218,682)**	(533,223)
Net cash used in financing activity	**(218,682)**	(533,223)
Effect of foreign exchange rate changes on cash	**171,967**	(33,611)
Net increase (decrease) in cash and cash equivalents	**1,093,235**	(1,598,789)
Cash and cash equivalents, beginning of period	**1,841,340**	2,512,138
Cash and cash equivalents, end of period	**2,934,575**	913,349
Supplementary disclosure		
Interest paid	**-**	-
Income taxes paid	**-**	-

See accompanying notes

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

May 31, 2021

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.

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, 2021 are not necessarily indicative of the results that may be expected for the year ended August 31, 2021.

The balance sheet at August 31, 2020 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, 2020.

COVID-19 Pandemic
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 has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. 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.

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 0.10% - 2.36%. As at May 31, 2021, the Company's short-term investments had reached maturity, and are included in cash and cash equivalents.

4. PROPERTY AND EQUIPMENT AND INTANGIBLES

	Cost	Accumulated amortization	Net book value
	$	$	$
May 31, 2021			
Property and equipment			
Furniture and fixtures	136,411	116,095	**20,316**
Computer hardware	294,573	230,136	**64,437**
Computer software	387,604	330,427	**57,177**
Leasehold improvements	162,243	137,260	**24,983**
	980,831	**813,918**	**166,913**
Intangibles			
Software under development	63,554	-	63,554
Patents, trademarks and lists	448,669	425,847	22,822
	512,223	**425,847**	**86,376**

August 31, 2020	Cost $	Accumulated amortization $	Net book value $
Property and equipment			
Furniture and fixtures	134,629	112,540	**22,089**
Computer hardware	264,701	215,916	**48,785**
Computer software	382,852	298,523	**84,329**
Leasehold improvements	160,295	121,221	**39,074**
	942,477	**748,200**	**194,277**
Intangibles			
Patents, trademarks and lists	436,780	413,828	**22,952**

Depreciation and amortization for the three and nine month periods ended May 31, 2021 was $26,673 and $77,388 (2020: $33,194 and $100,744 respectively).

5. RIGHT OF USE ASSET

The Company entered into a lease agreement commencing July 1, 2017 and expiring June 30, 2022 consisting of approximately 6,600 square feet of office space.

On adoption of ASC 842, Lease Accounting, the Company recognized right-of-use assets and a corresponding increase in lease liabilities, in the amount of $671,911 which represented the present value of future lease payments using a discount rate of 8% per year. Property tax and insurance payments paid to the lessor are included in the calculation of future lease payments.

Right of Use Asset Continuity	**May 31, 2021**	August 31, 2020
	$	$
Balance, September 1	403,961	671,911
Lease Inducement	-	(47,607)
	403,961	624,304
Depreciation	(167,468)	(213,935)
Foreign Currency Translation Adjustment	21,793	(6,408)
Balance, End of Period	**258,286**	403,961

The Company has operating lease payments committed as follows:

	$
2021	294,289
2022	24,581
Total lease payments payable	318,870
Less amounts representing interest	(14,424)
Total Operating Lease Liability	304,446
Less current portion of operating lease liability	(280,028)
Long term portion of operating lease liability	24,418

Operating Lease Liability Continuity	**May 31, 2021**	August 31, 2020
	$	$
Balance, September 1	457,324	671,911
Less Lease Payments	(201,417)	(253,040)
Interest	23,366	44,692
Foreign Currency Translation Adjustment	25,173	(6,239)
Balance, End of Period	**304,446**	457,324

During the three and nine month periods ended May 31, 2021 the Company recorded depreciation expense of $56,376 and $167,468 respectively (May 31, 2020: $52,930 and $160,387 respectively) which has been allocated between general and administrative expenses, research and development and sales and marketing on the consolidated statement of income. The total rent commitment, net of the leasehold improvement allowance, is being amortized to rent expense on a straight-line basis over the term of the lease.

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 January 15, 2021, the Company commenced a Normal Course Issuer Bid (NCIB), pursuant to which the Company may purchase up to a maximum of 522,532 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 three month periods ended May 31, 2021, the Company repurchased and cancelled 114,400 common shares for $173,678. For the nine month period ended May 31, 2021 155,685 common shares for $218,682 were repurchased (May 31, 2020: 550,140 common shares for $533,223 under a NCIB Effective September 16, 2019).

[b] Stock option plans

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 120,000 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.

Stock-Based Payment Award Activity

A summary of stock option activity under the Plans as of May 31, 2021, 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, 2020	**400,000**	**1.35**	**3.24**	**-**
Granted	10,000	1.00	5.00	4,600
Outstanding at May 31, 2021	**410,000**	**1.34**	**2.52**	**124,200**
Exercisable at May 31, 2021	**302,500**	**1.38**	**2.33**	**86,250**

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, 2021. For the three and nine month period ended May 31, 2021, the dilutive impact of in the money stock options was 104,474 and 114,633 respectively (2020: none).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

May 31, 2021

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

The following table summarizes information regarding the non-vested options outstanding as of May 31, 2021 and changes during the period then ended:

	Number of Options	Weighted Average Grant Date Fair Value $
Non-vested options at August 31, 2020	**203,750**	**0.48**
Granted	10,000	0.34
Vested	(106,250)	0.48
Non-vested options at May 31, 2021	**107,500**	**0.48**

As of May 31, 2021, there was $29,574 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 0.85 years.

During the nine months ended May 31, 2021, the total stock-based compensation expense of $39,117 (May 31, 2020: $35,909) is reported in the statement of income as follows:

	2021 **$**	2020 $
Stock-based compensation		
General and administrative	**13,594**	15,319
Sales and marketing	**14,502**	10,664
Product development	**11,021**	9,926
Total stock-based compensation	**39,117**	35,909

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:

	2021	**2020**
Expected term of stock options (years)	3.25	3.25
Expected volatility	105.4%	118.6
Risk-free interest rate	0.35%	1.0%
Dividend yields	-	-
Weighted average grant date fair value	$ 0.34	$ 0.49

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

May 31, 2021

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

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.

[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 nine months ended May 31, 2021, the Company recognized compensation expense of $71,938 (May 31, 2020 - $53,369) in salaries and wages on the consolidated statement of income in respect of the Plan, representing the Company's employee matching of cash contributions to the Plan. The shares were purchased on the open market at an average price of $0.99 (May 31, 2020: $0.78). The shares are held in trust by the Company for a period of one year from the date of purchase.

7. 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.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

May 31, 2021

8. NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Standards

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). Financial Instruments-Credit Losses (Topic 326) amends guidance on reporting credit losses for assets held
on an amortized cost basis and available-for-sale debt securities. For assets held on an amortized cost basis, Topic 326 eliminates the probable initial recognition threshold in current GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected. For available-for-sale debt securities, credit losses should be measured in a manner similar to current GAAP, however Topic 326 will require that credit losses be presented as an allowance rather than as a write-down. ASU 2016-13 affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this ASU will be effective for the Company on September 1, 2020. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement - Disclosure Framework (Topic 820). The updated guidance improves the disclosure requirements on fair value measurements. The amendments in this ASU was effective for the Company on September 1, 2020. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

9. 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, 2021 and August 31, 2020.

		May 31, 2021		
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	**2,934,575**	**-**	**-**	**2,934,575**
Total financial assets	**2,934,575**	**-**	**-**	**2,934,575**

		August 31, 2020		
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	1,841,340	-	-	1,841,340
Short-term investments	781,490	-	-	781,490
Total financial assets	2,622,830	-	-	2,622,830

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

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 2021 $	May 31 2020 $	**May 31 2021 $**	May 31 2020 $
Play MPE®				
North America	**504,319**	422,550	**1,416,953**	1,211,728
Europe	**497,225**	448,098	**1,489,578**	1,359,786
Australasia	**79,275**	69,225	**218,035**	200,522
Africa	**1,626**	-	**6,092**	-
Total Play MPE®	**1,082,445**	939,873	**3,130,658**	2,772,036
Clipstream ®				
North America	**1,542**	-	**8,005**	20,422
Total revenue	**1,083,987**	939,873	**3,138,663**	2,792,458

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

May 31, 2021

10. CONCENTRATIONS AND ECONOMIC DEPENDENCE (cont'd.)

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 nine months ended May 31, 2021, the Company generated 42% of total revenue from one customer (May 31, 2020 - 43%).

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

As at May 31, 2021, one customer represented $147,872 (or 37%) of the trade receivables balance (August 31, 2020, two customers represented $275,620 (or 65%)).

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. SUBSEQUENT EVENTS

On June 30, 2021, a further 15,000 shares of common stock were repurchased under the NCIB and cancelled.

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 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®

The Company's core business is the Play MPE® platform. Play MPE® is a two-sided B2B marketplace that enables music labels and artists to create and distribute promotional content and musical assets on the one side, and for music broadcasting professionals, music curators and music reviewers to be able to discover, download, broadcast and review the music, on the other.

Our customers range from small independent artists, to the world's largest record label; Universal Music Group "Universal". We have thousands of clients spread over numerous countries that also include large independent record labels ("Indies" or "Independent Record Labels"), promoters or pluggers, and the world's largest record labels (the "Major Record Labels") (who, along with Universal, include Warner Music Group "Warner" and Sony Music Entertainment "Sony"). Our Major Record Label clients have offices around the world and typically represent the world's largest recording artists.

When uploading to the Play MPE® platform, the goal of our customers is to increase demand for their music and artists by distributing that content to 'music influencers' who can, in turn, expose the music or artist to a wider consumer audience. This exposure can have a direct increase to record label revenue through performance royalties or indirect impacts to revenue as the music and artists gain popularity.

Recipients on the Play MPE® platform have a wide variety of personas and include programming directors for internet streaming, satellite or terrestrial radio, retail store broadcasters, sports stadium DJs, clubs, events, music reviews in newspapers or magazines, on-air personalities, music supervisors who program TV, movies, commercials or video games, or "A&R" representatives at larger record labels. A submission into the Play MPE® platform is targeted to appropriate recipients. Each recipient within the Play MPE® platform has a unique library of music catered and appropriate for that recipient.

Currently the Play MPE® platform has over 47,000 active recipients around the globe in excess of 100 countries. The majority of recipients are determined by our customers who maintain their own private contact lists and input recipient information into the Play MPE® platform. When our customers do not have sufficient resources to maintain contacts for music influencers, or wish to supplement their own distribution channels, the Play MPE® list management team maintains recipient distribution channels. These channels are presented for sale and are separated by numerous factors including the recipient type, genre of music, geographic location etc. Currently, Play MPE® maintains selectable distribution lists in 12 countries across 4 continents (North America, Europe, Australasia, and Africa). Play MPE® also provides 4 distribution lists that have a more global presence with several countries being represented. We are unaware of any other system with such a broad offering of lists. These lists offer significant value to all customers, but are particularly valuable in the sales process to smaller independent labels. Currently, the Play MPE® product and engineering staff are developing new technical processes to facilitate list development and maintenance. With these technical solutions, it is expected that existing Play MPE® list management staff will increase the capacity to develop and maintain available lists and thereby increase saleable lists. This will be especially advantageous as Play MPE® expands into new territories.

Recipients benefit from an easy-to-use player and player apps (iOS and Android) with many features that promote use, review, search and collaboration. Players are currently available in English, Spanish, Swedish, Finnish, Italian, Dutch, Portuguese, French, Japanese, German, Norwegian, Latvian, Lithuanian, Estonian, and Danish. During the year, the Company added features to the player side of the platform that include advanced recipient authentication, advanced search and content sorting features. These features improve the ease-of-use and utility of the platform to its recipients. These features were added to the mobile player apps released just following fiscal 2020 year-end. Also added to the mobile apps were an off-line listening capability, the ability to utilize Google Chromecast and Apple Airplay streaming capabilities for greater recipient collaboration, additional playlists, sorting, flagging and archiving features, and easier to access release metadata. All of these features greatly enhance the recipient side of the platform. Recipient side satisfaction directly increases activity and lead generation for record label customers.

Customers are generally either enterprise customers with full access to Caster (the distribution side of the Play MPE® platform), or full-service customers. Full-service customers use a simplified version of Caster (the "uploader") which gives these customers limited capabilities. Play MPE® staff then complete the release, quote the distribution and collect payment.

Caster is the world's largest and most sophisticated distribution platform and has a broad range of features essential to our customers. Caster can be grouped into several components that include administrative modules (label, staff, asset and list management), release creator/replication/management modules, a reporting module, and security features. Not all features are used by all customers. For example, the security, administration and release replication features are critical to our global agreement with Universal, while the provision of distribution lists are more important to smaller "indies". The richness of the offering within Play MPE® caters to a wide assortment of stakeholders, increases content flow, promotes activity and improves the success of the marketing investment made by our customers. Play MPE® has direct and indirect positive impacts to record label revenue.

The release creator module of Caster underwent a major restructure and upgrade in fiscal 2020 which launched in Q1 of 2021. This new release creator is easier to use, more intuitive, has more powerful notification creation features and notification template saving. The Company expects that this module will result in increased use by our enterprise customers. This is also the first step to allow non-enterprise customers to fully self-serve. The Company will build out a "checkout" feature that will not require Play MPE® staff to be involved in the release distribution and sale. The Company expects that this will allow greater scalability of the platform as it expands globally.

During fiscal 2020, the Company added the "localization" capabilities of Caster. This feature supports easy translation of the platform and allowed the addition of Spanish, German, Japanese and French, in addition to English, languages to Caster during the year. The expansion of languages was undertaken to facilitate the expansion of Play MPE® in non-English speaking countries.

During Q2 2021, Caster's release creator tool was updated to provide additional template management functionality which provides flexibility in creating and sharing email templates. This streamlines release creation for our enterprise customers.

During the third quarter the Company's software engineering group continued to focus on, and develop, enhancements to global release management features which are designed to expand global use by international labels. The engineering group is also investigating various technologies to expand the Company's addressable market.

These features primarily improve the salability of the platform as the Company targets significant global expansion.

The Company's new market development initiatives include the Canadian, Latin, South African, and USA markets. Activity levels within the platform increased over the same quarter in the prior year. Releases (a unique piece of music content with accompanying metadata uploaded into the platform) increased by 2.3%, and sends (the number of destinations selected) grew by 26.5%. Further, the number of tracks within each release grew by 20.3%. The Latin initiative continued to make progress with the commencement of distributions by Warner Music Latina and Sony in Central America at the beginning of the third quarter, along with additional trial usage by several independent Latin labels.

The Company continued to make improvements to its business development team during the quarter in an effort to strengthen customer relationships. These improvements have provided immediate benefits with growing usage with major label use in the United States. This growing use has been seen with major labels with new use in new departments. In May, the Company entered added a two year agreement with a large subdivision of a major record label in the United States.

The Company sees tremendous potential to grow market share with investments in product development and business development staff. The Company is targeting growth in its core Play MPE® business by expanding the use of Play MPE® into new market segments and by expanding our addressable market through the addition of new saleable products and services by adding technologies within the Play MPE® platform.

In the third quarter, the Company's marketing team focused on increasing brand awareness both globally and specifically in the Latin, Canadian and US markets. Advertising campaigns were completed in each market, and included display, newsletter, and editorial content. Play MPE® sponsored the global International Songwriting Competition. In Canada, the Company partnered with the Toyota Searchlight music competition and partnered with the Country Music Association of Ontario. In the Latin market, the Company sponsored the Latin Alternative Music Conference.

During the quarter the Company added to our software engineering, and product design teams. The Company continues to recruit primarily for software engineering capacity.

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 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, 2021 AND 2020

Revenue

Total revenue for the nine months ending May 31, 2021 increased by approximately 12% ($3,138,663 in 2021 - $2,792,458 in 2020). Play MPE® represents virtually all the Company's revenue. Play MPE®'s year to date revenue grew by 13% (or 8% after adjusting for favorable foreign exchange). Play MPE® continued to experience high growth in the independent labels in the United States, Europe, and Australia with an average revenue growth of 32% in this segment.

Total revenue for the three-month period ended May 31, 2021 increased by 15% over the comparable quarter in fiscal 2020, to $1,083,987 (2020 - $939,873) (10% after adjustment for favorable foreign exchange). Play MPE® had high growth in the independent labels in the United States, Europe, and Australia with an average revenue growth of 30% in the quarter.

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, 2021 increased by 0.4% to $2,570,979 (2020 - $2,559,608). Operating costs, in both the current nine-month period and the comparative period, include one-time, non-recuring costs associated with corporate restructuring. For ease of comparison, the following table has removed these costs.

Total overall costs, adjusted for the one-time costs associated with staff restructuring, increased by 8.5%. This increase in costs is caused by increased investments in business development, marketing, and product design and development staffing designed to accelerate product development and revenue growth. Also increasing overall costs are impacts from foreign exchange losses caused by the weakening of the US dollar. Foreign exchange gains and losses are generally temporary in nature and normally substantially reverse over time. The total increase for the nine-month period has been partially offset by the abovementioned reduction in business development related travel costs caused by COVID-19 pandemic travel restrictions.

	May 31 2021 (9 months) **$**	**May 31 2020** (9 months) **$**	**Change $**	**Change %**
Total operating expenditures	**2,570,979**	2,559,608	11,371	0.4%
Non-recurring (one-time) costs	**(123,102)**	(302,880)	179,778	(59.4%)
Adjusted total expenditures	**2,447,877**	2,256,728	191,149	8.5%

General and administrative	**May 31 2021** (9 months) **$**	**May 31 2020** (9 months) **$**	**Change $**	**Change %**
Bad debt	(4,444)	13,672	(18,116)	(132.5%)
Office and miscellaneous	110,022	117,043	(7,021)	(6.0%)
Foreign exchange (gain)/loss	21,838	(23,364)	45,202	(193.5%)
Professional fees	169,291	227,552	(58,261)	(25.6%)
Rent	15,391	17,169	(1,778)	(10.4%)
Telecommunications	2,045	2,205	(160)	(7.3%)
Travel	3,237	5,541	(2,304)	(41.6%)
Wages and benefits	209,442	348,849	(139,407)	(40.0%)
	526,822	708,667	(181,845)	(25.7%)

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 decrease in professional fees and wages and benefits is the result of staff restructuring and related professional fees, and professional fees share consolidation activities in 2020.

Sales and marketing	**May 31 2021** (9 months) $	**May 31 2020** (9 months) $	**Change $**	**Change %**
Advertising and marketing	36,498	93,206	(56,708)	(60.8%)
Rent	91,017	93,163	(2,146)	(2.3%)
Telecommunications	13,729	12,942	787	6.1%
Wages and benefits	863,595	587,535	276,060	47.0%
	1,004,839	786,846	217,993	27.7%

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 the employment of additional staff designed to grow and enhance business development activities. The decrease in advertising and marketing expenses is related to decreased travel expenditures for our staff to attend label visits and industry events.

Product Development	**May 31 2021** (9 months) $	**May 31 2020** (9 months) $	**Change $**	**Change %**
Rent	69,015	82,081	(13,066)	(15.9%)
Software services	53,733	57,490	(3,757)	(6.5%)
Telecommunications	52,396	52,641	(245)	(0.5%)
Wages and benefits	786,786	771,139	15,647	2.0%
	961,930	963,351	(1,421)	(0.1%)

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, offset by $63,554 capitalized as internal use software in the quarter.

Depreciation and Amortization

Depreciation and amortization expense decreased to $77,388 for the nine-month period ended May 31, 2021 from $100,744 for the period ended May 31, 2020, a decrease of 23.2% due to a decrease in computer software costs associated with externally developed Play MPE® recipient player applications.

Other earnings and expenses

Interest income was $3,162 for the nine-month period ended May 31, 2021 (2020: $19,743) and is derived from one-year Guaranteed Investment Certificates.

Net income

During the nine-month period ended May 31, 2021 we had net income of $290,830 (2020 - $11,226). Overall, an increase in revenue was accompanied by budgeted spending on staffing and marketing, advertising costs, and internal use software development, as discussed above.

For the three-month period ended May 31, 2021, adjusted EBITDA was $108,577 (2020 - EBITDA $98,103). 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:

	2021 Q3	**2021 Q2**	**2021 Q1**	**2020 Q4**	**2020 Q3**	**2020 Q2**	**2020 Q1**	**2019 Q4**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Net Income (loss)	69,594	(29,466)	250,702	158,187	54,899	(155,331)	111,658	114,157
Amortization, stock-based compensation and deferred leasehold inducements	39,806	39,533	37,164	49,085	48,470	37,307	49,140	34,983
Interest income	(823)	(875)	(1,464)	(4,672)	(5,266)	(8,110)	(6,367)	(5,999)
Adjusted EBITDA	108,577	9,192	286,402	202,600	98,103	(126,134)	154,431	143,141

LIQUIDITY AND FINANCIAL CONDITION

As at May 31, 2021, we held $2,934,575 (August 31, 2020 - $2,622,830) in cash and cash equivalents and short-term investments. Our short-term investments consisted of one-year Guaranteed Investment Certificates (GICs) held through a major Canadian financial institution, and had reached maturity prior to May 31, 2021 (August 31, 2020: $781,490).

At May 31, 2021, we had working capital of $2,659,091 compared to $2,423,774 as at August 31, 2020. During the three-month period ended May 31, 2021, the Company completed NCIB purchases totaling $173,678. Total NCIB purchases for the nine-month period ended May 31, 2021 totaled $218,682.

Net cash provided by operating activities for the nine-month period ended May 31, 2021 was $437,538 (2020: net cash used in operating activities of $234,343). The primary reason for the increase in cash flows from operating activities is due to an increase in operating revenues, and software under development, as described above.

Net cash provided by investing activities for the nine-month period ended May 31, 2021 was $702,412 (2020: cash used in investing activities of $797,612). During the nine-month period ended May 31, 2021, $800,624 was received on the maturity of our GICs, and $63,554 used in software under development.

Net cash used in financing activities during the nine-month period ended May 31, 2021 was $218,682 (2020: $533,223), related to cash used to repurchase and retire 155,685 shares of common stock (2020: 550,140 shares of common stock) of the Company under the NCIB.

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, 2020 as filed with the SEC on November 18, 2020 except for those described in Note 8, "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 8 "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, 2021, as a result of fluctuations in the Euro, and the Australian, Canadian, and US dollars, the Company recognized a positive impact on reported revenues and a negative 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, 2021, 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

There were no changes that would impact our internal controls for the period from September 1, 2020 to May 31, 2021.

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, 2020 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.

COVID-19 Pandemic
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 has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. 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. 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

* 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 14, 2021

By: /s/Samuel Ritchie
Samuel Ritchie
Chief Financial Officer, Treasurer
(Principal Financing and Accounting Officer)
Date: July 14, 2021