

Destiny Media Technologies, Inc. Announces Third Quarter Fiscal Year 2015 Results

VANCOUVER, July 15, 2015 /CNW/ - Destiny Media Technologies (TSX: DSY) (OTCQX: DSNY), the makers of Play MPE[®], a system for the secure distribution of pre-release music to radio and the developer of Clipstream[®], a cross-platform player-less video streaming format, today announced its financial results for the third quarter ended May 31, 2015.

Highlights

Highlights during and subsequent to the end of the third quarter include:

- Newest Clipstream[®] release featuring video encoding in the cloud
- Expanded Commercial License to Shazam for Fingerprinting and Meta Data

Third Quarter Results

Revenue for the quarter ended May 31, 2015 was \$803,409 a decrease of 14.8 percent compared to the third quarter of 2014. The decrease in revenue was due primarily to the impact of a decline in value of the Euro relative to the US Dollar. Eliminating the negative impact of foreign exchange rates, total revenue for the third quarter would have been \$918,833.

Net loss for the third quarter was (\$218,429), or (\$0.00) per share, versus net income of \$80,100, or \$0.00 during the prior year. The loss was primarily due to increased development and sales and marketing expenses in anticipation of the commercial launch of the Company's Clipstream[®] product, and increased rent.

"We are excited about the progress made the last few quarters on both sides of the business," said Steve Vestergaard, Chief Executive Officer for Destiny Media Technologies. "We continued to implement our proactive marketing plan for Play MPE[®], further broadening our footprint by adding new re-selling partners and increasing exposure to our targeted customer base, as evidenced by the recent syndication of our music charts in Billboard Magazine. We made continued progress towards the commercialization of Clipstream[®], including converting to a cloud-based encoder that allows users to upload videos from any device instantly and have their queued videos encoded at high speed with server class cloud machines. This was a highly sought after change that we feel will help to accelerate customer adoption and revenue growth for Destiny."

Third Quarter Fiscal 2015 Earnings Conference Call

Destiny Media Technologies will host a conference call at 5:00 p.m. ET (2:00pm PT) on July 15, 2015, to further discuss its third quarter fiscal 2015 results. Investors and interested parties may participate in the call by dialing 416-764-8688 or 888-390-0546 and referring to conference ID # 84247775. A written transcript and archived stream will subsequently be made available on Destiny's corporate site at <http://www.dsn.com> in the Company's proprietary Clipstream[®] format.

About Destiny Media Technologies, Inc.

Destiny Media Technologies (DSY.V) (DSNY) provides services that enable content owners to securely display and distribute their audio and video content digitally through the internet. The Company's two major services are Clipstream[®] and Play MPE[®]. Clipstream[®] (www.clipstream.com) is a video format that plays on any modern smart phone, tablet, internet, TV, or computer. With Clipstream[®], there is no player to configure or install, videos never go obsolete, and there are up to 90% cost savings from caching. Play MPE[®] (www.plaympe.com) provides a standardized method to securely and cost effectively distribute pre-release music to radio stations and other music industry professionals, before it is ready for sale. More information can be found at www.dsn.com.

Forward-Looking Statements

This release contains forward-looking statements that reflect current views with respect to future events and operating performance. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. Destiny Media Technologies is not obligated to update these statements in the future. For more information on the Company's risks and uncertainties relating to those forward-looking statements, please refer to the Risk Factors section in our Annual Form 10-K ending August 31, 2014, which is available on www.sedar.com or www.sec.gov.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(Expressed in United States dollars)

Unaudited

	Three Months Ended May 31, 2015 \$	Three Months Ended May 31, 2014 \$	Nine Months Ended May 31, 2015 \$	Nine Months Ended May 31, 2014 \$
Revenue	803,409	942,472	2,501,672	2,675,695
Operating expenses				
General and administrative	267,967	271,855	808,547	1,041,520
Sales and marketing	360,925	330,830	1,114,431	1,057,221
Research and development	348,680	237,790	1,123,931	770,636
Amortization	53,595	39,655	128,378	104,063
	1,031,167	880,130	3,175,287	2,973,440
Income (loss) from operations	(227,758)	62,342	(673,615)	(297,745)
Other income				
Other Income	289	—	289	—
Interest income	9,482	14,758	34,573	47,405
Interest and Other Expense	(442)	—	(442)	—
Income (loss) before income taxes	(218,429)	77,100	(639,195)	(250,340)
Income tax recovery (expense) - deferred	—	3,000	—	—
Net income (loss)	(218,429)	80,100	(639,195)	(250,340)

Other comprehensive income (loss), net of tax

Foreign currency translation adjustments	(1,824)	75,804	(267,611)	(78,877)
Total comprehensive income (loss)	(220,253)	155,904	(906,806)	(329,217)
Net income (loss) per common share,				
basic and diluted	(0.00)	0.00	(0.01)	(0.00)
Weighted average common shares outstanding:				
Basic	52,993,874	52,412,480	52,993,874	52,272,673
Diluted	52,993,874	52,510,940	52,993,874	52,272,673

CONDENSED CONSOLIDATED BALANCE SHEETS

(Expressed in United States dollars)

Unaudited

May 31, August 31,
2015 2014
\$ \$

ASSETS

Current

Cash and cash equivalents	419,391	990,007
Accounts receivable, net of allowance for doubtful accounts of \$8,029 [Aug 31, 2014 – \$5,513]	514,842	544,609
Other receivables	10,246	78,040
Current portion of long term receivable	101,954	115,464
Prepaid expenses	30,975	147,206
Deposits – current portion	23,579	—
Total current assets	1,100,987	1,875,326
Deposits— long term portion	34,167	22,870
Long term receivable	205,431	345,830
Property and equipment, net	421,829	315,180
Deferred tax assets – long term portion	842,000	842,000
Total assets	2,604,414	3,401,206

LIABILITIES AND STOCKHOLDERS' EQUITY

Current

Accounts payable	178,368	172,617
Accrued liabilities	211,275	203,353
Deferred revenue	4,415	22,589
Deferred leasehold inducement	76,173	—
Obligation under capital lease – current portion	5,444	—
Total current liabilities	475,675	398,559
Obligation under capital lease – long term portion	13,751	—
Total liabilities	489,426	398,559

Commitments and contingencies

Stockholders' equity

Common stock, par value \$0.001		
Authorized: 100,000,000 shares		
Issued and outstanding: 52,993,874 shares		
[Aug 31, 2014 – issued and outstanding 52,993,874 shares]	52,994	52,994
Additional paid-in capital	9,080,472	9,061,325
Accumulated deficit	(6,750,610)	(6,111,415)
Accumulated other comprehensive (loss)	(267,868)	(257)
Total stockholders' equity	2,114,988	3,002,647
Total liabilities and stockholders' equity	2,604,414	3,401,206

SOURCE Destiny Media Technologies, Inc.

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CO: Destiny Media Technologies, Inc.

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