

# DIGITAL BRAND MEDIA & MARKETING GROUP, INC.

## FORM 10-Q (Quarterly Report)

Filed 04/14/25 for the Period Ending 02/28/25

Address	600 THIRD AVENUE, 2ND FLOOR NEW YORK, NY, 10016
Telephone	646-722-2706
CIK	0001127475
Symbol	DBMM
SIC Code	7389 - Services-Business Services, Not Elsewhere Classified
Industry	Advertising & Marketing
Sector	Consumer Cyclical
Fiscal Year	08/31

---

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

---

**FORM 10-Q**

---

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: February 28, 2025

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE EXCHANGE ACT**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-52838

**DBMM GROUP**  
**DIGITAL BRAND MEDIA & MARKETING GROUP, INC.**  
**WWW.DBMMGROUP.COM**

(Exact name of small business issuer as specified in its charter)

**845 Third Avenue, 6th Floor, New York, NY 10022**

(Address of principal executive offices)

**Florida**

State of incorporation

**59-3666743**

IRS Employer Identification No.

**(646) 722-2706**

(Issuer's telephone number, including area code)

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. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such Files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the 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 ☐

Non-Accelerated Filer ☐

Accelerated Filer ☐

Smaller Reporting Company ☒

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value	DBMM	OTC Markets

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

Date
April 14, 2025

Shares Outstanding
865,218,631

## INDEX

	<u>Page No</u>
<b>PART I. CONDENSED CONSOLIDATED FINANCIAL INFORMATION - UNAUDITED</b>	
Item 1. <a href="#">Consolidated Financial Statements</a>	3
<a href="#">Consolidated Balance Sheets as of February 28, 2025 (unaudited) and August 31, 2024 (audited)</a>	3
<a href="#">Consolidated Statements of Operations and Comprehensive Loss for the Three months ended February 28, 2025 and February 29, 2024 (unaudited)</a>	4
<a href="#">Consolidated Statements of Changes in Stockholders' Deficit for the Three months ended February 28, 2025 and February 29, 2024 (unaudited)</a>	5
<a href="#">Consolidated Statements of Cash Flows for the Three months ended February 28, 2025 and February 29, 2024 (unaudited)</a>	6
<a href="#">Notes to Unaudited Consolidated Financial Statements</a>	7
Item 2. <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	15
Item 3. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	33
Item 4. <a href="#">Controls and Procedures</a>	33
<b>PART II. OTHER INFORMATION</b>	
Item 1. <a href="#">Legal Proceedings</a>	34
Item 1A. <a href="#">Risk Factors</a>	34
Item 2. <a href="#">Unregistered Sale of Equity Securities and Use of Proceeds</a>	34
Item 3. <a href="#">Defaults Upon Senior Securities</a>	34
Item 4. <a href="#">Submission of Matters to a Vote of Security Holders</a>	34
Item 5. <a href="#">Other Information</a>	34
Item 6. <a href="#">Exhibits</a>	34
<a href="#">SIGNATURES</a>	35

---

# PART I. FINANCIAL INFORMATION

## ITEM I. FINANCIAL STATEMENTS

### DIGITAL BRAND MEDIA & MARKETING GROUP, INC. AND SUBSIDIARY CONSOLIDATED BALANCE SHEETS

	(Unaudited) February 28, 2025	(Audited) August 31, 2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 36,788	\$ 49,815
Accounts receivable, net	15,711	11,010
Prepaid expenses and other current assets	255	592
Total assets	<u>\$ 52,754</u>	<u>\$ 61,417</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 918,484	\$ 812,483
Accrued interest	1,576,687	1,606,522
Accrued compensation	1,108,516	1,109,178
Derivative liability	134,464	375,792
Loans payable, net	3,395,855	3,161,226
Officers loans payable	42,969	46,040
Convertible debentures, net	<u>293,253</u>	<u>517,242</u>
	7,470,228	7,628,483
Loan payable, net of short-term portion	<u>3,878</u>	<u>14,105</u>
<b>TOTAL LIABILITIES</b>	7,474,106	7,642,588
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock, Series 1, par value .001; authorized 2,000,000 shares; 1,995,185, and 1,995,185 shares issued and outstanding	1,995	1,995
Preferred stock, Series 2, par value .001; authorized 2,000,000 shares; 0 and 0 shares issued and outstanding	-	-
Common stock, par value .001; authorized 2,000,000,000 shares; 925,218,631 shares issued and outstanding	825,318	825,218
Additional paid in capital	10,092,990	9,813,090
Other comprehensive loss	10,391	(39,938)
Accumulated deficit	<u>(18,352,046)</u>	<u>(18,181,536)</u>
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<u>\$ (7,421,352)</u>	<u>\$ (7,581,171)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<u>\$ 52,754</u>	<u>\$ 61,417</u>

See Notes to Unaudited Consolidated Financial Statements.

**DIGITAL BRAND MEDIA & MARKETING GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

	<u>(Unaudited)</u> For the three-month period ended February 28 and 29, 2025	<u>(Unaudited)</u> 2024	<u>(Unaudited)</u> For the six-month period Ended February 28 and 29, 2025	<u>(Unaudited)</u> 2024
<b>REVENUES</b>	\$ 27,604	\$ 80,784	\$ 56,577	\$ 166,334
<b>COST OF REVENUES</b>	24,854	65,039	47,090	139,378
<b>GROSS PROFIT</b>	2,750	15,745	9,487	26,956
<b>COSTS AND EXPENSES</b>				
Sales, general and administrative	194,379	101,605	329,859	218,312
<b>TOTAL OPERATING EXPENSES</b>	194,379	101,605	329,859	218,312
<b>OPERATING LOSS</b>	(191,629)	(85,860)	(320,372)	(191,356)
<b>OTHER (INCOME) EXPENSE</b>				
Interest expense	126,061	88,371	317,982	212,124
Other income	-	-	-	-
Gain on derecognition of liabilities	(459,415)	(158,287)	(459,415)	(158,287)
Change in fair value of derivative liability	(42,779)	173,508	(8,429)	340,012
<b>TOTAL OTHER (INCOME) EXPENSES, NET</b>	(376,133)	103,592	(149,862)	393,849
<b>NET INCOME (LOSS)</b>	\$ 184,504	\$ (189,452)	\$ (170,510)	\$ (585,205)
<b>OTHER COMPREHENSIVE LOSS</b>				
Foreign exchange translation	18,677	-	50,329	(14,810)
<b>COMPREHENSIVE LOSS</b>	203,181	(189,452)	(120,181)	(600,015)
<b>NET LOSS PER SHARE</b>				
Basic	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)
Diluted	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>				
Basic	856,329,742	825,218,631	841,793,217	825,218,631
Diluted	1,064,819,641	825,218,631	841,793,217	825,218,631

See Notes to Unaudited Consolidated Financial Statements.

**DIGITAL BRAND MEDIA & MARKETING GROUP, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**

For the three-month and six-month periods ended February 28, 2025 and February 29, 2024

	<u>(Unaudited)</u> <u>2025</u>	<u>(Unaudited)</u> <u>2024</u>
<b>Series 1</b>		
<b>Preferred Stock</b>		
Shares, beginning and end of period	1,995,185	1,995,185
<b>Preferred Stock</b>		
Balance, beginning and end of period	\$ 1,995	\$ 1,995
<b>Series 2</b>		
<b>Preferred Stock</b>		
Shares, beginning and end of period	-	-
<b>Preferred Stock</b>		
Balance, beginning and end of period	\$ -	\$ -
<b>Common Stock</b>		
Shares at December 1,	825,218,631	825,218,631
Transactions during the period	100,000,000	-
Shares, February 28 and 29,	925,218,631	825,218,631
Shares, September 1,	825,218,631	825,218,631
Transactions during the period	100,000,000	-
Shares, February 28 and 29,	925,218,631	825,218,631
<b>Balance, at December 1,</b>	\$ 825,218	\$ 825,218
Transactions during the period	100	-
<b>Balance, February 28, and 29,</b>	\$ 825,318	\$ 825,218
<b>Balance, at September 1,</b>	\$ 825,218	\$ 825,218
Transactions during the period	100	-
<b>Balance, February 28, and 29,</b>	\$ 825,318	\$ 825,218
<b>Additional paid-in capital</b>		
Balance, at December 1,	\$ 9,813,090	\$ 9,813,000
Transactions during the period	279,900	-
<b>Balance, February 28, and 29,</b>	\$ 10,092,990	\$ 9,813,000
<b>Additional paid-in capital</b>		
Balance, at September 1,	\$ 9,813,090	\$ 9,813,000
Transactions during the period	279,900	-
<b>Balance, February 28, and 29,</b>	\$ 10,092,990	\$ 9,813,000
<b>Other Comprehensive Income (Loss)</b>		
Balance, at December 1,	\$ (8,286)	\$ 36,617
<b>Other comprehensive income (loss)</b>	18,677	-
<b>Balance, February 28, and 29,</b>	\$ 10,391	\$ 36,617
<b>Other Comprehensive Income (Loss)</b>		
Balance, September 1,	\$ (39,938)	\$ 51,427
<b>Other comprehensive income (loss)</b>	50,329	(14,810)
<b>Balance, February 28, and 29,</b>	\$ 10,391	\$ 36,617
<b>Accumulated Deficit</b>		
Balance, at December 1,	\$ (18,536,550)	\$ (17,532,147)
<b>Net income (loss)</b>	184,504	(189,452)
<b>Balance, February 28, and 29,</b>	\$ (18,352,046)	\$ (17,721,599)

<b>Accumulated Deficit</b>		
<b>Balance, at September 1,</b>	\$ (18,181,536)	\$ (17,136,394)
<b>Net loss</b>	(170,510)	(585,205)
<b>Balance, February 28, and 29,</b>	<u>\$ (18,352,046)</u>	<u>\$ (17,721,599)</u>
<b>Total Stockholders' Deficit</b>	<u>\$ (7,421,352)</u>	<u>\$ (7,044,679)</u>

See Notes to Unaudited Consolidated Financial Statements.



**DIGITAL BRAND MEDIA & MARKETING GROUP, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<u>(Unaudited)</u> For the six-month period ended February 28 and 29, <b>2025</b>	<u>(Unaudited)</u> <b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (170,510)	\$ (585,205)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in fair value of derivative liability	(8,429)	340,012
Gain on derecognition of liability	(459,415)	(158,287)
Changes in operating assets and liabilities:		
Accounts receivable	(4,907)	(5,191)
Accounts payable and accrued expenses	105,506	(11,827)
Accrued interest	252,692	186,373
Accrued compensation	(662)	(47,600)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(285,725)</u>	<u>(281,725)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan payable	283,683	275,360
Principal repayments loan payable	(6,423)	(6,217)
Officer loans payable	(3,071)	(10,924)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>274,189</u>	<u>258,219</u>
Effect of variation of exchange rate of cash held in foreign currency	(1,491)	651
<b>NET INCREASE/(DECREASE) IN CASH</b>	(13,027)	(22,855)
<b>Cash – beginning or period</b>	<u>49,815</u>	<u>44,521</u>
<b>Cash – end of period</b>	<u><u>\$ 36,788</u></u>	<u><u>\$ 21,666</u></u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for interest	\$ 221	\$ 219
Cash paid for taxes	\$ -	\$ -
Non-cash financing and investing activities		
Issuance of shares of common stock	\$ 280,000	\$ -
Derecognition of accrued interest	282,527	-
Derecognition of convertible notes	223,899	-
Derecognition of derivative liabilities	232,899	-

See Notes to Unaudited Consolidated Financial Statements.

**DIGITAL BRAND MEDIA & MARKETING GROUP, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION AND GOING CONCERN**

**Nature of Business and History of the Company**

Digital Brand Media & Marketing Group, Inc. (“The Company”) is an OTC:PK listed company. The Company was organized under the laws of the State of Florida on September 29, 1998.

Digital Clarity is the trading brand for Styler Limited, a wholly owned subsidiary of Digital Brand Media & Marketing Group, Inc (DBMM), through its offices in London, England. Digital Clarity is a leading provider of marketing consulting and advisory solutions. It empowers businesses to achieve their marketing goals through strategic insights, innovative use of technologies, AI, and a framework that accelerates growth. The company has a strong track record of success in delivering tangible results as a private company, and then as a public company, Digital Clarity is at the forefront of driving marketing change to accelerate growth and create lasting value for its clients.

With a strong track record of success and a commitment to delivering tangible results, Digital Clarity is at the forefront of driving marketing change, and growth and creating lasting value for its clients. The teams’ experience in business transformation provides leading strategy, deployment, and measurement to its core market sectors including SaaS, Blockchain, Fintech, Software Sales, and Technology. Digital Clarity’s focus is on working with B2B tech leaders, delivering growth through a unique combination of leveraging its proven strategy, augmented with AI.

The Company continues to develop and roll out marketing consulting offerings from its operating base in the UK and increasing its presence in the larger markets in the US. As an example, DC has developed a footprint in California expanding to other metropolitan areas that have a focus on technology, AI and software. The intent has always been a strategy of a cash infusion to immediately correlate to build back demand and increase revenues. Growth has always been a function of available capital.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all normal recurring adjustments considered necessary for a fair presentation have been included. Operating results for the three months ended February 28, 2025 are not necessarily indicative of the results that may be expected for the year ending August 31, 2024. For further information refer to the financial statements and footnotes thereto included in the Company’s Form 10-K for the year ended August 31, 2024.

**Going Concern**

The accompanying condensed consolidated financial statements have been prepared on a going concern basis. The financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern.

The Company has outstanding loans and convertible notes payable aggregating \$3.4 million at February 28, 2025 and doesn’t have sufficient cash on hand to satisfy such obligations. The preceding raises substantial doubt about the ability of the Company to continue as a going concern. However, the Company generated net proceeds of \$274,000 from financing activities during the six months ending February 28, 2025. The Company also has a non-binding Commitment Letter from an investor of \$250,000 which also includes a right of first refusal on additional capital raise up to \$3 million which will contribute to satisfying such obligations and fund any potential cash flow deficiencies from operations for the foreseeable future.

Accordingly, the accompanying consolidated financial statements have been prepared in conformity with U.S. GAAP, which contemplates continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements do not necessarily purport to represent realizable or settlement values. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

## **NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Consolidation**

The unaudited consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Stylar Ltd. All significant inter-company transactions are eliminated.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist primarily of cash in banks. The Company considers cash equivalents to include all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company had no cash equivalents as of February 28, 2025.

### **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are recorded at the invoiced amount and do not bear interest. Accounts receivable are presented net of allowance for doubtful accounts.

The Company has a policy of reserving uncollectible accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to the bad debt expense after all means of collection have been exhausted and the potential for recovery is considered remote. The Company had no allowance for doubtful accounts as of August 31, 2024 and February 28, 2025.

### **Revenue Recognition**

Revenue is recognized upon transfer of control of promised or services to customers in an amount that reflects the consideration we expect to receive in exchange for those services. We enter into contracts that can include various combinations of services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized as net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

#### *Nature of Services*

The Company generally provides its services to companies primarily with international exposure and expects the US business to grow going forward. The Company generally provides its services ratably over the terms of the contract and bills such services at a monthly fixed rate. Some of the services are billed quarterly. The Company's services are sold without guarantees.

#### *Significant Judgments*

Our contracts with customers sometimes include promises to transfer multiple services to a customer. Determining whether services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment.

Judgment is required to determine Standalone Selling Price (SSP) for each distinct performance obligation. The Company uses a single amount to estimate SSP for items that are not sold separately, including set-up services, monthly search advertising services, and monthly optimization and management.

#### *Contract Balances*

The timing of revenue recognition may differ from the timing of invoicing to customers. The Company records receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized subsequent to invoicing.

The allowance for doubtful accounts reflects our best estimate of probable losses inherent in the accounts receivable balance. We determine the allowance based on known troubled accounts, historical experience, and other currently available evidence.

## Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Included in these estimates are assumptions about the collection of its accounts receivable, converted amount of cash denominated in a foreign currency, and estimated amounts of cash, the derivative liability could settle, if not in common shares. Actual results could differ from those estimates.

## Income Taxes

The Company follows the provisions of the ASC 740 -10 related to, *Accounting for Uncertain Income Tax Positions*. When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above should be reflected as a liability for uncertain tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company believes its tax positions are all highly certain of being upheld upon examination. As such, the Company has not recorded a liability for uncertain tax benefits.

The Company has adopted ASC 740-10-25 *Definition of Settlement*, which provides guidance on how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits and provides that a tax position can be effectively settled upon the completion of an examination by a taxing authority without being legally extinguished. For tax positions considered effectively settled, an entity would recognize the full amount of tax benefit, even if the tax position is not considered more likely than not to be sustained solely on the basis of its technical merits and the statute of limitations remains open.

## Earnings (loss) per common share

The Company utilizes the guidance per FASB Codification “ASC 260 “Earnings Per Share”. Basic earnings per share is calculated on the weighted effect of all common shares issued and outstanding and is calculated by dividing net income available to common stockholders by the weighted average shares outstanding during the period. Diluted earnings per share, which is calculated by dividing net income available to common stockholders by the weighted average number of common shares used in the basic earnings per share calculation, plus the number of common shares that would be issued assuming conversion of all potentially dilutive securities outstanding, is not presented separately as it is anti-dilutive. Such securities have been excluded from the per share computations for the six-month ended February 28, 2025 and 2024 and the three-month period ended February, 2024. The dilutive securities amounted to 845,236,498 and 172,889,284 shares of common stock and related to convertible notes as of February 28, 2025 and 2024, respectively. During the three-month period ended February 28, 2025, the dilutive securities amounted to 208,489,899 shares of common stock and related to convertible notes.

## Derivative Liabilities

The Company assessed the classification of its derivative financial instruments as of February 28, 2025, which consist of convertible instruments and rights to shares of the Company’s common stock and determined that such derivatives meet the criteria for liability classification under ASC 815.

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirements of ASC 815. ASC 815 also provides an exception to this rule when the host instrument is deemed to be conventional, as described.

During the six-month period ended February 28, 2025 and 2024, the Company had notes payable outstanding in which the conversion rate was variable and undeterminable. Accordingly, the Company has recognized a derivative liability in connection with such instruments. The Company uses judgment in determining the fair value of derivative liabilities at the date of issuance at every balance sheet thereafter and in determining which valuation is most appropriate for the instrument (e.g., Binomial method), the expected volatility, the implied risk-free interest rate, as well as the expected dividend rate.

### **Fair Value of Financial Instruments**

Effective January 1, 2008, the Company adopted FASB ASC 820-Fair Value Measurements and Disclosures, or ASC 820, for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing generally accepted accounting principles that require the use of fair value measurements establishes a framework for measuring fair value and expands disclosure about such fair value measurements. The adoption of ASC 820 did not have an impact on the Company's financial position or operating results but did expand certain disclosures.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below.

Level 1 Observable inputs such as quoted market prices in active markets for identical assets or liabilities.

Level 2 Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The Company did not have any Level 2 or Level 3 assets or liabilities as of February 28, 2025, except for its derivative liabilities which are valued based on Level 3 inputs.

Cash is highly liquid and easily tradable as of February 28, 2025 and therefore classified as Level 1 within our fair value hierarchy.

In addition, FASB ASC 825-10-25 Fair Value Option, or ASC 825-10-25, was effective January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value. The Company did not elect the fair value options for any of its qualifying financial instruments.

### **Convertible Instruments**

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for "Accounting for Derivative Instruments and Hedging Activities".

Professional standards generally provide three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free-standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as "The Meaning of "Conventional Convertible Debt Instrument".

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with professional standards when "Accounting for Convertible Securities with Beneficial Conversion Features," as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event is not within the entity's control or requires net cash settlement, then the contract shall be classified as an asset or a liability.

**Stock Based Compensation**

We account for the grant of stock options and restricted stock awards in accordance with ASC 718, “Compensation-Stock Compensation.” ASC 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity-based compensation.

**Foreign Currency Translation**

Assets and liabilities of subsidiaries operating in foreign countries are translated into U.S. dollars using either the exchange rate in effect at the balance sheet date or historical rate, as applicable. Results of operations are translated using the average exchange rates prevailing throughout the year. The effects of exchange rate fluctuations on translating foreign currency assets and liabilities into U.S. dollars are included in a separate component of stockholders’ equity (accumulated other comprehensive loss), while gains and losses resulting from foreign currency transactions are included in operations.

**Concentration of Risks**

The Company’s accounts and receivable as of November 30 and August 31, 2024 and revenues for the six-month period ended February 28, 2025 and 2024 are primarily from two customers.

**Recently Issued Accounting Pronouncements**

Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the accompanying condensed consolidated financial statements.

FASB issued Accounting Standards Update No. 2024-07, Segment Reporting (“ASU 2023-07, in November 2023. ASU 2023-07 is effective with our interim reporting as of and for the period ended February 28, 2025. ASU 2023-07 improves reportable segments disclosures, such as disclosing significant expenses, general information about its segment, and segment profit or loss and assets.

**NOTE 3 – LOANS PAYABLE**

	<b>February 28, 2025</b>	<b>August 31, 2024</b>
Loans payable	<u>\$ 3,399,733</u>	<u>\$ 3,175,331</u>

The loans payables are generally due on demand and have not been called, are unsecured, and are bearing interest at a range of 0-12%, with the exception of one loan payable to a financial institution. Such loan, which amounted to \$16,391 at February 28, 2025 bears interest rate at 2.5%, is unsecured, matures in November 2027 with principal and interest payable monthly. This loan is part of a Bounce Back Loan Scheme from the UK Government.

The company may have to provide alternative consideration (which may be in cash, fixed number of shares or other financial instruments) up to amounts accrued to satisfy its fixed obligations under certain unsecured loans payable. The consideration hasn’t been issued yet and is included in accrued expenses and interest expense and was valued based on the fair value of the consideration at issuance.

The aggregate schedule maturities of the Company’s loans payable outstanding as of February 28, 2025 are as follows:

Twelve-month period ended February 28, 2026	\$ 3,395,855
2027	<u>3,878</u>
	<u>\$ 3,399,733</u>

**NOTE 4 – CONVERTIBLE DEBENTURES**

The Company's convertible debentures consisted of the following:

	February 28, 2025	August 31, 2024
Convertible notes payable	\$ 293,253	\$ 517,242
Unamortized debt discount	-	-
Total	<u>\$ 293,253</u>	<u>\$ 517,242</u>

The convertible debentures matured in 2015, and bear interest at ranges between 6% and 15%. The convertible debentures are convertible at ratios varying between 45% and 50% of the closing price at the date of conversion through, at its most favorable terms for the holders, the average of the three lowest closing bids for a period of 5-30 days prior to conversion.

No convertible debentures have been issued since 2015 and none executed since 2016. Certain settlements with holders of convertible debentures have been agreed since 2018 to the Company's benefit.

**NOTE 5 – OFFICERS LOANS PAYABLE**

	February 28, 2025	August 31, 2024
Officers loans payable	<u>\$ 42,969</u>	<u>\$ 46,040</u>

The loans payables are due on demand, are unsecured, and are non-interest bearing.

**NOTE 6 – DERIVATIVE LIABILITIES**

The Company accounts for the embedded conversion features included in its convertible instruments as derivative liabilities. At each measurement date, the fair value of the embedded conversion features was based on the lattice binomial method using the following assumptions:

	February 28, 2025	August 31, 2024
Effective Exercise price	0.0015-.0028	0.0032
Effective Market price	0.0083-.0014	0.0016
Volatility	24%	41%
Risk-free interest	4.08%	4.38%
Terms	365 days	365 days
Expected dividend rate	0%	0%

Changes in the derivative liabilities during the six-month period ended February 28, 2025 is as follows:

Balance at August 31, 2024	\$ 375,792
Reclassification of liability contracts	(232,899)
Changes in fair value of derivative liabilities	(8,430)
Balance, February 28, 2025	<u>\$ 134,464</u>

## **NOTE 7 – ACCRUED COMPENSATION**

As of February 28, 2025, and August 31, 2024, the Company owes \$1,108,516 and \$1,109,178, respectively, in accrued compensation and expenses to certain directors. The amounts are non-interest bearing.

## **NOTE 8 – COMMON STOCK AND PREFERRED STOCK**

### **Preferred Stock- Series 1 and 2**

The designation of the Preferred Stock- Series 1 is as follows: Authorized 2,000,000 shares, par value of \$0.001. One share of the Company's Preferred Stock-Series is convertible into 53.04 shares of the Company's common stock, at the holder's option and with the Company's acquiescence, and has three votes per share.

The designation of the Preferred Stock- Series 2 is as follows: Authorized 2,000,000 shares, par value of \$0.001. One share of the Company's Preferred Stock-Series is convertible into one share of the Company's common stock, at the holder's option and with the Company's acquiescence, and has no voting rights.

### **Common Stock**

The Authorized Shares were increased to 2,000,000,000 in April 4, 2016.

## **NOTE 9 – DERECOGNITION OF LIABILITIES**

During the six-month period ended February 28, 2025, the Company successfully reached an agreement with a holder of convertible debentures aggregating \$739,415 in principal, accrued interest and derivative liabilities in consideration of 100,000,000 shares of the Company's common stock, which generated a gain on extinguishment of debt of \$459,415. The fair value of the shares issued amounted to \$280,000 at the date of settlement. The gain was recognized as gain on derecognition of liabilities in the accompanying unaudited consolidated statement of operations.

## **NOTE 10 – COMMITMENTS AND CONTINGENCIES**

### **Consulting Agreement**

The annual compensation of Linda Perry amounts to \$150,000 for her role as a consultant and as Executive Director for US interface to provide oversight regarding external regulatory reporting requirements. In addition, Ms. Perry is the lead executive for capital funding requirements and business development. The agreement has a rolling three-year term through September 2025.

### **Legal Proceedings**

From time to time, the Company has become or may become involved in certain lawsuits and legal proceedings which arise in the ordinary course of business. The Company intends to vigorously defend its positions. However, litigation is subject to inherent uncertainties and an adverse result in those or other matters may arise from time to time that may harm its financial position, or our business and the outcome of these matters cannot be ultimately predicted.



**NOTE 11 – FOREIGN OPERATIONS AND SEGMENT REPORTING****Major Customers and Accounts Receivable**

The Company's accounts and receivable as of February 29, 2025 and August 31, 2024 and revenues for the six-month period ended February 29, 2025 and February 28, 2024 are primarily from four customers.

**Product and Geographic Markets**

The Company generates its income primarily from marketing consulting services provided primarily in the United States and Great Britain.

**Segment**

The Company operates in one segment: marketing consulting services. The Company used the following factors to identify includes the basis of organization, the relative similarities in types of product offerings. The chief operating decision maker is the Company's Executive Director. The total assets of the segment amounts to the Company's consolidated assets. There are no long-lived assets.

The Company has concluded that consolidated net income or loss, as shown in its financial statements, is the measure of segment profitability. There are no intersegment transactions.

Assets at February 28, 2025 and revenues for the six-month period ended February 28, 2025 were as follows (unaudited):

	United States	Great Britain	Total
Revenues	\$ 7,755	\$ 48,822	\$ 56,577
Total revenues	\$ 7,755	\$ 48,822	\$ 56,577
Identifiable assets at February 28, 2024	\$ 8,971	\$ 43,783	\$ 52,754

Assets at February 29, 2024 and revenues for the six-month period ended February 29, 2024 were as follows (unaudited):

	United States	Great Britain	Total
Revenues	\$ 107,883	\$ 58,451	\$ 166,334
Total revenues	\$ 107,883	\$ 58,451	\$ 166,334
Identifiable assets at February 29, 2024	\$ 20,981	\$ 27,849	\$ 48,830

**NOTE 12 – SUBSEQUENT EVENTS**

The Company has analyzed its operations after February 28, 2025 through the date these financial statements were issued and has determined that it does not have any material subsequent events to disclose.

## ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements contained herein are forward-looking statements and should be read in conjunction with our disclosures under the heading “Forward-Looking Statements” above. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. This discussion also should be read in conjunction with the notes to our consolidated financial statements contained in Item 8. “Financial Statements and Supplementary Data” of this Report.

The Company developed a document called the Creds Deck which provides a description to prospective clients of Digital Clarity’s value proposition - [https://www.dbmmgroup.com/wp-content/uploads/2024/03/DBMM\\_Creds\\_Deck\\_2024\\_2.pdf](https://www.dbmmgroup.com/wp-content/uploads/2024/03/DBMM_Creds_Deck_2024_2.pdf).

Our return to normal business in the fourth quarter of 2024 faced challenges as the world shifted and attempted to stabilize a post-COVID environment with mounting inflation. 2024 was focused on a measured return to normalcy as businesses have faced enormous challenges over the past few years, and DBMM’s operating business Digital Clarity, is no exception. However, for context, it is worth reminding investors and shareholders that Digital Clarity was acquired by DBMM as a cash-flow positive business with a great reputation and industry network, winning industry awards.

As stated in the MD&As for many years since the acquisition of Digital Clarity, the operating business has, in most years, been cash flow-positive, but the costs of maintaining a public company far exceed the gross profit in the audited financial statements. That was expected, following the digital business model, though many digital companies do not have any operating revenues while they build the business. The business is being developed to a “to be determined” level (TBD), with all capital infusion and revenues (if any) remaining in the growth model.

Going into the 2025 fiscal year, the Company’s mitigating circumstances have all been positively concluded. The company has returned to normal trading and is in the process of evolving into a 2025 management consultancy, which will be normal business. The transformation of a company guided by Digital Clarity as its digital architect demands a “seat at the table” of decision-makers as the subject matter experts in the new digital landscape. Digital Clarity has earned that role. The industry as seen today and in the future is described below:

### 2024 REALITIES TEMPERED BUDGETS AND OUTLOOK

As businesses face growing challenges from an increasingly competitive global marketplace, the importance of adopting cutting-edge technologies has never been clearer. Artificial Intelligence (AI) is emerging as one of the most powerful tools for businesses looking to optimize their marketing and sales strategies. In 2025, AI will no longer be a competitive advantage, but a necessity for businesses aiming to thrive in a fast-evolving digital economy.

Though the general business sentiment remains cautious, Digital Clarity has adapted its model to focus on areas that will allow the business to be proactive coming out of the challenging economic and political backdrop, as the external world stabilizes.

Digital Clarity has been pivoting, despite headwinds and working to build upon its experience in the B2B space and engaging with prospects in the SaaS and Tech market. This has proved useful as the company builds out its consultancy model with a strong pivot toward AI. This will only accelerate revenue-focused marketing leadership and reduce the money invested in non-hyper-targeted channels.

## THE CASE FOR AI ADAPTATION IN MARKETING GOING FORWARD

As businesses face growing challenges from an increasingly competitive global marketplace, the importance of adapting cutting-edge technologies has never been clearer. Artificial Intelligence (AI) is emerging as one of the most powerful tools for businesses looking to optimize their marketing and sales strategies. In 2025, AI will no longer be a competitive advantage, but a necessity for businesses aiming to thrive in a fast-evolving digital economy.

### 1. The Current AI Adaptation Landscape in Marketing and Sales

AI is already transforming marketing and sales functions, allowing companies to increase efficiency, personalize customer interactions, and improve the overall customer experience. According to *McKinsey*, more than 56% of companies in 2023 reported using AI in at least one business function, with marketing and sales being the most common areas for implementation. McKinsey's 2023 report highlighted that companies integrating AI into their sales strategies saw revenue growth improvements of 10-15% due to increased efficiency and enhanced customer insights.

This trend is only expected to grow. By 2025, *Gartner* predicts that AI will handle 80% of all customer interactions, including both marketing and sales. According to the *International Data Corporation (IDC)*, spending on AI systems is forecast to reach \$300 billion globally by 2026, with a significant portion dedicated to sales and marketing applications.

### 2. AI's Critical Role in Personalization and Customer Insights

One of the most significant benefits of AI in marketing and sales is its ability to deliver personalized customer experiences at scale. Modern consumers expect interactions to be tailored to their preferences, needs, and behaviors, and AI offers a solution to meet these expectations.

AI systems can analyze vast amounts of data from various sources—social media, website behavior, purchasing history, and more—to create detailed customer profiles. This allows businesses to offer highly personalized product recommendations, targeted advertisements, and customized content. According to a report by *Accenture*, 91% of consumers are more likely to shop with brands that offer relevant offers and recommendations, underscoring the importance of personalization in driving revenue.

Furthermore, AI can predict future customer behaviors based on past interactions, enabling businesses to proactively address customer needs and reduce churn. As *Forbes* reports, predictive analytics—powered by AI—can improve sales forecasting accuracy by up to 50%, giving companies a crucial edge in planning and executing their strategies.

### 3. Efficiency and Cost-Effectiveness Through Automation

AI's capacity for automation is another key driver of its importance in marketing and sales. AI tools such as chatbots, automated email marketing, and lead-scoring systems help companies streamline repetitive tasks, freeing up human resources to focus on more strategic efforts. According to *Salesforce's State of Marketing* report, 84% of marketers in 2023 reported using AI to automate routine tasks, with the primary focus being on customer interactions, campaign management, and content personalization.

The cost savings that result from AI-driven automation are substantial. *Deloitte* has projected that AI-powered sales systems can reduce operational costs by 20% through better lead management, automated follow-ups, and more efficient sales processes. Moreover, AI tools like chatbots can handle simple customer queries at any time of the day, thus enhancing the customer experience, while reducing the need for large customer service teams.

### 4. Optimizing Marketing ROI and Lead Generation

AI's ability to process and analyze data in real time can significantly improve the return on investment (ROI) of marketing campaigns. Traditional marketing methods often rely on manual data collection and interpretation, which can be time-consuming and prone to human error. AI-driven platforms, however, can assess the performance of campaigns instantly, allowing marketers to optimize their strategies on the fly.

In 2025, AI will be critical in helping companies achieve more efficient and effective lead generation. AI algorithms can identify patterns in customer data to determine which leads are most likely to convert, enabling sales teams to focus their efforts on high-potential prospects. This predictive lead scoring, combined with AI-powered marketing automation, can significantly improve lead conversion rates. According to *Harvard Business Review*, AI-driven lead scoring has been shown to increase sales productivity by 12%, while companies using AI in lead generation have seen a 50% improvement in lead quality.

## 5. AI in Content Creation and Campaign Management

Another transformative aspect of AI in marketing and sales is its potential in content creation. AI-driven tools such as GPT models and Natural Language Processing (NLP) systems can assist marketers in generating data-driven content for blogs, emails, social media, and ad copy. This content can be tailored to different customer segments based on behavioral insights, ensuring higher engagement and conversion rates.

*HubSpot* research reveals that companies using AI-generated content report a 30% increase in engagement metrics such as click-through rates and social media interactions. As AI-driven content generation tools continue to evolve, businesses will be able to create personalized content faster, more consistently, and at a lower cost.

AI will also revolutionize campaign management. AI algorithms can optimize campaigns in real time by adjusting factors such as ad placement, timing, and messaging based on live performance data. This enables companies to maximize their marketing budgets by focusing on strategies that yield the best results. *Forrester Research* predicts that by 2025, businesses using AI-driven marketing platforms will achieve a 25% improvement in marketing ROI compared to those relying on traditional methods.

## 6. Barriers to AI Adaptation

While the benefits of AI in marketing and sales are clear, there are still barriers to widespread adaptation. Many companies face challenges related to the integration of AI technologies, such as a lack of in-house expertise, concerns about data privacy, and significant upfront costs.

However, these challenges can be mitigated by working with experienced technology partners, investing in employee training, and prioritizing transparency in data usage. Companies that address these barriers early on will be better positioned to reap the full benefits of AI in 2025 and beyond. As *PwC* notes, “AI is becoming the key to transforming customer experience and business productivity. Companies that adopt AI strategically will be the leaders in their industries.”

### THE TIME TO INVEST IN AI IS NOW FOR LONG-TERM BENEFIT

The future of marketing and sales lies in AI. With its ability to deliver personalized experiences, automate processes, and optimize performance, AI is set to become a cornerstone of successful business strategies by 2025. Companies that have not yet invested in AI are at risk of falling behind their competitors in a rapidly changing marketplace.

As the *World Economic Forum* states, “Businesses that fail to adopt AI now will likely face increasing operational inefficiencies, customer dissatisfaction, and missed opportunities as competitors leverage these technologies to gain an edge.”

2025 will be a year in which AI will shift from a competitive advantage to a basic requirement for success in marketing and sales. The time to act is now.

### WHY B2B IS STILL THE RIGHT PLACE AT THE RIGHT TIME

Just before and during the pandemic, DBMM’s operating business, Digital Clarity, analyzed market data and found that there was a large market segment that was very badly served by the digital marketing sector. Planning, strategy and good advice were lacking when it came to sales growth and brand positioning. This was true for the Business to Business (B2B) sector, in particular, the technology, software and software services sector (SaaS). This pivot was the model for Digital Clarity’s return to normal business against a continued volatile economic environment.

B2B is undergoing a renaissance as business models, innovation drivers, and buyers evolved dramatically from prior decades. Now, some of the most profitable companies across the globe are B2B companies.

The B2B Marketing Benchmark uncovers the trends and practices fueling this optimism; (a) marketing budgets are on the rise worldwide; (b) B2B leaders are excited about emerging technologies like Generative AI; and (c) adaptation of creative and technical skills is growing.

Digital Clarity is well-poised to enable B2B leaders to thrive in a rapidly changing environment and to plan for the long term.

DIGITAL CLARITY EMBRACES THE FUTURE THROUGH AI

Artificial Intelligence (AI) is not just a buzzword—it’s a seismic shift in how businesses operate, especially in the realms of marketing and sales. As AI rapidly evolves, marketing organizations must embrace this transformative technology or risk becoming obsolete. The advent of AI presents a wealth of opportunities for those willing to pivot toward it, offering enhanced data analytics, automation, personalization, and decision-making tools.

In the words of Sam Altman, CEO of OpenAI and a prominent figure in the AI space, “The impact of AI will be greater than the invention of the internet or the industrial revolution.” This bold statement underscores the magnitude of the change we are witnessing. Marketing, as we know it, is on the precipice of a radical transformation. The question isn’t *if* AI will reshape marketing, but *how* agencies can harness it to drive unprecedented growth for their clients.

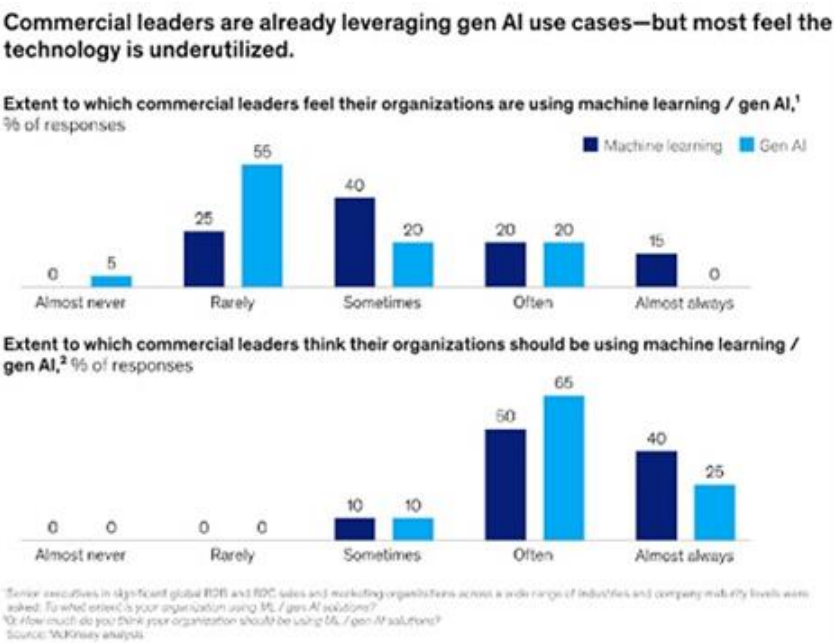
How Digital Clarity Remains a Leader in Marketing Strategy in the Age of AI

For over two decades, Digital Clarity has been at the forefront of marketing innovation, empowering businesses to navigate the complexities of the digital landscape and drive sales through effective strategies. From the early days of search engine marketing to the rise of social media, the team at Digital Clarity has consistently embraced cutting-edge technologies to deliver meaningful results for their clients. Their philosophy is simple: nothing happens until a sale takes place, and most sales are driven by effective marketing.

Today, as we enter the era of AI, the need for strategic marketing expertise is more crucial than ever. While AI presents incredible opportunities for automation, personalization, and data analysis, it also introduces new complexities that businesses must address. This is where Digital Clarity’s deep experience and forward-thinking approach come into play, helping companies make sense of data, AI tools, and the right strategies to integrate them into their marketing efforts.

THE NEED TO PIVOT FROM TRADITIONAL TO AI-DRIVEN MARKETING

Traditionally, marketing consultancies have relied on a combination of intuition, market research, and customer feedback to guide their strategies. While these methods have their merits, they pale in comparison to the speed, precision, and efficiency AI can offer. AI-driven marketing tools can process vast amounts of data, identify patterns, and make sense of complex customer behaviors in ways that were previously impossible.



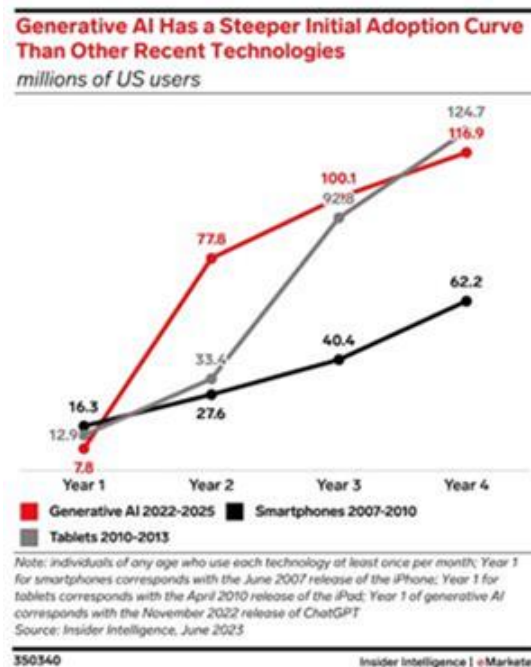
Take customer segmentation, for instance. AI can analyze consumer behavior across numerous touchpoints—from social media interactions to purchasing habits—offering deep insights into what drives specific customer groups. This allows consultancies to create hyper-targeted campaigns that are more effective than any traditional approach. Marketing consultancy firms that pivot toward AI can thus stay ahead of the competition by offering clients personalized strategies that are both data-driven and scalable.

Moreover, AI technologies like machine learning (ML) and natural language processing (NLP) can predict future market trends, helping businesses make informed decisions about where to allocate resources. This predictive power is invaluable, allowing marketers to shift from reactive to proactive strategies.

## MAKING SENSE OF BIG DATA: THE POWER OF AI IN ANALYTICS

One of the most significant challenges in modern marketing is making sense of the overwhelming amount of data that brands collect daily. According to a recent *Forbes* report, more than 90% of the world's data has been generated in the last two years alone. However, much of this data remains underutilized, with companies struggling to turn it into actionable insights.

This is where AI steps in. "AI can sift through mountains of data at lightning speed, identifying insights that would take human marketers weeks, if not months, to uncover," says Altman. AI tools such as Google Analytics, IBM Watson, and Salesforce's Einstein are already revolutionizing how marketers understand consumer behavior and optimize campaigns. AI can assess social media sentiment, website traffic, email open rates, and any data simultaneously, offering real-time feedback on campaign performance.



However, while AI can process data and uncover insights, human marketers remain essential in interpreting these insights and turning them into creative strategies. AI is excellent at crunching numbers, but it still lacks the emotional intelligence and creativity needed to understand nuanced human experiences. Therefore, the future of marketing will likely see a harmonious partnership between AI and human marketers, where AI handles the data-heavy tasks and humans focus on creative problem-solving and customer relationship building.

## PERSONALIZATION AND AUTOMATION: THE NEW ERA OF CUSTOMER ENGAGEMENT

One of the most exciting aspects of AI for marketers is the ability to hyper-personalize customer experiences. AI-powered recommendation engines, such as those used by Amazon and Netflix, have set a new standard for customer engagement. These systems can predict what customers are likely to purchase or watch next based on their past behaviors, making marketing not only more relevant but also more personal.

AI tools can also automate many of the repetitive tasks that consume marketers' time. Whether it's automating email marketing campaigns, managing social media posts, or generating content suggestions, AI allows marketing teams to focus on strategy rather than execution. This automation can lead to significant cost savings for both consultancies and their clients, as tasks that once took hours or days can now be done in seconds.

THE ROLE OF HUMAN INTERVENTION IN AN INCREASINGLY AI-DRIVEN WORLD

Despite AI’s undeniable capabilities, human marketers are far from being replaced. While AI excels at data processing and pattern recognition, human intuition, empathy, and creativity remain crucial in building meaningful relationships with customers. As marketing teams begin to rely more on AI, the role of humans will shift from data crunchers to strategists and storytellers.

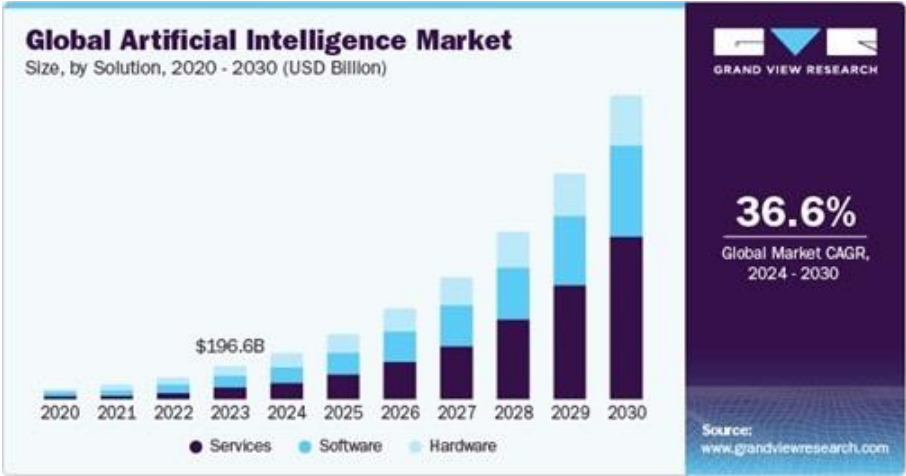
“AI might be able to tell us what people want, but it’s up to humans to decide how to connect with them in a way that resonates emotionally,” says Brian Solis, digital analyst and author. This sentiment is echoed by many in the industry who believe that AI should be seen as a tool to enhance human creativity, not replace it.

Moreover, AI is only as good as the data on which it is based. Human oversight is needed to ensure that AI-driven marketing strategies are ethical and that algorithms don’t inadvertently reinforce harmful biases. By working alongside AI, marketing consultants can leverage the best of both worlds—AI’s precision and efficiency, combined with human intuition and ethical oversight.

UPSIDE AND GROWTH: THE FUTURE OF AI IN MARKETING

The AI-driven marketing landscape presents endless opportunities for growth. According to a 2023 report by PwC, AI could contribute up to \$15.7 trillion to the global economy by 2030, with marketing and advertising being two of the sectors that stand to benefit the most.

For marketing consultancies, the shift toward AI presents a chance to diversify their service offerings, create more efficient processes, and deliver higher ROI for clients. Early adopters are already seeing the benefits. A recent study by McKinsey found that businesses using AI-driven marketing solutions saw a 20-30% improvement in campaign performance, alongside significant cost reductions.



By pivoting to AI, consultancies can offer clients enhanced customer insights, personalized marketing strategies, and more effective campaign management, all while staying ahead of the competition in a rapidly evolving market.

As Sam Altman emphasized, AI represents one of the most significant technological shifts in human history. For marketing consultancies, this shift brings both challenges and opportunities. The key to thriving in this new era lies in embracing AI as a tool for innovation, efficiency, and growth, while recognizing the continued importance of human creativity and empathy.



In this brave new world, those marketing consultancies that successfully pivot toward AI will not only survive but thrive, unlocking new avenues for customer engagement, data-driven insights, and personalized marketing. The future of marketing is here, and it's powered by AI. The question is: Are you ready to embrace it?

## References

1. *McKinsey & Company*. (2023). "The State of AI in 2023: Ten Years In." McKinsey AI Report
2. *Gartner*. (2023). "Gartner Predicts AI Will Handle 80% of Customer Interactions by 2025." Gartner AI Report
3. *International Data Corporation (IDC)*. (2023). "Global AI Spending Forecast to Reach \$300 Billion by 2026." IDC AI Spending Report
4. *Accenture*. (2023). "AI and Personalization: The Future of Customer Experience." Accenture Personalization Report
5. *Forbes*. (2023). "Predictive Analytics: The Key to Smarter Sales Forecasting." Forbes Predictive Analytics Article
6. *Salesforce*. (2023). "State of Marketing: AI's Role in Driving Sales." Salesforce Marketing Report
7. *Deloitte*. (2023). "AI-Powered Sales: Driving Efficiency and Growth." Deloitte AI Report
8. *HubSpot*. (2023). "AI and Content Creation: Enhancing Customer Engagement." HubSpot AI

## DEVELOPING US FOOTPRINT FOR DIGITAL CLARITY IN 2025-2026

The IMF became the latest economic organization to declare that the US economy would power ahead, forecasting an expansion of 1.5 percent next year. This compares with IMF forecasts of 1.2 percent for the eurozone and 0.6 percent for the UK.

A critical structural factor behind the US-European divergence is the difference in the industrial composition of the economies.

2024 saw Digital Clarity have a stronger demand by prospective customers in the burgeoning B2B Tech sector and with this laser focus in the tech marketing market, Digital Clarity is well positioned to take advantage of applying its successful methodology into the largest economy in the world.

The US has a booming tech sector, with successful and innovative companies such as Amazon, Alphabet, and Microsoft that have no European equivalents in Europe. With the US dominating artificial intelligence, that gap is likely to widen, economists warn.

By contrast, Europe specializes in industries that are increasingly facing the threat of Chinese competition, such as electric vehicles.

With investment and expansion, the gap between the US and Europe is likely to widen further in the coming years and DC is proactively organizing its infrastructure accordingly.

## IRVINE, CA, POSITIONING IS A GOOD EXAMPLE:

Irvine, California, has become a prime destination for B2B tech companies, attracting west coast businesses. This growing trend is driven by several compelling factors that make Irvine an ideal location for tech enterprises.

Irvine boasts a robust tech ecosystem, supported by the presence of over 900 high-tech companies. This includes giants in the gaming industry such as Blizzard Entertainment and Amazon Game Studios. The concentration of these companies creates a synergistic environment where businesses can thrive off each other's innovation and talent pools. Irvine's business-friendly policies and fiscal health make it an attractive destination for tech companies. The city is consistently ranked high in financial health and fiscal strength, offering a stable and supportive environment for businesses to grow.

## Talent Pool and University Hub

One of Irvine's greatest assets is its access to a highly skilled talent pool, fueled by the presence of top-tier universities. Institutions like the University of California, Irvine (UCI) contribute to a steady stream of graduates with expertise in technology, engineering, and business, providing a robust foundation for the city's innovative spirit. This dynamic talent pool is essential for businesses looking to drive forward-thinking initiatives and maintain a competitive edge.



## **Investment in Technology and Human Capital**

Irvine has seen substantial investment from businesses, both in technology infrastructure and human capital. This commitment to fostering a conducive environment for tech growth is evident in the city's continuous support for startups and established companies alike. According to recent reports, Irvine has attracted significant venture capital funding, further solidifying its position as a leading tech hub on the West Coast.

## **Geographical Advantages**

The geographical advantages of Irvine cannot be overstated. Its central location offers easy access to major transportation hubs, including John Wayne Airport, facilitating seamless business travel. Additionally, the city's proximity to beautiful Newport Beach provides an attractive lifestyle for professionals, enhancing the work-life balance that is critical for maintaining top talent.

## **Expanding Our Reach in the Tech Sector**

At Digital Clarity, our focus will be on reaching out to tech and software businesses, offering them tailored digital marketing solutions that drive growth and innovation. Our services, ranging from lead generation and content creation to brand development and digital advertising strategies, are designed to meet the diverse needs of our clients. By establishing a strong presence in Irvine, we aim to forge new partnerships and strategic alliances that will propel both our clients and our company forward.

The Irvine model will serve any US tech sector location.

## **DEMAND FOR MARKETING CONSULTING IN NORTH AMERICA IS PREDICTED TO GROW BY 36%**

The marketing consulting services segment is forecast to increase by \$41.56 billion between now and 2027, with North America estimated to contribute 36% to the growth. Data from research company *Technavio's* analysts have elaborately explained the regional trends, drivers, and challenges that are expected to shape the market during the forecast period. With the development of new research companies and the availability of various databases and business analytics tools, this North American region is a major contributor to the global marketing consulting market. This allows businesses to collect meaningful, useful data at a fraction of the cost that marketing consultants pay.

Additionally, the ease of scaling virtualization and automating administrative tasks dynamically will increase SaaS adoption. Due to digitalization, various businesses and organizations in this region are adopting SaaS solutions, which help improve a range of operations such as business planning, order fulfillment, and customer service. Hence, such factors are expected to drive market growth in this region during the forecast period.

## **THE SHIFT TO DIGITAL IS PERMANENT**

Digital will continue to command a greater overall share as more B2B marketers make the permanent shift from traditional advertising to online activities.

One of the most pronounced effects the pandemic had on B2B marketing was exponentially accelerating its transition into digital. As the business world recovers from the pandemic and returned to more traditional models, this transition has slowed down. The past year has affirmed, however, that it will not stop.

By 2025, *Gartner* expects 80% of B2B sales interactions between suppliers and buyers to occur in digital channels.

B2B buying behaviors have been shifting toward a buyer-centric digital model, a change that has been accelerated in the past couple of years.

Digital Clarity sits at the intersection of marketing, analysis and sales growth for B2B tech companies, with a focus on digital lead generation and qualification. The pandemic lockdown underscored how important it is to source and qualify new leads beyond the relationships you already have. It also accelerated digital lead generation toward high-value customer segments. Traditional lead generation tactics like cold calling are being replaced or supplemented by lower-touch digital leads focused on meeting customers "where they are." Sales should work closely with Marketing to source leads from typical digital sources (such as *Google* and *LinkedIn*), as well as from relevant third-party affiliates (such as *LendingTree* for mortgages, *Trivago* for travel, and *Buyerzone* for B2B services) that are becoming initial destinations for shoppers. Leaders in digital lead generation can cost-effectively source and qualify leads as well as automate the lead-generation process to support their sales teams with higher propensity leads.

## **SALES ARE GOING DIGITAL, AND AI WILL BE AT THE FOREFRONT**

*Gartner* has been quoted as saying that 80% of B2B sales interactions between suppliers and buyers will occur in digital channels by 2025.

Over the next five years, an even greater rise in digital interactions between buyers and suppliers will break traditional sales models.

The *Gartner Future of Sales 2025* report predicts that by 2025, 80% of B2B sales interactions between suppliers and buyers will occur in digital channels. Chief Sales Officers (CSOs) and other senior sales leaders must accept that buying preferences have permanently changed and, as a result, so will the role of sellers.

Sales organizations must be able to sell to customers everywhere the customer expects to engage, interact and transact with suppliers. *Gartner* defines the future of sales as the permanent transformation of organizations' sales strategies, processes and allocation of resources, moving from a seller-centric to a buyer-centric orientation and shifting from analogy sales processes to digital-first engagement with customers.

Disruptive buyer dynamics are rewriting the rulebook for B2B sales, demanding digital-first engagement with customers. The rise in digital sales will be driven by marketing that creates demand and trust in brands.

This doesn't portend the eventual "death of the sales rep," but it does signal drastic changes needed in the seller role. Sales leaders must deliver significant value through digital and omnichannel sales models, aided by sales professionals who can steer self-learning customers toward more confident decisions. Digital delivers this.

## **DIGITAL CLARITY IS POSITIONED FOR GROWTH, AND HAS A HISTORY OF INNOVATION FROM DATA TO DECISIONS**

Since its inception, Digital Clarity has built its reputation on helping clients cut through the noise and make informed decisions based on real-time data. In the early 2000s, as digital advertising began to reshape how brands reached consumers, Digital Clarity quickly saw the power of data. They were early adopters of analytics tools, helping businesses make sense of website traffic, user behavior, and campaign performance long before data-driven marketing became the industry norm.

Their team understood that raw data was meaningless without context and interpretation. By helping clients turn data into actionable insights, Digital Clarity enabled companies to make key strategic decisions that drove growth. Whether it was identifying untapped market segments, optimizing ad spend, or improving conversion rates, their data-driven approach consistently delivered results.

Buyers are more willing than ever before to spend big through remote or online sales channels, with 35 percent willing to spend \$500,000 or more in a single transaction. 77% of B2B customers are also willing to spend \$50,000 or more.

B2B customers now regularly use 10 or more channels to interact with suppliers.

Digital Clarity is a specialist in many of these channels and has been for a number of years. This expertise, experience, and trust will put Digital Clarity front of mind for organizations as they seek professional consultancy.

## **CONTENT REMAINS CENTRAL TO REVENUE GROWTH – HOW DIGITAL CLARITY WILL PLAY A KEY ROLE WITH AI IMPLEMENTATION**

Creating consistent, high-quality, and relevant content is a challenge many B2B leaders face, especially with the increasing complexity of buyer journeys and the constant need for valuable insights. This is where Digital Clarity, leveraging the power of AI, can be a game-changer for B2B organizations. B2B leaders struggle with content development.

## HOW DIGITAL CLARITY USES AI TO TRANSFORM CONTENT STRATEGY

Digital Clarity integrates AI to provide B2B leaders with smarter, more efficient content strategies. Here are some of the key ways AI can support content creation and enhance its effectiveness:

### 1. Content Generation at Scale

AI-powered platforms can help B2B marketers produce high-quality content faster than ever before. Tools powered by natural language processing (NLP) can draft blog posts, whitepapers, product descriptions, and reports based on provided topics and outlines. This allows companies to generate a large volume of content without compromising on quality.

AI can also assist in transforming raw data or technical jargon into easy-to-understand articles, which is crucial for B2B industries that deal with complex subjects like technology, finance, or manufacturing.

### 2. Personalized Content for Different Buyer Personas

One-size-fits-all content is no longer effective. AI helps Digital Clarity create hyper-personalized content for various B2B personas. By analyzing historical data, customer interactions, and behavioral patterns, AI can identify the pain points and preferences of specific buyer segments. This enables the creation of content that resonates deeply with individual personas at different stages of their journey.

For example, the content AI creates for a C-suite executive focused on ROI will differ from the technical content aimed at IT managers evaluating software solutions. Tailoring messaging to each persona boosts engagement and conversion rates.

### 3. Content Optimization Through Predictive Analytics

Content that performs well is often backed by data. AI enables Digital Clarity to harness predictive analytics to identify which topics and formats will be most engaging to the target audience. By analyzing user behavior, search trends, and engagement metrics, AI can recommend the types of content that are most likely to resonate with your audience.

For instance, AI can predict what blog topics are trending within a specific industry, helping B2B leaders stay ahead of their competitors by focusing on the most relevant issues. It also helps refine existing content for SEO, ensuring it ranks higher on search engines and attracts more organic traffic.

### 4. Streamlining Content Distribution

Producing content is only half the battle; ensuring it reaches the right audience is equally crucial. Digital Clarity uses AI to optimize content distribution by determining the best channels, times, and formats to share content. AI analyzes past campaign performances and audience behaviors to identify the best-performing distribution strategies, from email marketing to social media.

With AI, Digital Clarity can also automate content dissemination, saving valuable time for B2B marketers. This is particularly useful when managing multiple channels and markets, allowing for consistency and accuracy across all content touchpoints.

### 5. Enhanced Content Strategy with Sentiment Analysis

Understanding the sentiment behind content engagement can offer deeper insights into audience reactions. AI-powered sentiment analysis tools can scan comments, reviews, and social media interactions to gauge how your content is being perceived. By using this feedback, B2B leaders can tweak their messaging, address concerns, or double down on topics that are well-received.

For instance, if a whitepaper generates positive comments around a specific pain point, businesses can produce more in-depth content on that subject, positioning themselves as industry leaders in that space.

### 6. Maintaining Brand Consistency Across All Platforms

Ensuring a consistent brand voice across all content is essential in maintaining credibility and trust in the B2B world. With AI-driven tools, Digital Clarity can help B2B leaders maintain this consistency at scale. AI can check for tone, style, and brand guidelines, making sure that the content aligns with the company's values, no matter how large the volume of output.

This is particularly beneficial for global companies where content needs to be adapted for different regions while retaining a unified brand message.

## 7. Faster Content Auditing and Performance Tracking

With a content library that continually grows, manually auditing content for relevance, performance, and compliance can be time-consuming. AI enables faster and more accurate content audits, assessing what content can be repurposed, updated, or removed. By automating this process, B2B leaders save valuable time and ensure their content remains relevant and optimized.

AI can also provide detailed performance reports, highlighting which pieces are generating the most leads, engagement, or sales. This data allows B2B marketers to refine their content strategy based on actual performance insights.

### DIGITAL CLARITY PROVIDES AI ADVANTAGE FOR B2B LEADERS

In the rapidly evolving B2B space, content is more important than ever. But producing high-quality, relevant content consistently can be daunting without the right resources. Digital Clarity, with the help of AI, empowers B2B leaders to overcome these challenges, offering scalable, personalized, and data-driven content solutions.

By harnessing the power of AI, B2B companies can not only improve content creation but also deliver the right messages to the right people at the right time. In doing so, they build stronger relationships with prospects, position themselves as industry leaders, and ultimately drive business growth.

With AI as a strategic partner, the future of B2B content marketing is bright, efficient, and impactful.

### KEY MILESTONES: PUBLIC-FACING BUSINESS DEVELOPMENT

- DBMM's Digital Clarity was invited by OTC Markets (OTCM) to deliver a presentation at the AI & Technology Virtual Investor Conference on October 31, 2024. All presenters were trading on QX or QB platforms with DBMM as the only Pink Current platform presenter. That fact only reinforced DBMM's intent to uplist in the next fiscal year. The presentation and follow-up activities were intended to establish a community of presenters gathered by OTCM.
- Reggie James (RJ) appeared as a guest on the David Meltzer podcast, *Office Hours*. Meltzer is the Co-founder of Sports 1 Marketing, and formerly served as CEO of the renowned *Leigh Steinberg* agency for sports & entertainment. It is one of the top 25 global business podcasts.
- RJ has also been invited as a guest to speak about marketing, tech, and AI on a variety of business podcasts, including *Blaine Bartlett*, *James Golden*, and *Steve Preda*. These are all US-based podcasts that highlight the commitment to expansion in the US and formed a network for Digital Clarity to be the digital marketing expert. This provides an additional competitive advantage.
- RJ attended the London Blockchain Conference, representing Digital Clarity in a world where blockchain, AI and Web3 are reshaping business.
- With more than one-third (39%) of owners, founders and CEOs listening to podcasts, and 65% listening at least weekly (according to *Forbes*), RJ has launched his series of podcasts on *Spotify*, *Apple* and *YouTube*.

### THE GROWTH OF DIGITAL MARKETING AND CONSULTANCY SERVICES

The marketing consulting market size is estimated to grow at a CAGR of 4.93% between now and 2027 according to reports from *Technavio*. As mentioned previously, there is a blurring of lines between traditional consultancy, marketing firms and advertising agencies. That said, firms like *Accenture*, *Deloitte*, *IBM*, *KPMG*, *McKinsey* and *PwC* rank among the most aggressive players in acquiring and partnering with consultancies such as Digital Clarity. The growth represents not only an opportunity for Digital Clarity but also a prospective exit and investment opportunity.

Digital Clarity has continued to develop its Digital Consultancy and Strategy Planning offering. The forward-looking program is to be a recognized leader in this field and fulfill companies seeking Digital Transformation for their organizations. Growth will be scaled and continuing.

## THE NEED FOR PROFESSIONAL CONSULTANCY AND THE OPPORTUNITY FOR MASSIVE GROWTH

With combined revenues of \$13.2 billion, the marketing services units of *Accenture*, *PwC*, *IBM* and *Deloitte* sit just below *WPP*, *Omnicom*, *Publicis Groupe*, *Interpublic*, and *Dentsu* in *Ad Age's* ranking of the 10 largest agency companies in the world. Last year, only 2 consultancies—*Accenture Interactive* and *IBM iX*—made the top 10. *IBM iX* was the first to break into the top 10.

Given the experience of the team, Digital Clarity's management consultancy is in demand in the small and middle company market segments. With the recent growth in these business areas and the rise of consultancies, it is confirmation that Digital Clarity is headed in the right direction for growth for our size in the industry.

## THE GROWTH OF DIGITAL TRANSFORMATION WORLDWIDE

The Global Digital Transformation Market size is expected to reach \$1.3 billion by 2027, rising at a market growth of 20.8% CAGR during the forecast period. Digital transformation is considered as the utilization of digital technology. Digitally transformed enterprises can be flexible to the changing technological landscape and can address abrupt shifts in the industry, particularly the one created by the COVID-19 pandemic; studies show that the efficiency and rate of adaptation of digitally transformed companies to a post-pandemic era are relatively larger than conventional businesses.

Following the pandemic, a considerable surge in awareness regarding the urgent requirement for digital transformation across a majority of the industries which created some lucrative opportunities for the global market. Companies are becoming more aware of the advantages of digital transformation, particularly in the hybrid culture that needs a business to allow the employees to easily learn, collaborate and perform organizational functions across remote locations.

## THE IMPORTANCE OF STRATEGIC MARKETING CONSULTANCY

The fundamentals of marketing may not have changed, but everything else has: the goals, roles, expectations, talent needs, *et al.* B2B marketing leaders need to navigate this new terrain and build the capabilities needed to win. Digital Clarity helps these organizations win.

Across industries, organizations are accelerating digital transformation processes for long-term growth and profitability. Yet: "53% of the organizations surveyed remain untested in the face of digital challenge and their digital transformation readiness therefore uncertain." This report from *Gartner* highlights the need to embrace change.

Businesses have no choice but to respond quickly to challenging conditions. Although not formally characterized as "agile," the twists and turns of the pandemic have required executives to innovate on the fly and collaborate to get things done. Regardless of staffing, a return to more stable commercial conditions is not optimum yet. Companies are still testing the "right staffing model," so it is a slow process, while tools like AI are moving at lightning speed.

Adobe says that Business-to-business (B2B) commerce will continue to undergo a major transformation as companies adopt the latest technologies to find new customers, improve their supply-chain efficiencies, and provide a more personalized user experience to their clientele.

Additionally, Digital Clarity has created a unique Diagnosis Workshop that helps brands identify needs as well as assess the opportunities available. The core focus is to help reduce wastage and increase results.

Areas of focus include:

- Cost analysis
- Audit current channels
- Digital strategy planning
- ROI projection planning
- Digital consulting and training

## DIGITAL CLARITY HAS A COMPETITIVE ADVANTAGE

### 1. Our DNA is Strategically Driven

We believe the path to successful customer acquisition lies in understanding a client's business – not just running a campaign. We seek to help clients understand that success has to be objective and measurable.

### 2. We are Business-Led

Digital marketing is not a cost, but an asset. It is not a line in a spreadsheet, but an emotive force that if done right will bring real business change and growth.

### 3. We are Digital Thinkers

Marketing has to be at the heart of the business. Delivering real innovation in digital marketing requires not just knowledge but authenticity, authority and bravery. We think digital. We drive results.

### 4. Our Goal is to Optimize and Deliver Digital Performance

DC assists our clients in understanding their goals and objectives by using digital marketing to drive new business opportunities and retain their current customers.

## DIGITAL CLARITY HAS DEVELOPED A WINNING STRATEGIC PROCESS

### 1. Discover – The first step - understand. Let's connect and see if we are the right fit.

Normally a phone call or Zoom to understand a prospective client's challenges and see if there is scope for us to work together.

### 2. Diagnose - Our Diagnosis Workshop helps define their goals and we discuss what's needed to get there.

So again, it is either a face-to-face or a Zoom call. More in-depth. They fill in a detailed questionnaire and then we give them some exercises and get them to open up. We help them discuss their goals and objectives and what they feel are the barriers in stopping them from reaching them - e.g. people, process, market, marketing, brand, etc.

### 3. Review - We take all the information, data, and objectives and build out a workable strategy. We then talk to them through this game plan and how we will work with them to get there. We also can bring in people (our black book) who can get involved when there are gaps.

### 4. Deliver - We work with clients to implement our game plan and set clear next steps, goals, and milestones – as required.

## COMPETITIVE LANDSCAPE

Digital advertising is the fastest-growing segment of the global market for advertising spending. The use of smartphones and the availability of cheap internet services are the two major factors propelling the growth prospects for this market. More than 30% of the companies are planning to spend around 75% of their advertising expenditures on digital marketing within the next five years.

“U. S. Marketers are expected to spend \$110.1 billion on digital ads this year, or 51% of the \$214.6 billion total U.S. advertising spending forecast, excluding political ads. Newspapers, radio, magazines, and local television now account for just 21% of the U.S. ad market.” From *The Wall Street Journal*.

## THE GROWTH OF B2B SOCIAL MEDIA

- 76% of B2B organizations use social media analytics to measure content performance.
- By 2025, 80% of B2B sales interactions will occur on digital channels.
- US B2B business spent \$2 billion in 2022 and \$2.33 billion in 2023, with an expected 2.5% - 4% growth in 2024.

## GROWTH IN LINKEDIN ADVERTISING SET TO SOAR BEYOND 2025

Almost all B2B content marketers (96%) use *LinkedIn*. They also rated it as the top-performing organic platform.

Digital Clarity helps business organizations make the most of *LinkedIn*. We assist customers in using *LinkedIn* to identify future clients.

## **THE NEW NORMAL REMAINS DIGITAL**

Since the pandemic, digital adoption has happened at 5 to 10 times the projected rate.

Lockdown periods, economic uncertainty, and loss of predictability have forced customers and businesses online in previously unseen numbers. This migration has upset the power balance, with customers now more in control of the relationship and less loyal to brands and products. Additionally, 60% of companies have seen new buying behaviors such as changes to average basket size and product interests.

Pandemic disruption caused many businesses to demand a similar level of convenience to consumers. After returning to normal, there's no question that the new normal is digital.

## **GROWTH IN INVESTOR AWARENESS AND OUTREACH**

We expect that, in 2025, the strategic outreach will be directed at investors around the world who understand the digital marketplace and its expanding influence on consumer decisions. DBMM will target new investors through a global digital and traditional integrated investor outreach campaign which will be run by Digital Clarity, with third parties, as required, for distribution. In all areas, the Company will act in the interests of all stakeholders.

Several years ago, the Company received a commitment for future working capital to grow the Company in key markets. Since 2024, growth capital has been directed to support a client base rebalancing and leveraging of a very dynamic, transformational, digital landscape. DC's mantra remains the same: "ROI is our DNA." Going forward, investor awareness has been emphasized now that normal business is evolving. DBMM intends to make significant strides in aggressively broadening its brand exposure. There are investors around the globe who understand the digital marketplace and its increasing influence on commercial decisions.

The expectations for fiscal year 2023 were to return to normal trading first, which now has occurred, and then move ahead to a scaled growth plan in multiple geographies once normal business recommenced and the SEC matter was finally closed. That is taking place. The result will benefit all stakeholders, but this evolution does not happen overnight. This process is step-by-step in order to ensure that all growth is sustainable and continuing until fully executed. Investor awareness will significantly increase globally through industry conferences, events and outreach. The digital marketing arena has no limit and will continue to grow. DC, through AI, will lead its sector and return to industry awards in the future.

## **FINANCIAL OVERVIEW/OUTLOOK**

DBMM has been honing its commercial model since the acquisition of Digital Clarity ("DC") in 2011, and for most years has been cash flow-positive as an operating company. Unfortunately, external events outside of DBMM's control have precluded the growth expected to this point; however, its margins of 35-50% are accurate. Aspirationally, when the Company reaches appropriate scale and profitability, the business will meet all stakeholder expectations. The digital marketing arena has changed significantly since the acquisition of DC, and likewise DC is in the process of equally dramatic change.

The Company returned to normal trading in December of 2022, and concluded the SEC Matter in mid-2023 with the Final Order of Dismissal. Normal trading has resumed; however, management has used the analogy of, "It's like turning around a yacht" in that it is still evolving what will be "normal business." DBMM intends to fully leverage its management consultancy with a focus on AI as it will be in the "futurist market." We fully intend to maintain our competitive advantage as the market evolves. Coincidentally, DC is balancing its recurring business with projects utilizing all the tools of AI. Clients will benefit due to a wider range of resources and revenue streams, and the shareholders will benefit as the market cap grows. We began the process of restarting the growth infrastructure in the fourth quarter of fiscal 2023 and is still in the process of being executed.

The return to normal business is a step-by-step process now that the SEC Matter is closed in our favor and all mitigating circumstances concluded to our benefit. DBMM's place in the industry reputationally is strong, particularly for its size. The industry environment continues to grow exponentially, and digital marketing and company transformation is an essential strategy for any commercial activity, and thus has become embedded in planning. We will also expand our offering and reach through partnerships and strategic alliances, as appropriate.

Nevertheless, since 2020, DBMM revenues have slowed down temporarily due to a number of factors: 1) client uncertainty caused by Brexit trade issues; 2) Covid-19 global slowdown and UK lockdown causing some clients to pause or close entirely; 3) clients needing to extend or double down lacked the resources; and 4) DBMM was required to continue to address its mitigating circumstances until 2023. All of which were external events through no fault of the Company. To address the changing environment, the business development model has evolved and, as such, DC has earned a "seat at the table," client by client. With precision, the revenues are sourced from recurring business and AI projects.



We are gaining clients in the US and are expecting the revenues from the US market to increase. The economic outlook is tempered by short-term, temporary uncertainties in the UK and US, which prompt existing and potential clients to reevaluate their marketing strategies. These reevaluations also come with temporary marketing budget reductions which reduced our revenues in the 3rd and 4th quarters of 2024. We believe that revenues from existing clients will increase once concerns over the UK and US economic and political situations dissipate and business confidence is restored. Our evolution to a full-service, dynamic digital marketing management consultancy with many moving parts, including third-party strategic alliances and representation spanning US geographies, is ongoing. This is a dramatic change from Digital Clarity's early business. Pay-per-click and search engine optimization service business has been fully commoditized and is no longer part of Digital Clarity's offering. Going forward, among other things, the costs of a full management consultancy provide much higher revenues for longer contractual periods but entail a longer cash conversion cycle. Likewise, the AI projects will be highly remunerative as development of innovative products provide for the maintenance of DC's competitive advantage.

Most recently, Reggie James, Chief Operating Officer and Director of DBMM, and Founder and Managing Director of Digital Clarity, the flagship brand of DBMM, delivered a presentation at the AI & Technology Virtual Investor Conference. The live, online event, sponsored by OTC Markets, was by invitation only and brought together selected visionary leaders in Artificial Intelligence and Technology to share insights about their respective companies' approach to the subject matter. James took a pragmatic, hands-on, heartfelt approach, which captured the attention of investors, shareholders, clients old and new, and fellow presenters alike. Many subsequent follow-up activities are underway. The outreach will continue as that is an intended positive aspect of the conference.

The event provided a high-visibility platform, which James used to full advantage, outlining a promising growth trajectory for Digital Clarity that left a strong impression on attendees. Action plan and follow-up activities continue. The actual presentation is available by visiting [https://www.dbmmgroup.com/wp-content/uploads/2024/11/LINK-OTCM\\_DBMM.pdf](https://www.dbmmgroup.com/wp-content/uploads/2024/11/LINK-OTCM_DBMM.pdf).

Coincidentally and as a priority, investor awareness will finally become global with like-minded people, and it is anticipated that it will grow exponentially.

As discussed above, and in summary, DBMM is reporting on its 1Q2025 having spent the 2024 fiscal year evolving from a highly commoditized digital marketing offering, to a management consultancy focused on AI products, many proprietary, to optimize a client's reach, ROI and competitive advantage. Digital Clarity, as DBMM's brand and flagship for all (new) products and services associated with AI will be sustainable as an essential component of the C-Suite.

The Company has shared that pivoting from old to new business model required eliminating much of old business revenue streams which were eroding as a matter of design, as total concentrated focus has been required to pivot through new product beta testing, drilling down and ensuring sustainability.

DBMM, has stated it intends fiscal year 2025 to be its best year ever, for its flagship and brand, Digital Clarity. The pivot required a much bigger and bolder approach driven by a unique hybrid delivery that augments skilled and seasoned marketing consultancy experience, with data and strategy. The futuristic strategy is accelerated by a sophisticated AI stack which transforms into a proprietary, standalone technology (Digital Clarity Intelligence Engine) as outlined at the aforementioned OTC Markets AI & Technology Conference in late-2024. The execution is taking place in fiscal year-2025.

Therefore the 2025 milestone remains conservative compared to the years following as the revenues follow development testing and market readiness in first quarter of 2025. But even with the truncated revenue period remaining, Digital Clarity confidently has forecast over \$1 million in revenue for this fiscal year ending August 31, 2025. As stated in the 10-K outlook, 2025 will be DBMM's "best year ever."

Given the bold guidance the quarterly breakdown has been surgically developed, with milestones quarter to quarter, leveraging the step-by step approach which the Company utilized successfully in its previous wins, like the OIP whose Final Order of Dismissal acknowledged the mitigating circumstances which led to a short period of delayed filings.

The definitive roadmap to achieving each milestone is evergreen and will be revised if required. We are currently in Q2 2025 having launched our pilot projects which are validating all dynamics of the value proposition which will generate revenues which significantly exceed the previous commoditized business. Very complicated, yet scalable systems are being put in place to maximize revenue streams.



Q3 Aggressive Client Acquisition, following discussions shared in past year in B2B targeted, high-growth sectors . The long and short term focus on marketing amplification and a strong AI data-driven marketing strategy, leveraging Digital Clarity's unique AI solutions to penetrate broader untapped markets. DC has exponential expectations based on. The end of the quarter begins building market-research and automation tools to enhance marketing ROI for clients. (Projected Revenue Growth, 35%-40% quarter-on-quarter through consultancy services is sustainable with new client onboarding. As economies of scale and AI applications are drilled down, the margins and growth are expected to increase.

Q4 Solidify new partnerships to expand the reach, and credibility of proprietary products, plus operational optimization , streamlining economies of scale, including staff growth in both US and U.K., but also using AI to reduce costs while enhancing output.

Quarterly growth in next fiscal year accelerates to 40%-50%, fueled by recurring income streams and high-margin proprietary offerings. The 2025 fiscal will close on August 31, 2025 with sustained, leveraged growth, much higher guidance as revenues, clients, reach, and impact increase every quarter. External awareness of brand, product and competitive advantage will have potential to benefit shareholders exponentially. In turn, the impact of audited results will have a positive uplift in the pps. Facts speak for themselves and the blueprint execution concluded . The future will include acquisitions, surgically targeted, and continuing growth in revenues , market cap and pps supported by a sustained business model.

#### **COMPANY INITIATIVES TO REMOVE CERTAIN AGED DEBT**

Regarding capital infusion, the Company resolved in 2015 to eliminate any consideration of using convertible debentures as a financing vehicle. Accordingly, the Company has not issued convertible debentures since 2015 nor have any convertible debentures been executed since 2016.

Additionally, we have demonstrated our adherence to such a philosophy by renegotiating its aged debt with lenders, one at a time, at fixed settlement amounts with no conversion terms. Furthermore, such renegotiations lead to the derecognition of derivative liabilities overhanging our balance sheet. The Company intends to continue its debt negotiation and modification program.

This has been a successful strategy:

During fiscal year 2021 and 2023, and to a lesser extent in fiscal 2020, we successfully reached agreements with certain lenders resulting in a gain on extinguishment for loans payable which amounted to the difference between the carrying value and the revised amount of the obligations.

The gain on extinguishment of principal and accrued interest amounted to \$169,837 and \$57,802 during fiscal 2021 and 2020, respectively.

We also successfully reached an agreement with a holder of convertible debentures aggregating \$249,800 to modify its terms. Such debentures are no longer convertible, are now non-interest bearing, and have been reclassified to loans payable. It also resulted in a decrease in derivative liabilities and an increase in additional paid-in capital of approximately \$260,000 during fiscal 2021.

Furthermore, in March 2022, we reached an agreement with a holder of convertible debentures to satisfy obligations aggregating \$85,000 in consideration of 30 million shares of the Company's common stock.

In February 2023, we reached an agreement with a holder of convertible debentures to satisfy obligations aggregating \$76,000 in consideration of 7.5 million shares of the Company's common stock.

In May 2023, we reduced our liability to a lessor by \$15,000.

In February 2025, we reached an agreement with a holder of convertible debentures to satisfy obligations aggregating \$739,000 in consideration of 100 million shares of the Company's common stock.

#### **SIX MONTH PERIOD ENDED FEBRUARY 28, 2025**

We had \$37,000 in cash and our working capital deficiency amounted to approximately \$7.4 million at February 28, 2025.

During the six-month period ended February 28, 2025, we used cash in our operating activities amounting to \$286,000. Our cash used in operating activities was comprised of our net loss of \$171,000 adjusted primarily for the following:

Change in fair value of derivative liability of approximately \$8,000.

Gain on derecognition of liabilities of \$459,000

Additionally, the following variations in operating assets and liabilities during the six-month period ended February 28, 2025 impacted our cash used in operating activity:

Increase of accounts payable, accrued expenses, accrued interest, and accrued compensation, of approximately \$358,000, resulting from a short fall in liquidity and capital resources.

We generated cash from financing activities of \$274,000 which primarily consists of the proceeds from the issuance of notes payable.

#### **SIX MONTH PERIOD ENDED FEBRUARY 29, 2024**

We had \$22,000 in cash and our working capital deficiency amounted to approximately \$67.0 million at February 29, 2024.

During the six-month period ended February 29, 2024, we used cash in our operating activities amounting to \$282,000. Our cash used in operating activities was comprised of our net loss of approximately \$585,000 adjusted primarily for the following:

Change in fair value of derivative liability of approximately \$340,000 and a gain on derecognition of liabilities of \$158,000.

Additionally, the following variations in operating assets and liabilities during the six-month period ended February 29, 2024 impacted our cash used in operating activity:

Increase of accounts payable, accrued expenses, accrued interest, and accrued compensation, of approximately \$130,000, resulting from a short fall in liquidity and capital resources.

We generated cash from financing activities of \$258,000 which primarily consists of the proceeds from the issuance of notes payable.

**Comparison of Results for the three- month and six-month ended February 28, 2025 and February 29, 2024**

	For the Three Month Period Ended				For the Six Month Period Ended			
	February 28, 2025	February 29, 2024	Increase/ (Decrease) \$	Increase/ Decrease (-) %	February 28, 2025	February 29, 2024	Increase/ (Decrease) \$	Increase/ Decrease (-) %
<b>SALES</b>	\$ 27,604	\$ 80,784	\$ (53,180)	(66)%	\$ 56,577	\$ 166,334	\$ (109,757)	(66)%
<b>COST OF SALES</b>	24,854	65,039	(40,185)	(62)%	47,090	139,378	(92,288)	(66)%
<b>GROSS PROFIT</b>	2,750	15,745	(12,995)	(83)%	9,487	26,956	(17,649)	(65)%
<b>COSTS AND EXPENSES</b>								
Sales, general and administrative	194,379	101,605	(92,774)	(91)%	329,859	218,312	(111,547)	51%
<b>OPERATING LOSS</b>	(191,629)	(85,860)	105,769	123%	(191,356)	(191,356)	(129,016)	67%
<b>OTHER (INCOME) EXPENSE</b>								
Interest expense	126,061	88,371	37,690	43%	317,892	212,124	105,858	50%
Gain on derecognition of liabilities	(459,415)	(158,287)	301,128	NM	(459,415)	(158,287)	301,128	NM
Change in fair value of derivative liability	(42,779)	173,508	(216,287)	NM%	(8,429)	340,012	(348,441)	NM%
<b>TOTAL OTHER EXPENSES (INCOME), NET</b>	(376,133)	103,592	(479,725)	NM	(149,862)	393,849	(543,711)	NM
<b>NET INCOME (LOSS)</b>	<u>\$ 184,504</u>	<u>\$ (189,452)</u>	<u>\$ 373,956</u>	<u>NM%</u>	<u>\$ (170,510)</u>	<u>\$ (414,695)</u>	<u>\$ (414,695)</u>	<u>(71)%</u>

**NM: not meaningful**

Our primary sources of revenue are Digital Analytics and Advisory Services.

Revenue is recognized upon transfer of control of promised or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services. The Company enter into contracts that can include various combinations of services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

The decrease in our revenues during the three- months and six-months periods ended February 28, 2025, when compared to the prior year, is due to the temporarily decreased volume of services provided to certain clients.

During the three-month and six-month period ended February 28, 2025, our cost of sales slightly decreased, commensurate with the decreased revenues during those periods.

The sales, general and administrative expenses increased during the three- month and six-month period ended February 28, 2025 is primarily due to us increasing our client acquisition programs.

Interest expenses increased primarily from the considerations provided pursuant to its financing activities during the first and second quarter of fiscal 2025 with no equivalent transactions occurring in the comparable prior periods.

The gain on derecognition of liabilities we recognized during the second quarter of 2025 was related to a settlement with a convertible note holder by issuing shares of our common stock with a value of \$280,000 to derecognize liabilities aggregating \$740,000.

The gain on derecognition of liabilities we recognized during the second quarter of 2024 was related to the derecognition of liabilities of \$160,000 which lapsed from statute of limitations.

The change in fair value of in derivative liabilities between comparable periods is primarily attributable to in the Company's fluctuation in expected volatility of our stock price used in the assumptions to compute its fair value at February 28, 2025 and February 29, 2024 compared to the measurement dates.

## Non-GAAP Financial Measures

Management considers earnings (loss) before interest, taxes, depreciation and amortization, or EBITDA, as adjusted, an important indicator in evaluating our business on a consistent basis across various periods. Due to the significance of non-recurring items, EBITDA, as adjusted, enables our management to monitor and evaluate our business on a consistent basis. We use EBITDA, as adjusted, as a primary measure, among others, to analyze and evaluate financial and strategic planning decisions regarding future operating investments and potential acquisitions. We believe that EBITDA, as adjusted, eliminates items that are not part of our core operations, such as interest expense, or items that do not involve a cash outlay, such as gain on derecognition of liabilities and change in fair value of derivative liability. EBITDA, as adjusted, should be considered in addition to, rather than as a substitute for, pre-tax income (loss), net income (loss) and cash flows used in operating activities. This non-GAAP financial measure excludes significant expenses that are required by GAAP to be recorded in our financial statements and is subject to inherent limitations. Investors should review the reconciliation of this non-GAAP financial measure to the comparable GAAP financial measure included below. Investors should not rely on any single financial measure to evaluate our business.

	Three-month period ended		Six-month period ended	
	February, 28 and February 29			
	2025	2024	2025	2024
Net income (loss)	\$ 98,946	\$ (189,452)	\$ (170,510)	\$ (585,205)
Interest	126,061	88,371	317,982	212,124
Gain on derecognition of liabilities	(459,415)	(158,287)	(459,415)	(158,287)
Change in fair value of derivative liability	(42,779)	173,508	(8,429)	173,508
Loss before interest, tax, depreciation, and amortization, as adjusted	\$ (191,629)	\$ (85,860)	\$ (320,372)	\$ (357,860)

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

As a “smaller reporting company”, as defined by Rule 10(f)(1) of Regulation S-K, the Company is not required to provide this information.

## ITEM 4. CONTROLS AND PROCEDURES

### Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that is designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, management, including our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Act.

Based upon the evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of February 28, 2025. Our management concluded that the consolidated financial statements included in this report fairly present, in all material respects, our financial position, results of operations and cash flows for the period presented in accordance with GAAP.

### Changes in Internal Controls Over Financial Reporting:

There were no changes in our internal control over financial reporting during the quarter ended February 28, 2025 identified in connection with the evaluation thereof by our management, including our Principal Executive Officer and Principal Financial Officer, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

From time to time, the Company has become or may become involved in certain lawsuits and legal proceedings which arise in the ordinary course of business. The Company intends to vigorously defend its positions. However, litigation is subject to inherent uncertainties and an adverse result in those or other matters may arise from time to time that may harm its financial position, or our business and the outcome of these matters cannot be ultimately predicted.

### Item 1A. Risk Factors

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this item.

### Item 2. Unregistered Sale of Equity Securities and Use of Proceeds

None

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Submission of Matters to a Vote of Security Holders

None.

### Item 5. Other Information

None.

### Item 6. Exhibits

31.1	<a href="#">Principal Executive Officer Rule 13a-14(a) Certification</a> Principal Financial Officer Executive Director
32.1	<a href="#">Principal Executive Officer Sarbanes-Oxley Act Section 906 Certification</a> Principal Financial Officer Executive Director
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

**SIGNATURES**

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

**DIGITAL BRAND MEDIA & MARKETING GROUP, INC.**

Date: April 14, 2025

By: /s/ Linda Perry

Linda Perry  
Principal Executive Officer  
Principal Financial Officer  
Executive Director

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
CERTIFICATION OF EXECUTIVE DIRECTOR  
UNDER SECTION 302 OF THE SARBANES OXLEY ACT OF 2002**

I, Linda Perry, Executive Director, Principal Executive Officer, Principal Financial Officer, of Digital Brand Media and Marketing Group, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Digital Brand Media and Marketing Group, 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 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 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: April 14, 2025

By: /s/ Linda Perry  
Name: Linda Perry  
Title: Principal Executive Officer  
Principal Financial Officer  
Executive Director

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
CERTIFICATION OF EXECUTIVE DIRECTOR  
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 Digital Brand Media and Marketing Group, Inc. (the “Company”) on Form 10-Q for the period ending February 28, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Linda Perry, Executive Director, Principal Executive Officer, Principal Financial Officer, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 14, 2025

/s/ Linda Perry

---

Linda Perry  
Principal Executive Officer  
Principal Financial Officer  
Executive Director