

NOTICE TO READER

The unaudited interim financial statements and related management discussion and analysis were prepared by management and approved by the board of directors. They have not been reviewed by Glenbriar's external auditors.

2015 Q1 FINANCIAL STATEMENTS

GLENBRIAR TECHNOLOGIES INC.

Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	<i>(unaudited)</i>	<i>(audited)</i>
	December 31	September 30
	2014	2014
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (note 10)	157,403	218,496
Accounts receivable	364,848	582,096
Inventory	13,787	8,197
Prepaid expenses	36,459	26,017
Total current assets	572,497	834,806
Non-current		
Property and equipment (note 4)	125,787	76,405
Total assets	698,284	911,211
LIABILITIES		
Current		
Accounts payable and accrued liabilities	537,518	708,758
Deferred revenue	59,079	61,343
Deferred rent – current portion	6,078	6,078
	602,672	776,179
Non-current		
Loans payable (note 7)	345,000	345,000
Deferred rent	37,211	38,703
Total liabilities	984,883	1,159,882
SHAREHOLDERS' EQUITY		
Share capital (note 8)	4,279,555	4,279,555
Deficit	(4,566,154)	(4,528,226)
Total shareholders' equity	(286,599)	(248,671)
Total liabilities and shareholders' equity	698,284	911,211

The accompanying notes are an integral part of these financial statements





GLENBRIAR TECHNOLOGIES INC.
Interim Statements of Income and Comprehensive Income
(Expressed in Canadian Dollars) (unaudited)

	3 months ended Dec 31	
	2014	2013
	\$	\$
Revenue		
Managed information services	726,017	1,019,135
Equipment and software sales	289,245	320,246
Other income	1,959	4,350
Gross revenue	1,017,221	1,343,731
Direct salaries and benefits	537,750	673,012
Cost of goods sold	218,340	237,827
Gross profit	261,131	432,892
Other (income) expenses		
General and administrative	187,181	196,635
Sales and marketing	81,793	83,218
Depreciation of property and equipment (note 4)	5,000	4,000
Cloud data centre	19,188	-
Research and development	-	15,180
Stock-based compensation	-	900
Loss on sale of marketable securities (note 6)	-	1,466
Gain on sale of software product (note 5)	-	(107,000)
Income from operations	(32,032)	238,493
Finance expense	5,896	6,411
Net income and comprehensive income	(37,928)	232,082
Net income per share		
Basic and diluted	0.00	0.00
Weighted average shares outstanding		
Basic and diluted	48,421,510	48,421,510

The accompanying notes are an integral part of these financial statements





GLENBRIAR TECHNOLOGIES INC.
Interim Statements of Changes in Equity
(Expressed in Canadian Dollars) (unaudited)

	3 months ended Dec 31	
	2014	2013
	\$	\$
Common Shares		
Balance, beginning of period	4,279,555	4,278,655
Employee share purchase plan	-	900
Balance, end of period	4,279,555	4,279,555
Deficit		
Balance, beginning of period	(4,528,226)	(4,799,348)
Net income for the period	(37,928)	232,082
Balance, end of period	(4,566,154)	(4,567,266)

Interim Statements of Cash Flows
(Expressed in Canadian Dollars) (unaudited)

	3 months ended Dec 31	
	2014	2013
	\$	\$
Cash flows related to the following activities		
Operating		
Net income	(37,928)	232,082
Adjustments for:		
Depreciation of property and equipment (note 4)	5,000	4,000
Deferred rent	(1,492)	(1,493)
Stock-based compensation expense	-	900
Loss on sale of marketable securities (note 6)	-	1,466
Gain on sale of software product (note 5)	-	(107,000)
	(34,420)	129,955
Changes in non-cash working capital (note 10)	27,708	(168,142)
	(6,712)	(38,187)
Investing		
Capital expenditures	(54,382)	(2,662)
Proceeds on sale of marketable securities (note 6)	-	33,958
Proceeds on sale of software product (note 5)	-	107,000
	(54,382)	138,926
(Decrease) increase in cash	(61,094)	100,109
Cash, beginning of period	218,497	81,072
Net change and cash, end of period	157,403	181,181

Supplementary cash flow information (note 10)

The accompanying notes are an integral part of these financial statements





Notes to Interim Financial Statements

1. BASIS OF PRESENTATION

These interim financial statements for Glenbriar Technologies Inc. ("Corporation") have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2014 Annual Report.

2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of interim financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires the Corporation's management to exercise judgment in applying the Corporation's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3. The Corporation applies the same accounting policies and methods of computation in its interim financial statements as in its 2014 annual financial statements. None of the new standards, interpretations or amendments, effective for the first time from October 1, 2014, have had a material effect on the financial statements.

3. USE OF ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the 2014 annual financial statements.

4. PROPERTY AND EQUIPMENT

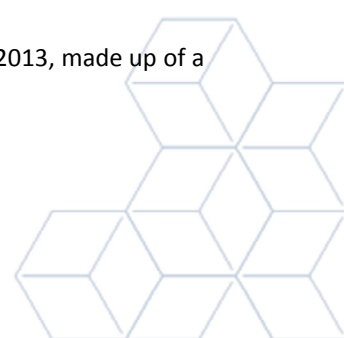
	Computers \$	Office Equipment \$	Total \$
<u>Cost</u>			
September 30, 2014	603,416	108,397	711,813
Additions	54,382	-	54,382
December 31, 2014	657,798	108,397	766,195
<u>Accumulated depreciation</u>			
September 30, 2014	535,870	99,538	635,408
Depreciation	4,000	1,000	5,000
December 31, 2014	539,870	100,538	640,408
<u>Net book value</u>			
September 30, 2014	67,546	8,859	76,405
December 31, 2014	117,928	7,859	125,787

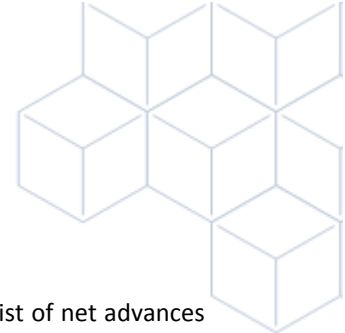
5. SALE OF DEALERSHIP SOFTWARE

Effective December 31, 2013, the Corporation sold its interest in the Peartree Dealership product for net proceeds of \$107,000. As this asset had a carrying cost of \$nil, the entire proceeds are shown as a gain on sale.

6. MARKETABLE SECURITIES

Marketable securities were disposed of for proceeds of \$34,524 during the period ended December 31, 2013, made up of a loss on sale of \$1,466 and net proceeds of \$33,958.





7. LOANS PAYABLE

Loans payable at December 31, 2014 in the amount of \$345,000 (September 30, 2014 - \$345,000) consist of net advances from officers of the Corporation secured by a general security agreement which bear interest at the rate of interest charged from time to time by the Bank of Montreal to its personal line of credit customers. The advances are repayable 12 months after the officers provide written request for payment. As at December 31, 2014, the officers had not requested payment, and consequently, the advances have been classified as non-current liabilities.

8. SHARE CAPITAL

a) *Common shares issued and outstanding*

	Number of shares	Amount \$
Balance, December 31 and September 30, 2014	48,421,510	4,279,555

9. RELATED PARTY TRANSACTIONS

General and administrative expense includes remuneration of the key management personnel, which includes directors and officers of the Corporation.

10. SUPPLEMENTARY CASH FLOW INFORMATION

Cash and cash equivalents at December 31 and September 30, 2014 were entirely comprised of cash on deposit.

Changes in non-cash working capital:

	3 months ended Dec 31	
	2014	2013
	\$	\$
Accounts receivable	217,248	(284,202)
Inventory	(5,590)	3,019
Prepaid expenses	(45,137)	(19,212)
Accounts payable and accrued liabilities	(136,548)	137,407
Deferred revenue	(2,264)	(5,154)
Total	27,708	(168,142)
Cash interest paid	5,896	6,411

