

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 Q2 FINANCIAL STATEMENTS

GLENBRIAR TECHNOLOGIES INC.

Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	<i>(unaudited)</i>	<i>(audited)</i>
	March 31	September 30
	2015	2014
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (note 10)	130,862	218,496
Accounts receivable	587,880	582,096
Inventory	8,643	8,197
Prepaid expenses	35,913	26,017
Total current assets	763,298	834,806
Non-current		
Property and equipment (note 4)	311,556	76,405
Total assets	1,074,855	911,211
LIABILITIES		
Current		
Accounts payable and accrued liabilities	698,375	708,758
Deferred revenue	106,491	61,343
Deferred rent – current portion	6,078	6,078
Finance leases – current portion	44,343	-
	855,287	776,179
Non-current		
Loans payable (note 7)	345,000	345,000
Finance leases (note 7)	91,177	-
Deferred rent	35,718	38,703
Total liabilities	1,327,182	1,159,882
SHAREHOLDERS' EQUITY		
Share capital (note 8)	4,279,555	4,279,555
Deficit	(4,531,882)	(4,528,226)
Total shareholders' equity	(252,327)	(248,671)
Total liabilities and shareholders' equity	1,074,855	911,211

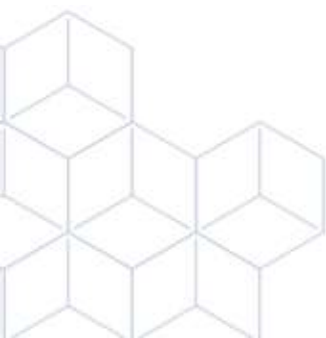
The accompanying notes are an integral part of these financial statements



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

	6 months ended March 31		3 months ended March 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
Revenue				
Managed information services	1,495,593	2,082,383	769,576	1,063,248
Equipment and software sales	728,187	955,361	438,942	635,115
Other income	7,733	62,816	5,773	58,466
Gross revenue	2,231,513	3,100,560	1,214,292	1,756,829
Direct salaries and benefits	1,060,453	1,419,592	522,703	746,580
Cost of goods sold	528,424	749,142	310,084	511,315
Gross profit	642,635	931,826	381,505	498,934
Other (income) expenses				
General and administrative	453,649	476,661	247,280	280,026
Sales and marketing	163,161	167,905	81,368	84,688
Depreciation of property and equipment	10,000	8,000	5,000	4,000
Research and development	-	20,240	-	5,060
Stock-based compensation	-	900	-	-
Loss on marketable securities (note 6)	-	1,466	-	-
Gain on sale of software product (note 5)	-	(107,000)	-	-
Income from operations	15,826	363,654	47,858	125,160
Finance expense	19,482	14,490	13,586	8,078
Net (loss) income and comprehensive income	(3,656)	349,164	34,272	117,082
Net income per share				
Basic and diluted	0.00	0.01	0.00	0.00
Weighted average shares outstanding				
Basic and diluted	48,421,510	48,421,510	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)

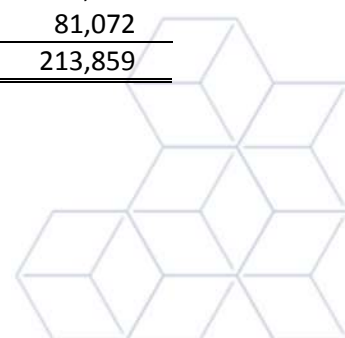
	6 months ended March 31	
	2015	2014
	\$	\$
Common Shares		
Balance, beginning of period	4,279,555	4,278,655
Employee share purchase plan	-	900
Balance, end of period	4,279,555	4,279,555
Deficit		
Balance, beginning of period	(4,528,226)	(4,799,348)
Net (loss) income for the period	(3,656)	349,164
Balance, end of period	(4,531,882)	(4,450,185)

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

	6 months ended Dec 31	
	2015	2014
	\$	\$
Cash flows related to the following activities		
Operating		
Net (loss) income	(3,656)	349,164
Adjustments for:		
Depreciation of property and equipment (note 4)	10,000	8,000
Deferred rent	(2,984)	(2,986)
Stock-based compensation expense (note 8(b))	-	900
Loss/unrealized loss on marketable securities (note 6)	-	1,466
Gain on sale of software product (note 5)	-	(107,000)
	3,359	249,544
Changes in non-cash working capital (note 10)	18,638	(234,405)
	21,997	15,139
Financing		
Reduction of lease liability/loan	(19,892)	(9,930)
Proceeds from finance leases	155,412	-
	135,520	(9,930)
Investing		
Capital expenditures	(245,151)	(13,980)
Proceeds on sale of marketable securities (note 6)	-	33,958
Proceeds on sale of software product (note 5)	-	107,000
	(245,151)	127,578
(Decrease) increase in cash	(87,634)	132,787
Cash, beginning of period	218,497	81,072
Net change and cash, end of period	130,862	213,859

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

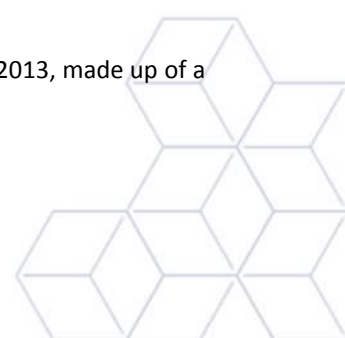
	Computers \$	Office Equipment \$	Total \$
<u>Cost</u>			
September 30, 2014	603,416	108,397	711,813
Additions	245,151	-	245,151
March 31, 2015	848,567	108,397	956,964
<u>Accumulated depreciation</u>			
September 30, 2014	535,870	99,538	635,408
Depreciation	8,000	2,000	10,000
March 31, 2015	543,870	101,538	645,408
<u>Net book value</u>			
September 30, 2014	67,546	8,859	76,405
March 31, 2015	304,697	6,859	311,556

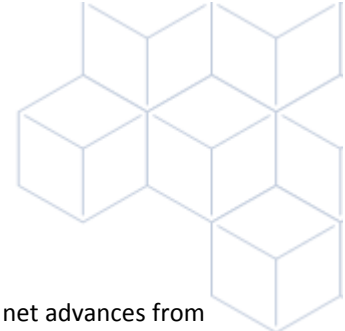
5. SALE OF DEALERSHIP SOFTWARE

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 March 31, 2015 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 March 31, 2015, the officers had not requested payment, and consequently, the advances have been classified as non-current liabilities.

Glenbriar entered into new finance leases in the first half of fiscal 2015 to facilitate its new Cloud infrastructure. The total proceeds from these finance leases was \$155,412, which has been recorded as a liability to be repaid over the remaining 28 to 34 month terms of the leases. Monthly lease payments are allocated to interest expense based on the internal lease rates, with the balance recognized as a reduction of lease liability. The purchased assets are included in property, plant and equipment. These assets will be depreciated over their estimated useful economic life of 60 months.

Glenbriar entered into a revolving demand credit facility with the Royal Bank of Canada in March 2015. This facility allows for borrowing of up to 75% of accounts receivable under 91 days (less potential prior payables) to a maximum of \$500,000, calculated monthly, and bears interest at Royal Bank prime plus 2.25% per annum. A second facility allows for borrowing up to \$100,000 on a VISA business account. The total borrowings are secured by a general security agreement over Glenbriar's current and after acquired assets, and postponement of the management advance described above. The outstanding balance on March 31, 2015 under both facilities was \$nil.

8. SHARE CAPITAL

Common shares issued and outstanding

	Number of shares	Amount \$
Balance, March 31, 2015 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 March 31, 2015 and September 30, 2014 were entirely comprised of cash on deposit.

Changes in non-cash working capital:

	6 months ended Mar 31	
	2015	2014
	\$	\$
Accounts receivable	(5,784)	(347,791)
Inventory	(446)	7,128
Prepaid expenses	(9,876)	-
Accounts payable and accrued liabilities	(10,383)	127,320
Deferred revenue	(45,148)	(21,062)
Total	18,638	(234,405)
Cash interest paid	19,482	14,490

