

**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 Q3 FINANCIAL STATEMENTS

**GLENBRIAR TECHNOLOGIES INC.**

**Interim Statements of Financial Position**

**(Expressed in Canadian Dollars)**

	<i>(unaudited)</i>	<i>(audited)</i>
	<b>June 30</b>	September 30
	<b>2015</b>	2014
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (note 10)	174,554	218,496
Accounts receivable	453,621	582,096
Inventory	-	8,197
Prepaid expenses	27,974	26,017
Total current assets	656,149	834,806
<b>Non-current</b>		
Property and equipment (note 4)	354,008	76,405
Total assets	1,010,157	911,211
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	680,020	708,758
Demand bank loan	90,000	-
Deferred revenue	65,370	61,343
Deferred rent – current portion	6,078	6,078
Finance leases – current portion	44,343	-
	885,811	776,179
<b>Non-current</b>		
Loans payable (note 7)	345,000	345,000
Finance leases (note 7)	81,177	-
Deferred rent	34,225	38,703
Total liabilities	1,346,213	1,159,882
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 8)	4,279,555	4,279,555
Deficit	(4,615,611)	(4,528,226)
Total shareholders' equity	(336,056)	(248,671)
Total liabilities and shareholders' equity	1,010,157	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)**

	9 months ended June 30		3 months ended June 30	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Revenue</b>				
Managed information services	2,170,679	3,062,697	675,086	980,314
Equipment and software sales	1,039,549	1,411,664	311,362	456,303
Other income	22,859	86,562	15,126	23,746
<b>Gross revenue</b>	<b>3,233,087</b>	<b>4,560,923</b>	<b>1,001,574</b>	<b>1,460,363</b>
Direct salaries and benefits	1,498,296	2,149,984	437,843	730,392
Cost of goods sold	831,230	1,089,748	302,806	340,606
<b>Gross profit</b>	<b>903,561</b>	<b>1,321,191</b>	<b>260,926</b>	<b>389,365</b>
<b>Other (income) expenses</b>				
General and administrative	697,276	697,006	243,627	220,345
Sales and marketing	245,498	255,096	82,337	87,191
Depreciation of property and equipment	15,000	12,000	5,000	4,000
Research and development	-	20,240	-	-
Stock-based compensation	-	900	-	-
Loss on marketable securities (note 6)	-	1,466	-	-
Gain on sale of software product (note 5)	-	(107,000)	-	-
<b>Income from operations</b>	<b>(54,213)</b>	<b>441,483</b>	<b>(70,039)</b>	<b>77,829</b>
Finance expense	33,172	24,797	13,690	10,307
<b>Net (loss) income and comprehensive income</b>	<b>(87,385)</b>	<b>416,686</b>	<b>(83,729)</b>	<b>67,522</b>
<b>Net income per share</b>				
Basic and diluted	0.00	0.01	0.00	0.00
<b>Weighted average shares outstanding</b>				
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)**

	<b>9 months ended June 30</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Common Shares</b>		
Balance, beginning of period	<b>4,279,555</b>	4,278,655
Employee share purchase plan	-	900
<b>Balance, end of period</b>	<b>4,279,555</b>	<b>4,279,555</b>
<b>Deficit</b>		
Balance, beginning of period	<b>(4,528,226)</b>	(4,799,348)
Net (loss) income for the period	<b>(87,385)</b>	416,686
<b>Balance, end of period</b>	<b>(4,615,611)</b>	<b>(4,382,662)</b>

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

	<b>9 months ended June 30</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows related to the following activities</b>		
<b>Operating</b>		
Net (loss) income	<b>(87,385)</b>	416,686
Adjustments for:		
Depreciation of property and equipment (note 4)	<b>15,000</b>	12,000
Deferred rent	<b>(4,478)</b>	(4,479)
Stock-based compensation expense (note 8(b))	-	900
Loss on marketable securities (note 6)	-	1,466
Gain on sale of software product (note 5)	-	(107,000)
	<b>(76,863)</b>	319,573
Changes in non-cash working capital (note 10)	<b>110,004</b>	(307,027)
	<b>33,141</b>	12,546
<b>Financing</b>		
Increase in borrowing facility	<b>90,000</b>	-
Reduction of lease liability/loan	<b>(29,893)</b>	(21,387)
Proceeds from finance leases	<b>155,412</b>	-
	<b>215,519</b>	(21,387)
<b>Investing</b>		
Capital expenditures	<b>(292,603)</b>	(21,033)
Proceeds on sale of marketable securities (note 6)	-	33,958
Proceeds on sale of software product (note 5)	-	107,000
	<b>(292,593)</b>	119,925
(Decrease) increase in cash	<b>(43,943)</b>	111,084
Cash, beginning of period	<b>218,497</b>	81,072
<b>Net change and cash, end of period</b>	<b>174,554</b>	<b>192,156</b>

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 \$
<b><u>Cost</u></b>			
September 30, 2014	603,416	108,397	711,813
Additions	292,603	-	292,603
<b>June 30, 2015</b>	<b>896,019</b>	<b>108,397</b>	<b>1,004,416</b>
<b><u>Accumulated depreciation</u></b>			
September 30, 2014	535,870	99,538	635,408
Depreciation	12,000	3,000	15,000
<b>June 30, 2015</b>	<b>547,870</b>	<b>102,538</b>	<b>650,408</b>
<b><u>Net book value</u></b>			
September 30, 2014	67,546	8,859	76,405
<b>June 30, 2015</b>	<b>348,149</b>	<b>5,859</b>	<b>354,008</b>

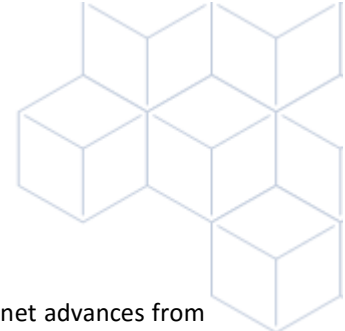
### 5. SALE OF DEALERSHIP SOFTWARE

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 June 30, 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 on the line of credit described below. The advances are repayable 12 months after the officers provide written request for payment. As at June 30, 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 25 to 31 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 June 30, 2015 under both facilities was \$90,000.

## 8. SHARE CAPITAL

*Common shares issued and outstanding*

	Number of shares	Amount \$
Balance, June 30, 2015 and September 30, 2014	48,421,510	<b>4,279,555</b>

## 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 June 30, 2015 and September 30, 2014 were entirely comprised of cash on deposit.

Changes in non-cash working capital:

	<b>9 months ended Jun 30</b>	
	<b>2015</b>	<b>2014</b>
	\$	\$
Accounts receivable	<b>128,475</b>	(251,760)
Inventory	<b>8,197</b>	8,215
Prepaid expenses	<b>(1,957)</b>	11,150
Accounts payable and accrued liabilities	<b>(28,738)</b>	(70,233)
Deferred revenue	<b>(4,027)</b>	(4,399)
Total	<b>110,004</b>	(307,027)
Cash interest paid	<b>33,172</b>	24,797

