integrated
technology
solutions

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.

MANAGEMENT DISCUSSION AND ANALYSIS

This information is given as of April 20, 2016 under NI Form 51-102F1. As of the date of this report, there are 48,421,510 Glenbriar voting common shares issued and outstanding. There is no other class or series of shares issued, and no warrants or options or other rights to acquire additional common shares outstanding.

Description of Business

Glenbriar Technologies Inc. (CSE: GTI) is a leading provider of Cloud-enabled business technology solutions. From its offices in Calgary, Vancouver and Waterloo, Glenbriar's IT professionals and software developers design, manage and support solutions that include IT Services, Cloud Services, Portals & Collaboration, Unified Communications and Software Services.

The 2015 Annual Report was released on January 26, 2016. Glenbriar's 2016 Annual Meeting was held in Calgary on April 7, 2016. All resolutions were passed as recommended by management.

Social Media

Glenbriar continues to evolve its social media reach to include a more defined strategy over a variety of platforms. By encouraging interaction with our audience, and by promoting our client's own social media accounts, Glenbriar seeks to foster loyalty with its clients and increase awareness of their brands and businesses. Glenbriar Technologies can be found on Twitter (*@Glenbriar*), Facebook (*Glenbriar Technologies page*), LinkedIn, Google+ and on our blog page www.glenbriar.com/corporate/blog.

New Back Office

Glenbriar continued the process of upgrading its back office applications and infrastructure to improve efficiencies and allow easier interoperability between branches, clients and service delivery. This new infrastructure will replace a number of proprietary systems that Glenbriar had developed over the years with state of the art industry standard applications. This upgrade was commissioned in January 2016, and is expected to have a positive effect on all aspects of operations going forward.

Products & Services

Cloud Services

Glenbriar is transferring its internal infrastructure, hosted clients and new Cloud hosted clients to its new Cloud infrastructure. By focusing on keeping the data in Canada, new hosting opportunities arise in industries that are sensitive to the location and storage of their data and intellectual property, such as health care, financial services, technology innovation and natural resources.

As business technology moves from in-house infrastructure to the Cloud, using public, private or hybrid models, Glenbriar is transitioning its clients to optimize their Cloud strategy to fit their business growth, needs and outcomes to ensure the right mix of Cloud, on premise and hybrid solutions to fulfill their objectives.

Glenbriar is in the process of realigning its services for small business customers to allow them to transition to a more Cloud-centric model. This is expected to allow the adoption of a broader range of clients and services for those customers. The downturn in the business cycle in Alberta has led to the bankruptcy or shutdown of a limited number of Glenbriar's customers in that province. These losses are being made up in new hosting clients and in the other locations.

Portals & Collaboration

Glenbriar is moving its clients to a simplified and automated implementation of the SharePoint development platform that eliminates the need for custom SharePoint development, leaving the design and management of the SharePoint site in the clients' hands. SharePoint changes the way businesses operate, reducing lost productivity and costs that result from organizations not having the resources to efficiently and cost-effectively streamline their business processes.

Unified Communications

Glenbriar completed additional deployments of its inclusive Remote Facility Communications solution in 2015. This solution works over a fixed, wireless or satellite Internet connection, with all major brands of smartphones and wireless devices, and with all national cellphone carriers, making it available virtually anywhere. Typical payout for clients is less than one year for a huge increase in functionality.

Managed Services

New projects are in the design phase for rolling out over the next 2 quarters. Cloud deployments, mobility functionality, managed services and print services will continue to grow in enterprise environments, and bring with them the need for increased emphasis on security. Glenbriar is actively seeking upgraded technologies to meet these new requirements.

Software Services

Glenbriar's MMS has been updated to incorporate industry mandated EDI changes. A number of MMS clients are implementing server upgrades to provide enhanced performance and functionality.

Glenbriar continues to develop its multivalue application database consulting and production line control products for manufacturers.

Financial Review

Selected Financial Information

Selected Quarterly Financial Information ($)	Quarter ended							
	2016	2015				2014		
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Revenue	1,288,708	1,082,238	951,143	1,001,574	1,214,292	1,017,221	1,392,609	1,460,363
EBITDA	114,916	(45,435)	(847)	(65,039)	52,587	(27,032)	(112,981)	73,829
Income (loss) from operations	83,744	(64,326)	(28,149)	(70,039)	47,858	(32,032)	(122,013)	77,829
-per share (basic and diluted)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income (loss)	63,634	(86,763)	(104,244)	(83,729)	34,272	(37,928)	(145,564)	67,522
-per share (basic and diluted)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Revenue increased 6% for the quarter ended March 31, 2016 from the prior year period, made up of a 9% increase in services and a 3% increase in equipment and software sales. Earnings before interest, tax, depreciation and amortization (EBITDA) rose 119% over the prior year. These changes reflect some large projects that are underway with new clients, who are building new facilities that will be placed under managed services with Glenbriar which are scheduled to be moved into Glenbriar's Cloud data centre. Project revenue was negatively impacted by continued reduced economic activity in Alberta. Net income increased by 85% from the prior year period, despite additional costs of initial completion of the Cloud data centre in January 2016. Net income for the second quarter includes a $40,706 loss for January related to those completion costs, as well as increased depreciation costs for February and March 2016.

Glenbriar has not paid dividends and has no current intention of doing so.

Liquidity and Capital Resources

As of March 31, 2016, Glenbriar had a working capital deficiency of $630,677, an increase from $584,841 at September 30, 2015, but an improvement from $698,588 for the first quarter. These changes reflect the completion of the Cloud data centre in January 2016, and payment of finance leases and loans. Deferred revenue was down marginally to $105,946 due to normal business fluctuations. Deferred rent reflects rent free allowances on the Calgary office lease. This amount is amortized over the term of the lease. Both deferred revenue and deferred rent are noncash items that do not impact liquidity over the short term.

The financial statements have been prepared on the basis that the Corporation will continue as a going concern. In order to continue as a going concern, the Corporation will need to generate positive cash flows from operations or obtain additional debt or equity financing. Whether and when the Corporation can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to March 31, 2016 is uncertain. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

Glenbriar entered into a revolving demand credit facility with the Royal Bank of Canada in March 2015. In April 2016, this facility was cancelled and replaced with a repayment agreement. Although the agreement has not been formally reduced to writing, the agreed terms require repayments of $20,000 per month for the next 6 months, with the balance due in October 2016. The total borrowings are secured by a general security agreement over Glenbriar's current and after acquired assets, and postponement of loans payable (see note 6). The outstanding balance on March 31, 2016 under this facility $292,418.

Loans payable at March 31, 2016 in the amount of $345,000 (September 30, 2015 - $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 bank indebtedness (note 5). The advances are repayable 12 months after the officers provide written request for payment. As at March 31, 2016, the officers had not requested payment, and consequently, the advances have been classified as non-current liabilities.

Glenbriar entered into new finance leases in fiscal 2015 to facilitate its new Cloud infrastructure. An additional finance lease was entered into during the first quarter for $27,000. The equipment leases bear interest ranging between 12.33% and 16.52% annually and require blended monthly payments of interest and principal. The final payments are due between November 2017 and September 2018.

The financing loans relate to the purchase of two office operating systems. The financing loans are non-interest bearing and unsecured. The final payments are due on December 1, 2018 and February 1, 2019.

Glenbriar may be required to seek additional equity or debt financing, reduce its operations or to limit its growth in order to maintain liquidity. In addition, Glenbriar does not have adequate surplus capital on hand to pursue its capital investment at an optimal rate, to establish and implement a robust marketing and sales programs, and to make strategic acquisitions. Accordingly, Glenbriar may reasonably be expected to issue additional equity or take on more debt in order to obtain the additional resources which it believes are necessary to enable it to seek to achieve the growth rates which are sought by investors and shareholders. If additional equity is issued, existing shareholders may experience dilution of their shareholdings. If additional debt is taken on, the business could be put at greater risk of not being able to survive downturns in business cycles, the loss of major accounts, or other negative events. Glenbriar will continue to take steps to improve its working capital position, which may include injection of capital, loans or renegotiation of credit facilities, but there is no assurance that these efforts will be successful.

Glenbriar's long term financial commitments for office leases were as follows as of March 31, 2016:

	$
2016	114,292
2017	228,586
2018	199,711
2019	197,086
2020	197,086
Subsequent years	262,781
Total	1,199,542

Results from Operations

Net income increased to $63,634 from $34,272 for the second quarter of fiscal 2016 from the similar 2015 period, while revenue increased 6% over the same periods. All of the net income in the latest quarter was realized in February and March 2016, following initial completion of the Cloud data centre in January 2016, despite a corresponding $40,706 loss in that month and increased depreciation charges commencing in February 2016.

Managed services revenue includes all professional services and consulting revenue. Cost of services includes the salaries of those employees who directly earn managed services revenue. Margins on managed services are based on a comparison of managed services revenue to cost of services. Salaries for administrative and support staff are included in general and administrative expenses, while salaries for sales and marketing staff are included in sales and marketing expense.

Equipment and software revenue includes all revenue from the sale of those items, and cost of goods sold is made up of the cost of equipment and software sales. Both accounts include shipping and an allocation of salaries for procurement staff. Margins on equipment and software sales are based on a comparison of equipment and software revenue to cost of goods sold.

Revenue. Revenue increased 6% for the quarter ended March 31, 2016 from the prior year period, made up of an 9% increase in services and a 3% increase in equipment and software sales. These changes reflect some large projects that are underway with new clients, who are building new facilities that will be placed under managed services with Glenbriar and moved into Glenbriar's Cloud data centre in the third quarter of 2016. Project revenue was negatively impacted by continued reduced economic activity in Alberta.

Expense. Margins on managed services increased to 43% in the second quarter of fiscal 2016 from 32% in the prior year period. Margins on equipment and third party software sales declined to 20% from 29% over the same periods. These changes reflect the movement to a more Cloud-centric services delivery model and more detailed tracking of sources of revenue and expenses that resulted from the change in back office infrastructure in the fourth quarter of fiscal 2015. Since the detailed breakdowns of revenue and expenses were not available in the first portion of fiscal 2015, the relative margins for the two fiscal periods could not be applied on a fully consistent basis, but will be consistent starting in the fourth quarter. General and administrative expense rose to 23% of sales in the first quarter of 2016 from 20% in the similar 2015 period, and sales and marketing expenses decreased to 4% from 7% of sales in the same periods of 2016 over 2015 due to the shift to a Cloud-centric services delivery model and detailed cost breakdowns available from the new office systems.

Accounts receivable. The balance for March 31, 2016 reflects 39 days of sales, which is up from 30 days of sales for the year end fiscal 2015, and from the prior year period of 32 days.

Accounts payable and accrued liabilities. The increase in this account to $726,189 at March 31, 2016 from $626,507 at the end of fiscal 2015 and $698,375 from the prior year period reflects costs of commissioning the Cloud data centre.

Deferred revenue. The balance of $105,946 as of March 31, 2016, changed marginally from year end 2015. This is a noncash item.

Forward Looking Statements

This MD&A may contain forward-looking statements. These forward-looking statements do not guarantee future events or performance and should not be relied upon. Actual outcomes may differ materially due to any number of factors and uncertainties, many of which are beyond Glenbriar's control. Some of these risks and uncertainties may be described in Glenbriar's corporate filings (posted at www.sedar.com). Glenbriar has no intention or obligation to update or revise any forward looking statements due to new information or events, except as required by securities legislation.

Risk Factors

Glenbriar is in the information technology business, which is a rapidly changing and competitive environment. Glenbriar must stay abreast of several new technologies and be ready to quickly and effectively deploy them for its customers. Glenbriar serves the automotive, recreational, energy and mining sectors, all of which were challenged by the global recession and the effects of globalization on their business cycles. The pace of change keeps quickening, and Glenbriar and its clients must adapt promptly, but carefully, to choose the right technologies and strategies to optimize their business technology processes and infrastructure. The consumerization of end user devices, increased mobility, and changing workplaces will continue to place a heavy burden on businesses to remain secure and to keep their data safe but accessible. Glenbriar will have to continue to reliably identify, evaluate, optimize and support these new technologies for its clients in order to remain successful in the coming periods.

Glenbriar filed a statement of claim in Alberta Court of Queen's Bench in September 2015 against IT service providers and former senior managers and employees for breach of contract, fiduciary and various common law duties in connection with certain activities over the last 2 years. As of March 2016, Glenbriar settled the claims with 3 of the defendants.

Critical Accounting Estimates

IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting periods presented. Significant estimates include the assessment of recoverability of carrying values of Glenbriar's accounts receivable, software and other capital assets. Actual results will differ from the estimates.

Related Party Transactions

Management loan advances of $345,000 as of March 31, 2016 are the same as at September 30, 2015. See note 6 of Notes to Financial Statements.

Additional Information

Additional information about Glenbriar is available from Glenbriar's website at www.glenbriar.com, the CSE website at www.thecse.com, the Sedar website at www.sedar.com, or by request from Glenbriar's head office at 1100, 736 – 8 Ave SW, Calgary, AB T2P 1H4 (Phone 403-233-7300 x117).