

GlobalSCAPE, Inc.
Condensed Consolidated Balance Sheets
(in thousands except share amounts)
Unaudited

	March 31, 2015		December 31, 2014
Assets			
Current assets:			
Cash and cash equivalents	\$ 12,345	\$	11,358
Accounts receivable (net of allowance for doubtful accounts of \$500 and \$511 in 2015 and 2014, respectively)	4,715		5,938
Current deferred tax asset	312		402
Prepaid expenses	378		488
Total current assets	17,750		18,186
Fixed assets, net	598		616
Long term investments	3,201		3,185
Intangible assets, net	3,771		3,298
Goodwill	12,712		12,712
Deferred tax asset	302		290
Other assets	100		100
Total assets	\$ 38,434	\$	38,387
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 555	\$	1,111
Accrued expenses	1,284		1,590
Deferred revenue	10,962		11,411
Income taxes payable	182		2
Total current liabilities	12,983		14,114
Deferred revenue, non-current portion	3,310		3,393
Other long term liabilities	51		52
Commitments and contingencies			
Stockholders' equity:			
Preferred stock, par value \$0.001 per share, 10,000,000 authorized, no shares issued or outstanding	-		-
Common stock, par value \$0.001 per share, 40,000,000 authorized, 21,163,767 and 20,989,267 shares issued at March 31, 2015, and December 31, 2014, respectively	21		21
Additional paid-in capital	18,817		18,370
Treasury stock, 403,581 shares, at cost, at March 31, 2015 and December 31, 2014	(1,452)		(1,452)
Retained earnings	4,704		3,889
Total stockholders' equity	22,090		20,828
Total liabilities and stockholders' equity	\$ 38,434	\$	38,387

GlobalSCAPE, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income

(In thousands, except per share amounts)

(Unaudited)

	Three months ended March 31	
	2015	2014
Operating Revenues:		
Software licenses	\$ 2,458	\$ 1,912
Maintenance and support	4,034	3,579
Professional services	388	237
Total Revenues	6,880	5,728
Operating Expenses:		
Cost of revenues	248	204
Selling, general and administrative	4,578	4,049
Research and development	513	527
Depreciation and amortization	288	141
Total operating expenses	5,627	4,921
Income from operations	1,253	807
Other income (expense), net	11	(20)
Income before income taxes	1,264	787
Income tax expense	449	253
Net income	\$ 815	\$ 534
Comprehensive income	\$ 815	\$ 534
Net income per common share -		
Basic	\$ 0.04	\$ 0.03
Diluted	\$ 0.04	\$ 0.03

GlobalSCAPE, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

For the Three Months Ended March 31,

	<u>2015</u>	<u>2014</u>
Operating Activities:		
Net income	\$ 815	\$ 534
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debt expense	87	108
Depreciation and amortization	288	141
Stock-based compensation	148	126
Deferred taxes	78	414
Excess tax benefit from share-based compensation	(9)	173
Subtotal before changes in operating assets and liabilities	<u>1,407</u>	<u>1,496</u>
Changes in operating assets and liabilities:		
Accounts receivable	1,136	251
Prepaid expenses	110	75
Deferred revenue	(532)	(84)
Accounts payable	(556)	38
Accrued expenses	(306)	42
Other long-term liabilities	(1)	(4)
Income tax receivable and payable	189	(157)
Net cash provided by operating activities	<u>1,447</u>	<u>1,657</u>
Investing Activities:		
Software development costs capitalized	(691)	(751)
Purchase of property and equipment	(52)	(63)
Interest reinvested in long term investments	(16)	(16)
Net cash (used in) investing activities	<u>(759)</u>	<u>(830)</u>
Financing Activities:		
Proceeds from exercise of stock options	290	919
Excess tax benefit from share-based compensation	9	(173)
Notes payable principal payments	-	(341)
Net cash used in financing activities	<u>299</u>	<u>405</u>
Net increase (decrease) in cash	987	1,232
Cash at beginning of period	11,358	9,455
Cash at end of period	<u>\$ 12,345</u>	<u>\$ 10,687</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$ -	\$ 49
Income taxes	<u>\$ 174</u>	<u>\$ 45</u>

GlobalSCAPE, Inc.
Consolidated Statements of EBITDA
(in thousands)
(Unaudited)

	Three Months Ended	
	March 31,	
	2015	2014
Net income (loss)	\$ 815	\$ 534
Add (subtract) items to determine adjusted EBITDA:		
Income tax expense	449	253
Interest expense, net	(11)	20
Depreciation and amortization:		
Total depreciation and amortization	288	141
Amortization of capitalized software development costs	(218)	(68)
Stock-based compensation expense	148	126
Adjusted EBITDA	\$ 1,471	\$ 1,006