

Globalscape Announces Financial Results for the Third Quarter of Fiscal 2012
Third Quarter Revenue Up 12% from the Third Quarter of Fiscal 2011

SAN ANTONIO, Texas - November 13, 2012 - [GlobalSCAPE](#), Inc. (NYSE MKT: GSB), a leading developer of secure information exchange solutions, today announced its financial results for the three and nine month periods ended September 30, 2012.

Revenue was \$6.1 million for the third quarter of 2012, which was an increase of 12% from revenue of \$5.4 million for the third quarter of 2011. Revenue for the nine months ended September 30, 2012, was \$17.2 million, compared with \$15.8 million for the nine months ended September 30, 2011, representing a 9% increase.

This revenue performance resulted from continued sales strength in the Company's EFT Server products as a whole combined with increased maintenance and support (M&S) contract renewal sales across the majority of its product lines. The Company's deferred revenue, plus contractual agreements under which revenue will be earned in future periods, grew to \$10.3 million at September 30, 2012 from \$8.2 million at September 30, 2011, an increase of 25%.

The Company reported a net loss of \$2.7 million, or (\$0.15) per share, in the third quarter of 2012, compared with net income of \$611,000, or \$0.03 per share, in the same quarter last year. The net loss for the third quarter of 2012 includes a \$3.3 million, non-cash impairment charge related to the Company's investment in and notes receivable from CoreTrace Corporation, which is an infrequent item. Excluding this non-cash impairment charge, on a non-GAAP basis, the Company would have reported net income for the third quarter of 2012 of \$215,000 or \$0.01 per share. A reconciliation between results on a GAAP basis with and a non-GAAP basis without this non-cash impairment charge will appear in the Company's Form 10-Q filed with the Securities and Exchange Commission.

Adjusted EBITDA Excluding Infrequent Items was \$1.1 million for the third quarter of 2012 compared with \$980,000 for the same period in 2011. Adjusted EBITDA Excluding Infrequent Items is not a measure of financial performance under GAAP and should not be considered a substitute for net income. Adjusted EBITDA Excluding Infrequent Items has limitations as an analytical tool and when assessing our operating performance. Adjusted EBITDA Excluding Infrequent Items should not be considered in isolation or as a substitute for net income or other income statement data prepared in accordance with GAAP.

For the nine months ended September 30, 2012, the Company reported net loss of \$3.1 million or (\$0.17) per share compared with net income of \$1.1 million or \$0.06 per share for the comparable period in 2011. The net loss for the 2012 period also includes the \$3.3 million, non-cash impairment charge related to the Company's investment in and notes receivable from CoreTrace Corporation, which is an infrequent item. Adjusted EBITDA Excluding Infrequent Items was \$1.7 million for the nine months ended September 30, 2012 compared with \$2.7 million for the same period in 2011.

For the first nine months of 2012, net cash provided by operating activities was \$2.9 million compared with net cash provided by operating activities of \$2.3 million during the first nine months of 2011. This improved cash flow resulted from the continuing increase in bookings for product sales and services to be delivered and recognized as revenue in future periods as evident by the increase in deferred revenue.

"We achieved revenue growth of 9% in the nine months ended September 30, 2012 and increased our deferred revenue 32% compared with the same period in 2011. These increases came primarily from our enterprise managed file transfer solutions, including our cloud-based subscription services, and continued strong maintenance and support contract renewal activity," said Jim Morris, Chief Executive Officer of Globalscape. "While we regret the circumstances surrounding the impairment of our investment in CoreTrace Corporation, we are pleased to have generated significant cash flow from operations and positive operating results exclusive of that infrequent event."

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Conference Call November 13, 2012 at 4:30 p.m. ET

Globalscape management will hold a conference call Tuesday, November 13, 2012 to discuss the third quarter 2012 financial results and other corporate matters at 4:30 p.m. Eastern Time/3:30 p.m. Central Time. Those wishing to join should dial 1-877-941-4774 and use Conference ID # 4574727. A live webcast of the conference call will also be available in the investor relations page of the company's website at www.globalscape.com. A webcast replay of the conference call will be available on the Company's website through December 13, 2012.

About Globalscape

San Antonio, Texas-based GlobalSCAPE, Inc. (NYSE MKT: GSB) is a leading provider of software and services that enable customers to access and share information quickly, securely, and reliably. Beginning in 1996 with its CuteFTP[®] product, Globalscape has been helping businesses and consumers - including 15,000 companies in more than 150 countries - facilitate cost-effective, secure information exchange. With its 2011 acquisition of Seattle-based TappIn Inc., Globalscape also offers customers the ability to access and share documents, pictures, videos, and music - anytime, from anywhere - easily and securely, without the need for uploading, syncing, or paying for cloud storage. For more information, visit www.Globalscape.com or follow the blog and Twitter updates.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The words "would," "exceed," "should," "anticipates," "believe," "steady," "dramatic," and variations of such words and similar expressions identify forward-looking statements, but their absence does not mean that a statement is not a forward-looking statement. These forward-looking statements are based upon the Company's current expectations and are subject to a number of risks, uncertainties and assumptions. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Among the important factors that could cause actual results to differ significantly from those expressed or

implied by such forward-looking statements are risks that are detailed in the Company's Annual Report on Form 10-K for the 2011 calendar year, filed with the Securities and Exchange Commission on March 29, 2012.

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[GlobalSCAPE \(GSB\) Q3 FY 2012 Financial Tables](#)