

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

	June 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,853	\$ 11,358
Accounts receivable (net of allowance for doubtful accounts of \$500 and \$511 in 2015 and 2014, respectively)	4,681	5,938
Current deferred tax asset	406	402
Prepaid expenses	298	488
Total current assets	18,238	18,186
Fixed assets, net	569	616
Long term investments	3,217	3,185
Capitalized software development costs	3,860	3,298
Goodwill	12,712	12,712
Deferred tax asset	346	290
Other assets	95	100
Total assets	\$ 39,037	\$ 38,387
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 511	\$ 1,111
Accrued expenses	1,298	1,590
Deferred revenue	10,360	11,411
Income taxes payable	307	2
Total current liabilities	12,476	14,114
Deferred revenue, non-current portion	3,197	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, 21,253,107 and 20,989,267 shares issued at June 30, 2015, and December 31, 2014, respectively	21	21
Additional paid-in capital	19,027	18,370
Treasury stock, 403,581 shares, at cost, at June 30, 2015 and December 31, 2014	(1,452)	(1,452)
Retained earnings	5,717	3,889
Total stockholders' equity	23,313	20,828
Total liabilities and stockholders' equity	\$ 39,037	\$ 38,387

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

(In thousands, except per share amounts)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Operating Revenues:				
Software licenses	\$ 3,280	\$ 2,583	\$ 5,738	\$ 4,495
Maintenance and support	4,093	3,813	8,127	7,392
Professional services	490	290	878	526
Total Revenues	7,863	6,686	14,743	12,413
Operating Expenses:				
Cost of revenues	360	197	608	401
Selling, general and administrative	4,556	4,850	9,117	8,897
Research and development	657	689	1,187	1,215
Depreciation and amortization	394	177	682	318
Total operating expenses	5,967	5,913	11,594	10,831
Income from operations	1,896	773	3,149	1,582
Other income (expense), net	23	(27)	34	(48)
Income before income taxes	1,919	746	3,183	1,534
Income tax expense	594	258	1,043	511
Net income	\$ 1,325	\$ 488	\$ 2,140	\$ 1,023
Comprehensive income	\$ 1,325	\$ 488	\$ 2,140	\$ 1,023
Net income per common share -				
Basic	\$ 0.06	\$ 0.02	\$ 0.10	\$ 0.05
Diluted	\$ 0.06	\$ 0.02	\$ 0.10	\$ 0.05
Weighted average shares outstanding:				
Basic	20,804	20,071	20,726	18,473
Diluted	21,324	20,622	21,201	18,920

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

	For the Six Months Ended June 30,	
	2015	2014
Operating Activities:		
Net income	\$ 2,140	\$ 1,023
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debt expense	127	240
Depreciation and amortization	682	318
Stock-based compensation	315	256
Deferred taxes	(60)	697
Excess tax benefit from share-based compensation	(35)	294
Subtotal before changes in operating assets and liabilities	3,169	2,828
Changes in operating assets and liabilities:		
Accounts receivable	1,130	(2,099)
Prepaid expenses	190	(66)
Other assets	5	51
Deferred revenue	(1,247)	1,338
Accounts payable	(600)	342
Accrued expenses	(292)	793
Other long-term liabilities	(1)	(2)
Income tax receivable and payable	340	(551)
Net cash provided by operating activities	2,694	2,634
Investing Activities:		
Software development costs capitalized	(1,107)	(1,284)
Purchase of property and equipment	(90)	(124)
Interest reinvested in long term investments	(32)	(32)
Net cash (used in) investing activities	(1,229)	(1,440)
Financing Activities:		
Proceeds from exercise of stock options	307	2,026
Excess tax benefit from share-based compensation	35	(294)
Notes payable principal payments	-	(688)
Dividends paid	(312)	-
Net cash provided by financing activities	30	1,044
Net increase in cash	1,495	2,238
Cash at beginning of period	11,358	9,455
Cash at end of period	\$ 12,853	\$ 11,693
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$ -	\$ 93
Income taxes	\$ 696	\$ 379

GlobalSCAPE, Inc.
Consolidated Statements of EBITDA

(In thousands)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income (loss)	\$ 1,325	\$ 488	\$ 2,140	\$ 1,023
Add (subtract) items to determine adjusted EBITDA:				
Income tax expense	594	258	1,043	511
Interest (income) expense, net	(23)	27	(34)	47
Total depreciation and amortization	394	177	682	318
Amortization of capitalized software development costs	(327)	(105)	(545)	(173)
Stock-based compensation expense	167	130	315	256
Adjusted EBITDA	\$ 2,130	\$ 975	\$ 3,601	\$ 1,982