

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name GlobalSCAPE, Inc		2 Issuer's employer identification number (EIN) 74-2785449	
3 Name of contact for additional information Karen J Young	4 Telephone No. of contact 210.801.8572	5 Email address of contact KYoung@globalscape.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 4500 Lockhill-Selma Road Suite 150		7 City, town, or post office, state, and ZIP code of contact San Antonio, TX 78249	
8 Date of action November 29, 2019		9 Classification and description Stock - common (only one series outstanding)	
10 CUSIP number 37940G109	11 Serial number(s)	12 Ticker symbol GSB	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On November 18, 2019, GlobalSCAPE, Inc announced that its Board of Directors authorized and declared a special cash dividend of \$3.35 on each outstanding share of common stock. The record date of the special dividend was November 29, 2019, and the payment date of the special dividend was December 5, 2019.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The quantitative effect on the tax basis of a share of a common stock in the hands of a US stockholder is a decrease in tax basis in an amount equal to \$2.19 per share.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The change (decrease) in basis is supported by an earnings and profits calculation performed by GlobalSCAPE Inc. The decrease in basis was calculated on a per share basis and was computed by dividing the nondividend distribution amount by the special dividend amount to arrive at a percentage. This percentage was then multiplied by \$3.35 to arrive at an amount up to which a stockholder should decrease its tax basis in its stock on a per share basis.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ A portion of the special dividend, equal to the Company's current and accumulated earnings and profits, is to be included in gross income as a dividend as provided for in Internal Revenue Code Section 301(c)(1). The Company has computed its current and accumulated earnings and profits and made any adjustments for the effects of those items in Internal Revenue Code Section 312. A portion of the special dividend has been determined to be in excess of the current and accumulated earnings and profits. The portion of the special dividend in excess of the current and accumulated earnings and profits will first be treated as a nondividend distribution reducing the tax basis of a stockholder's shares as provided for in Internal Revenue Code Section 301(c)(2). If the nondividend distribution exceeds the tax basis of a stockholders shares, the remainder of the nondividend distribution in excess of the stockholders tax basis will be treated as a capital gain as provided for in Internal Revenue Code Section 301(c)(3).

18 Can any resulting loss be recognized? ▶ N/A - there is no resulting loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is 2019.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Karen J Young Date ▶ 1/21/2020

Print your name ▶ Karen J Young Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN
	<u>James D Berg</u>	<u>James D Berg CPA</u>	<u>01.21.2020</u>		<u>P01329988</u>
	Firm's name ▶ <u>James D Berg CPA</u>			Firm's EIN ▶	<u>80-0663755</u>
	Firm's address ▶ <u>41 Arnold Palmer San Antonio TX 78257-1723</u>			Phone no.	<u>210.317.7393</u>