Form 8937
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

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
   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

Part II  Organizational Action

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.
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 nontaxable distribution reducing the tax basis of a stockholder's shares as provided for in Internal Revenue Code Section 301(c)(2). If the nontaxable distribution exceeds the tax basis of a stockholder's shares, the remainder of the nontaxable distribution in excess of the stockholder's 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.

Sign Here

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.

Signature ► [Signature]
Date ► 1/21/2020

Print your name ► Karen J Young
Title ► CFO

Paid Preparer Use Only
Print/Type preparer's name ► James D Berg
Preparer's signature ► [Signature]
Date ► 01.21.2020
Check ☑ if self-employed
PTIN ► P01329988

Firm's name ► James D Berg CPA
Firm's EIN ► 80-0663755
Firm's address ► 41 Arnold Palmer San Antonio TX 78257-1723
Phone no. ► 210.317.7393

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054