

WELCOME

2011 Annual GlobalSCAPE

Shareholders Meeting

June 2, 2011

gl**obals**CAPE**[®]**

Safe Harbor Statement

This presentation 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 2010 calendar year, as filed with the Security Exchange Commission on March 29, 2011.

Today's Discussion

- Information security for consumers and companies
- Market growth drivers
 - Security
 - Cloud
 - Big Data
- GlobalSCAPE at a glance
- Growth into adjacent markets
- Gaining the edge on computer viruses
- Recent financial highlights

Data loss incidents creating buzz

RECORDS	DATE	ORGANIZATIONS
<u>130,000,000</u>	2009-01-20	Heartland Payment Systems, Tower Federal Credit Union, Beverly National Bank
<u>94,000,000</u>	2007-01-17	TJX Companies Inc.
<u>90,000,000</u>	1984-06-01	TRW, Sears Roebuck
<u>76,000,000</u>	2009-10-05	National Archives and Records Administration
<u>40,000,000</u>	2005-06-19	CardSystems, Visa, MasterCard, American Express
<u>26,500,000</u>	2006-05-22	U.S. Department of Veterans Affairs
<u>25,000,000</u>	2007-11-20	HM Revenue and Customs, TNT
<u>17,000,000</u>	2008-10-06	T-Mobile, Deutsche Telekom
<u>16,000,000</u>	1986-11-01	Canada Revenue Agency
<u>12,500,000</u>	2008-03-26	LaSalle Bank, BNY Mellon Shareowner Services, Archive Systems Inc, The Walt Disney Company, SYNOVUS

Source: DataLossdb.org website, March 21, 2011.

YANKS LEAK PERSONAL INFO FOR SEASON-TICKET HOLDERS



UPDATE 2-Sony breach could cost card lenders \$300 mln



Breach in Texas comptroller's office exposes 3.5 million Social Security numbers, birth dates



Regulations and Compliance

Sarbanes-Oxley Act

Gramm–Leach–Bliley Act (GLBA)

EU Data Protection Directive

Federal Information Security Management Act (FISMA)

Payment Card Industry Data Security Standard (PCI DSS)

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

Moving to the cloud

- Expensive and under utilized data centers
- “Pay as you go” service instead of buying and supporting software, hardware servers, power, patches, upgrades
- Main benefit is cost reduction
 - Example – Library of Congress data multiple times over
 - Buy hardware and equipment: \$1.7M *
 - Outsource the storage: \$130K *
- Main concern is security
- U.S. government “Cloud First” policy



* Source: Investors Business Daily “How To Overcome The Data Tsunami”. February 28, 2011.

Business relies on secure data transfers

- Need to securely and efficiently exchange business data with partners or customers on a global basis
- Need data transfers automated to keep business moving
- Need to send very large files via email to meet a deadline
- Need to provide full compliance and auditing reporting
- Need to seamlessly connect to existing backend systems like procurement, fulfillment, accounting, customer, inventory, and support

Company at a glance

Overview

- We provide **secure information exchange software and services** for enterprises and consumers
- Headquartered in San Antonio, Texas, with 87 employees
- Founded 1996; publicly traded on NYSE Amex under ticker symbol 'GSB'

Business Highlights

- GlobalSCAPE has over 10,000 enterprise customers in over 150 countries; 2M licenses issued for CuteFTP[®]; deployed by majority of Fortune 100
- Recognized as leader and innovator in the Information Security and Managed File Transfer Sectors by Gartner Group and others
- Profitable for 26 of the past 28 quarters (as of 3/31/2011); CAGR of 25+% during 2005 – 2009 (resulting in Deloitte Technology Fast 500 recognition in 2009 and 2010); Named to Russell Microcap[®] Index
- 92% maintenance and support renewals indicating high customer satisfaction in 2010
- Outstanding company culture recognized by Computerworld and other publications
- 4 products introduced in last 12 months with additional product launches over next 6 months

Leadership Team



Jim Morris, President and CEO



Randall Hawkins, CFO



Craig Robinson, COO



Andrea Farmer, VP Human Resources



Bill Bute, Exec. VP Sales & Marketing



Ted Marchut, VP Business Systems



Doug Conyers, SVP Engineering



Mark Perry, VP Managed Solutions



James Bindsell, VP Client Support Services

Awards, Recognition, and Media Coverage



Unequaled Solution Certifications

US Army Certificate of Networthiness

Signifies successful completion of a stringent assessment to ensure Army Automated Information Systems are secure, supportable, sustainable, and compatible with Army standards.



FIPS-140-2 Certified

The Federal Information Processing Standard (FIPS) Pub 140-2 specifies the security requirements of cryptographic modules. The certification verifies that a vendors product has met or exceeded the requirement.



AS/2 Drummond Certified

Drummond certification is vendor-neutral operability testing and certification that a vendor meets or exceeds the Applicability Statement 2 (AS/2) standard with their product.



*These certifications represent a considerable **barrier to entry** that significantly differentiates GlobalSCAPE from its competitors.*

Select Customers

The Coca-Cola Company



Microsoft®

Walmart

HSBC



PETROBRAS



imagination at work

Walgreens

CATERPILLAR®



accenture

verizon

P&G



Lufthansa

FedEx®



COSTCO.COM

Scotiabank



Telefonica O₂



EXXON



PEMEX



VALERO
ENERGY CORPORATION



Allstate.
You're in good hands.



3M Worldwide

HUMANA.
Guidance when you need it most

DELL



GENERAL DYNAMICS
Strength On Your Side®



virgin atlantic

RBS
The Royal Bank of Scotland



Customer Success

- US Army Logistics
 - Transfer mission critical logistics data worldwide
 - Professional services for SAMS-E program (partner with MAT)

- Broward County Sheriff's Office
 - Transfer digital crime scene evidence to lab
 - Immediate processing of evidence

- Thomson Reuters
 - Transfer over 800,000 files per day worldwide
 - Supports financial products and services

Dashboard Visibility (Examples)

Daily Bookings Summary GlobalSCAPE Confidential

	Product Sales	MTD	Maintenance New Sales	MTD	Maintenance Renewals	MTD	Total	MTD	QTD	YTD
Category	5/31/2011	5/1/2011 - 5/31/2011	5/31/2011	5/1/2011 - 5/31/2011	5/31/2011	5/1/2011 - 5/31/2011	5/31/2011	5/1/2011 - 5/31/2011	4/1/2011 - 5/31/2011	1/1/2011 - 5/31/2011
Automate										
Bouncer										
CuteFTP Home										
CuteFTP Lite										
CuteFTP Pro										
EFT										
EFT Core										
EFT Enterprise										
EFT Module (DMZ)										
EFT Module (Other)										
Hosted EFT										
Mail Express										
MEX										
Other										
Professional Services										
ProSvc - MAT										
Training										
WAFS										
Total										
Goal										
Performance										

• Daily Sales

- ✓ Licenses
- ✓ Maintenance and Support
- ✓ Services

• Also Available

- ✓ Sales Pipeline
- ✓ Web Analytics
- ✓ Custom Reports (Historical)

• Customer Support

- ✓ Open Cases
- ✓ Responsiveness
- ✓ Severity
- ✓ Status

GlobalSCAPE Secure Information Exchange








Overview | Pipeline | Web Analytics | Report Wizard | Business Systems | Customer Support

Export to Excel | Toggle to MIX Support

Under 24 hours | 24-48 hours | Over 48 hours

ACTIVE CUSTOMER SUPPORT CASES						
Customer	Last Contact Date	Weekday Hours Since Last Contact	Weekday Time Since Opened	Severity	Status	Product
[REDACTED]	5/27/2011 1:44 PM	2	1 days 1 hrs	Severity 4: No Adver	New Case	EFT Server 6
[REDACTED]		29	1 days 5 hrs	Severity 4: No Adver	Awaiting Verifi	WAFS agent

Secure File Transfer Leader

	Managed File Transfer
Market Size (\$mm)	\$554
Growth Rate	23.0%
Representative Companies	
	
	
	
	
	
	








Recognized global leader in the Managed File Transfer market



(1) Market size projected for CY 2010.

(2) Growth rate is 2009 to 2014 estimated CAGR.

Growth into Email Security

Email Security	
Market Size (\$mm)	\$1,929
Growth Rate	17.8%
Representative Companies	      

Launched email-based secure file transfer in August 2010

(1) Market size projected for CY 2010.

(2) Growth rate is 2009 to 2014 estimated CAGR.

Growth into Cloud Services

	Cloud Computing
Market Size (\$mm)	\$68,300
Growth Rate	20.5%
Representative Companies	

Launched cloud-based service for exchanging business data in July 2010



(1) Market size projected for CY 2010.

(2) Growth rate is 2009 to 2014 estimated CAGR.

Growth into Endpoint Security

Web/Network & Endpoint Security

Market Size (\$mm)	\$9,246
Growth Rate	11.0%
Representative Companies	

Investment in CoreTrace® in December 2009; Announced new consumer security product in February 2011



(1) Market size projected for CY 2010.

(2) Growth rate is 2009 to 2014 estimated CAGR.

Total Path Security™

	Managed File Transfer	Email Security	Cloud Computing	Web/Network & Endpoint Security
Market Size (\$mm)	\$554	\$1,929	\$68,300	\$9,246
Growth Rate	23.0%	17.8%	20.5%	11.0%
Representative Companies	      	      	 /       	 /       

(1) Market size projected for CY 2010.

(2) Growth rate is 2009 to 2014 estimated CAGR.

appShield™ Announcement

- Development underway, with targeted commercial release date in summer 2011
- Pioneering **application whitelisting** solution for consumers
- High value for consumer and prosumers for their home computers
 - Immediately blocks all unauthorized programs from running
 - Offers always-on protection against known and unknown threats
 - Consumes minimal computer resources
- Complements existing consumer antivirus products



Trended Financial Results

(\$ in thousands)

	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Revenue	\$ 4,413	\$ 4,466	\$ 4,769	\$ 4,917
Gross Margin	4,311	4,322	4,627	4,704
<i>Gross Margin</i>	97.7%	96.8%	97.0%	95.7%
Operating Expenses				
R&D	646	725	832	813
SG&A	2,909	3,213	3,326	3,367
Operating Income (Loss)	556	185	268	272
Net Income	364	134	233	150
Adjusted EBITDA *	1,020	607	744	778
Cash & Short Term Invstmt:	8,455	9,132	10,141	11,087

* Excludes stock-based compensation

2010 Strategy Results

-  Continue to enhance and develop our solutions
-  Pursue strategic solution partnerships and acquisition opportunities
-  Grow our sales capabilities
-  Increase our market visibility and recognition

2011 Strategy Focus

- Enter and establish leadership in broader markets
- Grow recurring revenue and annual contract value
- Continue to enhance and develop our solutions
- Extend our presence in the endpoint security market
- Increase international and channel sales
- Grow government sales across Federal, state, and local
- Continue to grow our corporate brand