

**Globant S.A.**  
Société Anonyme

Audited annual accounts for the financial year ended December 31,  
2018 and report of the réviseur d'entreprises agréé

37A, Avenue J.F. Kennedy  
L-1855 Luxembourg  
**RCS Luxembourg: B 173727**

**Globant S.A.**  
**Notes to the annual accounts as at December 31, 2018**

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To the Shareholders of  
Globant S.A.  
37A, Avenue J.F. Kennedy  
L-1885 Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the Audit of the Annual accounts

#### Opinion

We have audited the annual accounts of *Globant S.A.* (the "Company"), which comprise the balance sheet as at December 31, 2018, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Regulation, Law and standards are further described in the "Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the Annual accounts" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have not identified any key audit matters to be communicated to those charged with governance

## **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the annual accounts and our report of the "Réviseur d'Entreprises Agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

## **Responsibilities of the Board of Directors and Those Charged with Governance for the Annual accounts**

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the “Réviseur d’Entreprises Agréé” for the Audit of the Annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “Réviseur d’Entreprises Agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors [*Management/Board of Managers*].
- Conclude on the appropriateness of Board of Directors’ [*Management’s/Board of Managers*] use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “Réviseur d’Entreprises Agréé” to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “Réviseur d’Entreprises Agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

### **Report on Other Legal and Regulatory Requirements**

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on June 20, 2018. The Company became a Public Interest Entity during the year ended December 31, 2016 and the duration of our uninterrupted engagement since that date is therefore 2 years.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement, as published on the Company's website [www.globant.com](http://www.globant.com), is the responsibility of the Board of Directors. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent, at the date of this report, with the annual accounts and has been prepared in accordance with applicable legal requirements.



**Other matter**

The Corporate Governance Statement includes, when applicable, information required by Article 68ter paragraph (1) points a), b), e), f) and g) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

For Deloitte Audit, *Cabinet de Révision Agréé*

A handwritten signature in blue ink, appearing to read "M. Crosetto", written over a large, stylized blue checkmark.

Marco Crosetto, *Réviseur d'Entreprises Agréé*  
Partner

March 28, 2019

**GLOBANT S.A.**

*Société Anonyme*

Registered Office: 37A, avenue J.F. Kennedy,

L-1855 Luxembourg

R.C.S. Luxembourg B 173727

(the "**Company**")

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**Management report to the general meeting of shareholders on the annual stand-alone accounts of Globant S.A. dated 31<sup>st</sup> December 2018.**

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Dear Shareholders,

We hereby wish to submit to you the stand-alone annual accounts of the Company for the financial year ending on 31 December 2018.

Among others, in this management report you will find information about the following topics:

- Relevant activity of the Company during the fiscal year 2018.
- Financial results of the Company on a stand-alone (non-consolidated) basis for the whole year 2018 and the Board of Director's proposal for the allocation of such results.
- Corporate Governance disclosures regarding the Company's practice during the fiscal year 2018.
- Cautionary Statements on the Company's primary challenges, as considered by the Board of Directors.
- Information on disclosures required according to article 11 of the Luxembourg law of 19 May 2006 on takeover bids, as amended (the "Takeover Law").
- The Board of Directors' proposal for their discharge and the approval of their mandate during fiscal year 2018.

**I- RELEVANT DEVELOPMENTS AND BOARD ACTIVITY**

The most relevant activity of the Company during this financial year has been the following:

In February 2018, we commenced operations in Belarus after the exercise of the option to acquire 100% of the Belarusian company owned by the Sellers of PointSource, LLC (previously acquired by the Company in June 2017).



In June 2018, we closed a secondary offering in the United States of 6,687,548 of our common shares held by WPP Luxembourg Gamma Three S.à.r.l..

In October, 2018, we signed an asset purchase agreement to acquire, the business of Small Footprint Inc., a corporation organized and existing under the laws of North Carolina, United States, including the acquisition of its wholly owned subsidiary in Romania, Small Footprint, LLC. The purpose of this acquisition was to deepen our expansion into Eastern Europe while also improving our onsite capacity in the United States.

With respect to activities within the Board of Directors, in addition to the different committee meetings, conference calls and the resolutions adopted by way of signed circular resolutions, the Board of Directors in full has been formally conveyed to four meetings during 2018, with attendance of more than two thirds of the directors in all cases, in order to, among other matters, discuss on the status of the business and the performance of the Company as of the date of each meeting. In addition to the foregoing, the different committees of the Board of Director have also met during the year. In the case of the Audit Committee, for example, seven meetings were formally conveyed during the year, each of which with full attendance of all members, in order to review, among other matters, the financial performance of the Company and the status of the audit procedures as of the date of each meeting. The Corporate Governance and Nominating Committee as well as the Compensation Committee have also met during the year and, in the case of the latter, four written resolutions have been adopted.

The Board of Directors continuously discusses about their performance and, although there is no fixed procedure to that effect, the members of the Board of Directors are fully committed to implementing new and better ways to overview and supervise the business of the Company.

## II- ALLOCATION OF RESULTS

At a consolidated level the Company has made a gain of USD \$51,597,152 as shown in its consolidated financial statements for the financial year ended on 31 December 2018.

During the same period, at an individual level the Company has made a gain of USD \$1,198,040.53, as shown in its stand-alone individual financial statements for the year ended 31 December 2018.

Considering that, under Luxembourg law, at least 5% of our net profits per year must be allocated to the creation of a legal reserve, until such reserve has reached an amount equal to 10% of our issued share capital, the Board of Directors will recommend to the general meeting of shareholders to allocate an amount equal to 5% of the net profits from the 2018 fiscal year to the Company's legal reserve as set forth below:

Result of the financial year	<b>USD</b>	<b>1,198,040.53</b>
Allocation to the legal reserve	<b>USD</b>	<b>59,902.03</b>

Distribution of dividends	/	/
Result to be carried forward to the following year	<b>USD</b>	<b>1,138,138.50</b>

### III- CORPORATE GOVERNANCE

Our corporate governance practices are governed by Luxembourg law (particularly the law of 10 August 1915 on commercial companies as amended, the “**1915 Companies Act**”) and our articles of association.

Further, the Luxembourg Stock Exchange where the Company is currently listed has published the so called, The Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (the “**Ten Principles**”), which include: (1) certain mandatory principles, (2) certain “comply or explain” recommendations and (3) certain non-binding guidelines. As of the date of this management report, we comply with the mandatory principles in all respects. In certain instances, we have elected to not comply with certain of the recommendations because we comply with similar corporate governance rules of the New York Stock Exchange (“**NYSE**”) where the Company is also listed, as further set out in the following paragraphs, or, other procedures which we have determined to be sufficient.

As a Luxembourg company listed on the NYSE, we are not required to comply with all of the corporate governance listing standards of the NYSE for U.S. listed companies. We, however, believe that our corporate governance practices meet or exceed, in all material respects, the corporate governance standards that are generally required by the NYSE for U.S. listed companies. Below is a summary of the significant ways that our corporate governance practices differ from the corporate governance standards required for listed U.S. companies by the NYSE (provided that our corporate governance practices may differ in non-material ways from the standards required by the NYSE that are not detailed here)

- *Majority of Independent Directors*

Under NYSE standards, U.S. listed companies must have a majority of independent directors. There is no legal obligation under Luxembourg law to have a majority of independent directors on the board of directors; however, the Ten Principles recommend that the board of directors includes an appropriate number of independent directors.

As of the date of this management report, the following directors of the Company are considered as independent directors: Francisco Álvarez-Demalde, Mario Eduardo Vázquez, Philip A. Odeen, Marcos Galperin, Linda Rottenberg and Richard Haythornthwaite.

- *Non-management Directors’ Meetings*

Under NYSE standards, non-management directors must meet at regularly scheduled executive sessions without management present and, if such group includes directors who are not independent, a meeting should be scheduled once per year including only independent directors. Luxembourg law does not require holding of such meetings. For additional information, see “Directors, Senior Management and Employees—Directors and Senior Management.”

- *Audit Committee*

Under NYSE standards, listed U.S. companies are required to have an audit committee composed of independent directors that satisfies the requirements of Rule 10A-3 promulgated under the Exchange Act of 1934. Luxembourg law also provides for an audit committee and related rules. Our articles of association provide that the board of directors may set up an audit committee. The Board of Directors has set up an Audit Committee and has appointed Mr. Odeen, Mrs. Rottenberg and Mr. Vázquez, with Mr. Vázquez serving as the chairman of our audit committee. Each of the members of the Audit Committee satisfies the “independence” requirements within the meaning of Section 303A of the corporate governance rules of the NYSE as well as under Rule 10A-3 under the Exchange Act.

Under NYSE standards, all audit committee members of listed U.S. companies are required to be financially literate or must acquire such financial knowledge within a reasonable period and at least one of its members shall have experience in accounting or financial administration. In addition, if a member of the audit committee is simultaneously a member of the audit committee of more than three public companies, and the listed company does not limit the number of audit committees on which its members may serve, then in each case the board must determine whether the simultaneous service would prevent such member from effectively serving on the listed company’s audit committee and shall publicly disclose its decision. Under Luxembourg law, at least one member of the audit committee must be financially literate and the committee members as a whole shall have competence relevant to the sector in which the company is operating.

- *Standards for Evaluating Director Independence*

Under NYSE standards, the board is required, on a case by case basis, to express an opinion with regard to the independence or lack of independence of each individual director. Neither Luxembourg law nor our articles of association require the board to express such an opinion; however, to be considered independent under the Ten Principles, a director must not be or have been in the previous five years, an executive or managing director or an employee; not to receive, or have received, significant additional remuneration from the company or an associated company apart from a fee received as non-executive or supervisory director. Such additional remuneration covers in particular any participation in a share option or any other performance-related pay scheme; it does not cover the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the company

(provided that such compensation is not contingent in any way on continued service); must not be, or have been within the last three years, a partner or employee of the present or former external auditor of the company or an associated company, nor have any significant business relationship with the company, close family relationship with any executive manager or any other relationship with the company, its controlling shareholders or executive managers which is liable to impair the independence of the director's judgment. Finally, to be considered independent under the Ten Principles, a director must not have served on the board as a non-executive director for more than 12 years.

- *Audit Committee Responsibilities*

The NYSE requires certain matters to be set forth in the audit committee charter of U.S. listed companies. Our audit committee charter provides for many of the responsibilities that are expected from such bodies under the NYSE standard; however, the charter does not contain all such responsibilities, including provisions related to setting hiring policies for employees or former employees of independent auditors.

- *Corporate Governance and Nominating Committee*

The NYSE requires that a listed U.S. company have a corporate governance and nominating committee of independent directors and a committee charter specifying the purpose, duties and evaluation procedures of the committee.

The Board of Directors has set up a corporate governance and nominating committee and has appointed Messrs. Galperin, Odeen and Vázquez, with Mr. Vázquez serving as chairman of our corporate governance and nominating committee. Each of Messrs. Galperin, Vázquez and Odeen satisfies the “independence” requirements within the meaning of Section 303A of the corporate governance rules of the NYSE.

- *Compensation Committee*

The NYSE requires that a listed U.S. company have a compensation committee of independent directors and a committee charter specifying the purpose, duties and evaluation procedures of the committee.

The current members of our compensation committee are Messrs. Vázquez, Odeen and Galperin, with Mr. Vázquez serving as chairman. Each of Messrs. Vázquez, Odeen and Galperin satisfies the “independence” requirements within the meaning of Section 303A of the corporate governance rules of the NYSE.

- *Shareholder Voting on Equity Compensation Plans*

Under NYSE standards, shareholders of U.S. listed companies must be given the opportunity to vote on equity compensation plans and material revisions thereto, except for employment inducement awards, certain grants, plans and amendments in the context of mergers and acquisitions, and certain specific types of plans. Neither Luxembourg corporate law nor our articles of incorporation require shareholder approval of equity based compensation plans. Luxembourg law only requires approval of the board of directors for the adoption of equity based compensation plans.

The Ten Principles recommend that the criteria for compensation of the executive management in whichever form be subject to the approval of the shareholders. However, as permitted by the Ten Principles, we have decided that the approval of our compensation committee, which is comprised of independent members, is sufficient to set the compensation criteria for our executive management team and that it is not necessary to seek approval from our shareholders for such matters. We believe that the members of our compensation committee have a strong understanding of the achievements and failures of each executive because the compensation committee monitors the performance of executive management as part of the responsibilities delegated to it by our Board of Directors and our shareholders.

- *Code of Business Conduct and Ethics*

Under NYSE standards, listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. Effective as of 23 July 2014 we adopted a code of business conduct and ethics applicable to our principal executive, financial and accounting officers and all persons performing similar functions. A copy of that code is available on our website at [www.globant.com](http://www.globant.com).

- *Chief Executive Officer Certification*

A chief executive officer of a U.S. company listed on NYSE must annually certify that he or she is not aware of any violation by the company of NYSE corporate governance standards. In accordance with NYSE rules applicable to foreign private issuers, our chief executive officer is not required to provide NYSE with this annual compliance certification. However, in accordance with NYSE rules applicable to all listed companies, our chief executive officer must promptly notify NYSE in writing after any of our executive officers becomes aware of any noncompliance with any applicable provision of NYSE's corporate governance standards. In addition, we must submit an executed written affirmation annually and an interim written affirmation each time a change occurs to the board or the audit committee.

#### IV- CAUTIONARY STATEMENTS

The management considers that the Company's primary challenges are the following:

- If the Company, directly and/or indirectly through its subsidiaries, is unable to maintain current resource utilization rates and productivity levels, its revenues, profit margins and results of operations may be adversely affected;
- If the Company, directly and/or indirectly through its subsidiaries, is unable to manage attrition and attract and retain highly-skilled IT professionals, its operating efficiency and productivity may decrease, and the Company may not have the necessary resources to maintain client relationships and expand its business;
- If the pricing structures that the Company and/or its subsidiaries use for its client contracts are based on inaccurate expectations and assumptions regarding the cost and complexity of performing our work, its contracts could be unprofitable, which could adversely affect the results of operations, financial condition and cash flows from operation of the Company;
- If the Company, directly and/or indirectly through its subsidiaries is not able to achieve anticipated growth, its revenues, results of operations, business and prospects may be adversely affected;
- If the Company is unable to effectively manage the rapid growth of its business, the management personnel, systems and resources of the Company could face significant strains, which could adversely affect its results of operations;
- If the Company was to lose the services of its senior management team or other key employees, the business operations, competitive position, client relationships, revenues and results of operation of the Company may be adversely affected;
- If the Company does not continue to innovate and remain at the forefront of emerging technologies and related market trends, it may lose clients and not remain competitive, which could cause its results of operations to suffer;
- If any of the Company's largest clients at a consolidated level terminates, decreases the scope of, or fails to renew its business relationship or short-term contract with the Company, its revenues, business and results of operations may be adversely affected;

- The Company derives a significant portion of its revenues from clients located in the United States, Europe and Latin America. Worsening general economic conditions in the United States, Europe, Latin America or globally could materially adversely affect the revenues, margins, results of operations and financial condition of the Company;
- Considering our Latin America subsidiaries, uncertainty concerning the current economic, political and social environment in Latin America may have an adverse impact on capital flows or other relevant variables and could adversely affect the business, financial condition and results of operations of the Company.

## VI- ADDITIONAL STATEMENTS AND DISCLOSURES

Pursuant to Article 68 of the law governing the trade and companies' register as well as accountancy and the annual accounts of companies and modifying other legal provisions dated 19 December 2002, as amended (the "**RCS Law**"), the Board of Directors of the Company hereby declares:

1. To best of its knowledge, the Board of Directors is not aware of any events which would have a material bearing on the annual accounts since the end of the financial year ended 31 December 2018.
2. The Company's likely foreseeable future development is stable.
3. The Company will continue to develop its activities for the foreseeable future.

The Board of Directors of the Company also refers to the consolidated management report of the Company included in the consolidated annual report of the Company made available on the Company's website and which contains the non-financial information required pursuant to Article 68bis of the RCS Law.

The following disclosures are made in compliance with article 11 of the Takeover Law:

<p>The structure of its capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the</p>	<p>As at the date of this management report, the Company's issued share capital was \$43,758,711.60, represented by 36,465,593 common shares with a nominal value of \$1.20 each, of which 138,152 (representing approximately 0.38% of the issued share capital of the Company) were treasury shares held by the Company. In compliance with the provision of Article 430-18 of the 1915 Companies Act, the voting rights attached to these shares are suspended.</p> <p>Each share entitles the holder thereof to one vote. All shares carry equal rights as provided for by Luxembourg law and</p>
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percentage of total share capital that it represents.

as set forth in the articles of association, including rights to receive dividends (if declared) or liquidation proceeds.

The shareholders in general meeting have authorized the Board of Directors of the Company to issue common shares within the limits of the authorized share capital at such times and on such terms as our Board of Directors may decide during a period of five years starting from the date of the publication in the Luxembourg's official gazette (*Mémorial C Recueil des Sociétés et Associations*) of the decision of the extraordinary general meeting of shareholders held on 8 May 2017, which publication occurred on 19 May 2017, and ends on 19 May 2022 and which period may be renewed.

As at the date of this management report we had an authorized share capital, excluding the issued share capital, of \$7,121,092.80 consisting of 5,934,244 common shares with a nominal value of \$1.20 each.

Under Luxembourg law, the shareholders benefit from a pre-emptive subscription right on the issuance of common shares for cash consideration. However, the shareholders of the Company have, in accordance with Luxembourg law, waived and suppressed, and have authorized the Board of Directors of the Company to waive, suppress or limit any pre-emptive subscription rights of shareholders provided by law to the extent the board of directors deems such waiver, suppression or limitation advisable for any issue or issues of common shares within the scope of our authorized share capital. Such common shares may be issued above, at or below market value as well as above, at or below nominal value by way of incorporation of available reserves (including premium).

The authorized share capital of the Company is determined by its articles of association, as amended from time to time, and may be increased or reduced by amending the articles of association by approval of the requisite two-thirds majority of the votes at a quorate extraordinary general shareholders' meeting. Under Luxembourg law, the shareholders have no obligation to renew or provide further authorized capital to the Company.

Holders of common shares, including depositary receipts representing common shares admitted to trading on a regulated market and for which Luxembourg is the home Member State and to which voting rights are attached (the "Securities") and derivatives or other financial instruments



	<p>linked to the Securities may be subject to notification obligations pursuant to the Luxembourg law of 11 January 2008 on transparency requirements for issuers, as amended (the "Luxembourg Transparency Law") and the Grand ducal regulation of 11 January 2008 on transparency requirements for issuers, as amended. The common shareholders are advised to consult with their own legal advisers to determine whether the notification obligations apply to them.</p>															
<p>Any restrictions on the transfer of securities.</p>	<p>Not applicable. The common shares are freely transferable in accordance with the legal requirements for shares in registered form. There are no restrictions on the transferability of the common shares in the Company's articles of association.</p>															
<p>Significant direct and indirect shareholdings within the meaning of the Transparency Law.</p>	<p>The following table sets forth information regarding beneficial ownership of the common shares of the Company as of 15 March 2019, by each shareholder whom the Company knows to own beneficially more than 5% of its common shares.</p> <p>As of 15 March 2019 the Company had 36,392,510 issued and outstanding common shares. Beneficial ownership for the purposes of the following table is determined in accordance with the Transparency Law.</p> <table border="1" data-bbox="576 1115 1342 1527"> <thead> <tr> <th data-bbox="576 1115 1043 1240">Shareholder</th> <th data-bbox="1043 1115 1190 1240">Number of voting rights</th> <th data-bbox="1190 1115 1342 1240">Percentage of total</th> </tr> </thead> <tbody> <tr> <td data-bbox="576 1240 1043 1305">Wellington Management Group LLP (1)</td> <td data-bbox="1043 1240 1190 1305">2,267,536</td> <td data-bbox="1190 1240 1342 1305">6.23%</td> </tr> <tr> <td data-bbox="576 1305 1043 1370">GIC Asset Management Pte. LTD (2)</td> <td data-bbox="1043 1305 1190 1370">1,988,214</td> <td data-bbox="1190 1305 1342 1370">5.46%</td> </tr> <tr> <td data-bbox="576 1370 1043 1464">Morgan Stanley Investment Management Inc. (3)</td> <td data-bbox="1043 1370 1190 1464">3,096,363</td> <td data-bbox="1190 1370 1342 1464">8.51%</td> </tr> <tr> <td data-bbox="576 1464 1043 1527">Wasatch Advisors, Inc (4)</td> <td data-bbox="1043 1464 1190 1527">2,002,342</td> <td data-bbox="1190 1464 1342 1527">5.50%</td> </tr> </tbody> </table> <p>(1) Based on a Schedule 13G filed jointly by Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LL and Wellington Management Company LLP (the "Reporting Entities") with the SEC on February 14, 2019. The Reporting Entities in their capacity as an investment adviser in accordance with Rule 240.13d-1(b)(1)(ii)(E) of the Exchange Act and as a parent holding company or control person in accordance with Rule 240.13d-1(b)(1)(ii)(G), beneficially own 2,267,536 of our common shares, and have shared voting power with respect to 1,980,848 shares and shared dispositive power with respect to all 2,267,536 shares.</p> <p>(2) Based on a Schedule 13G/A filed with the SEC on January 21, 2019. GIC Private Limited beneficially owns 1,988,214 of our common shares and has sole and dispositive power with respect to 1,527,218 of such shares and shared voting and dispositive power with respect to 460,996 of such shares.</p>	Shareholder	Number of voting rights	Percentage of total	Wellington Management Group LLP (1)	2,267,536	6.23%	GIC Asset Management Pte. LTD (2)	1,988,214	5.46%	Morgan Stanley Investment Management Inc. (3)	3,096,363	8.51%	Wasatch Advisors, Inc (4)	2,002,342	5.50%
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Morgan Stanley Investment Management Inc. (3)	3,096,363	8.51%														
Wasatch Advisors, Inc (4)	2,002,342	5.50%														

	<p>(3) Based on a Schedule 13G filed jointly by Morgan Stanley and Morgan Stanley Investment Management Inc. (“MSIM”) with the SEC on February 12, 2019. Each of Morgan Stanley and MSIM beneficially own 3,096,363 of our common shares, have shared voting power with respect to 1,467,412 shares and shared dispositive power with respect to all 3,096,363 shares. The securities are being reported upon by Morgan Stanley and MSIM, in their capacity as an investment adviser in accordance with Rule 240.13d-1(b)(1)(ii)(E) and a parent holding company under Rule 240.13d-1(b)(1)(ii)(G) of the Exchange Act. The securities being reported on by Morgan Stanley as a parent holding company are owned, or may be deemed to be beneficially owned, by MSIM, a wholly-owned subsidiary of Morgan Stanley.</p> <p>(4) Based on a Schedule 13G filed with the SEC on February 14, 2019. Wasatch Advisors, Inc beneficially owns 2,002,342 of our common shares and has sole and dispositive power with respect to all of such shares.</p>
<p>The holders of any securities with special control rights and a description of those rights.</p>	<p>Not applicable.</p>
<p>The system of control of any employee share scheme where the control rights are not exercised directly by the employees.</p>	<p>On July 3, 2014, our Board of Directors and shareholders approved and adopted our 2014 Equity Incentive Plan, which was amended by our board of directors to increase the number of common shares that may be issued as stock awards from 1,666,667 to up to 3,666,667 on May 9, 2016, and from 3,666,667 to 5,666,667 on February 13, 2019.</p> <p>Under the terms of our 2014 Equity Incentive Plan, from its adoption until the date of this annual report, we have granted to members of our senior management and certain other employees 30,000 stock awards, options to purchase 2,277,434 common shares and 770,849 restricted stock units. Most of the options and the restricted stock units under the plan were granted with a vesting period of four years, 25% of the options becoming exercisable on each anniversary of the grant date. Share-based compensation expense for awards of equity instruments is determined based on the fair value of the awards at the grant date. Upon exercise of the option each employee share option converts into one common share of Globant, while in the case of restricted stock units they convert to common shares automatically upon their vesting date. No amounts are paid or payable by the recipient on receipt of an option or a restricted stock unit. Neither the options nor the restricted stock units carry rights to dividends or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiration (ten years after the grant date).</p>
<p>Any restrictions on voting rights, such as</p>	<p>Each common share entitles the shareholders to one vote at the Company’s general shareholders’ meeting. There are no</p>

<p>limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of securities.</p>	<p>restrictions on voting rights. All shares carry the same voting rights.</p> <p>The articles of association of the Company provide that if the common shares are listed on a stock exchange, all shareholders recorded in any register of shareholders are entitled to be admitted and vote at the general meeting of shareholders based on the number of shares they hold on a date and time preceding the general meeting of shareholders as the record date for admission to the general meeting of shareholders (the "Record Date"), which the board of directors may determine as specified in the convening notice. Furthermore, any shareholder, holder or depositary, as the case may be, who wishes to attend the general meeting must inform the Company thereof no later than on the fourteenth day preceding the date of such general meeting, or by any other date which the board of directors may determine and as specified in the convening notice, in a manner to be determined by the board of directors in the convening notice. In case of common shares held through the operator of a securities settlement system or with a depositary designated by such depositary, a holder of common shares wishing to attend a general meeting of shareholders should receive from such operator or depositary a certificate certifying the number of common shares recorded in the relevant account on the Record Date. The certificate should be submitted to the Company no later than three business days prior to the date of such general meeting. If the shareholder votes by means of a proxy, the proxy must be deposited at the Company's registered office or with any agent of the Company, duly authorized to receive such proxies, at the same time. The board of directors of the Company may set a shorter period for the submission of the certificate or the proxy in which case this will be specified in the convening notice.</p> <p>Neither Luxembourg law nor the articles of association of the Company contain any restrictions as to the voting of the common shares by non-Luxembourg residents.</p>
<p>Any agreements between shareholders which are known to the Company and may result in restrictions on the transfer of securities or voting rights within the meaning of the Transparency Law</p>	<p>Not applicable.</p>

<p>The rules governing the appointment and replacement of board members and the amendment of the articles of association.</p>	<p>Members of the board of directors of the Company are elected by ordinary resolution at a general meeting of shareholders. Under the articles of association, all directors are elected for a period of up to four years; provided, however, that directors shall be elected on a staggered basis, with one-third of the directors being elected each year. Any director may be removed with or without cause and with or without prior notice by a simple majority vote at any general meeting of shareholders. The articles of association provide that, in case of a vacancy, the board of directors may fill such vacancy on a temporary basis by a person designated by the remaining members of our board of directors until the next general meeting of shareholders, which will resolve on a permanent appointment. The directors shall be eligible for re-election indefinitely.</p> <p><i>Shareholder Approval Requirements.</i> Luxembourg law requires that amendments to the articles of association be made by extraordinary resolution. The agenda of the general meeting of shareholders must indicate the proposed amendments to the articles of association.</p> <p>Pursuant to the 1915 Companies Act and our articles of association, for an extraordinary resolution to be considered at a general meeting, the quorum must generally be at least 50% of our issued share capital. Any extraordinary resolution shall be adopted at a quorate general meeting (save as otherwise provided by mandatory law) upon a two-thirds majority of the votes validly cast on such resolution. If the quorum of 50% is not reached at this meeting, a second general meeting may be convened, in which no quorum is required, and may approve the resolution at a majority of two-third of votes validly cast.</p> <p><i>Formalities.</i> Any resolutions to amend the articles of association or to approve a merger, de-merger or dissolution must be taken before a Luxembourg notary and such amendments must be published in accordance with Luxembourg law.</p>
<p>The powers of board members, and in particular the power to issue or buy back shares.</p>	<p>Pursuant to 1915 Companies Act, the issuance of common shares requires the amendment of our articles of association by the approval of the requisite two-thirds majority of the votes at a quorate extraordinary general shareholders' meeting. However, the general meeting may approve an authorized share capital and authorize our Board of Directors to issue common shares up to the maximum amount of such authorized unissued share capital for a period ending five years from the date of publication in the</p>

Luxembourg's official gazette (*Mémorial C Recueil des Sociétés et Associations / Recueil Electronique des Sociétés et Associations*) of the minutes of the relevant general meeting approving such authorization. The general meeting may amend or renew such authorized share capital and such authorization of our Board of Directors to issue common shares.

We have an authorized share capital, excluding the issued share capital, of \$ 7,121,092.80 and our Board of Directors is authorized to issue up to 5,934,244 common shares (subject to stock splits, consolidation of common shares or like transactions) with a nominal value of \$1.20 per common share.

Unless limited, waived or cancelled by our Board of Directors in the context of the authorized unissued share capital or by an extraordinary general meeting of shareholders pursuant to the provisions of the articles of association relating to amendments thereof, holders of our common shares have a pro rata pre-emptive right to subscribe for any new common shares issued for cash consideration. Our articles provide that pre-emptive rights can be waived, suppressed or limited by our Board of Directors for a period starting from the date of the publication in the Luxembourg official gazette (*Mémorial C Recueil des Sociétés et Associations*) of the decision of the extraordinary general meeting of shareholders held on 8 May 2017, which publication occurred on 19 May 2017 and which ends on 19 May 2022, in the event of an increase of the issued share capital by our Board of Directors within the limits of the authorized unissued share capital.

We cannot subscribe for our own common shares. We may, however, repurchase issued common shares or have another person repurchase issued common shares for our account, subject to the following conditions:

- the repurchase complies with the principle of equal treatment of all shareholders;
- prior authorization by a simple majority vote at an ordinary general meeting of shareholders is granted, which authorization sets forth the terms and conditions of the proposed repurchase, including the maximum number of common shares to be repurchased, the duration of the period for which the authorization is given (which may not exceed five years) and, in the case of a repurchase for

	<p>consideration, the minimum and maximum consideration per common share;</p> <ul style="list-style-type: none"> <li>• the repurchase does not reduce our net assets (on a non-consolidated basis) to a level below the aggregate of the issued share capital and the reserves that we must maintain pursuant to Luxembourg law or our articles of association; and</li> <li>• only fully paid-up common shares are repurchased.</li> </ul> <p>No prior authorization by our shareholders is required for us to repurchase our own common shares if:</p> <ul style="list-style-type: none"> <li>• we are in imminent and severe danger, in which case our Board of Directors must inform the general meeting of shareholders held subsequent to the repurchase of common shares of the reasons for, and aim of such repurchase, the number and nominal value of the common shares repurchased, the fraction of the share capital such repurchased common shares represented and the consideration paid for such shares; or</li> <li>• the common shares are repurchased by us or by a person acting for our account in view of a distribution of the common shares to our employees.</li> </ul> <p>On 18 June 2014, the general meeting of shareholders according to the conditions set forth in article 430-15 of 1915 Companies Act granted our Board of Directors the authorization to repurchase up to a maximum number of shares representing 20% of the issued share capital immediately after the closing of our initial public offering for a net purchase price being (i) no less than 50% of the lowest stock price and (ii) no more than 50% above the highest stock price, in each case being the closing price, as reported by the New York City edition of the Wall Street Journal, or, if not reported therein, any other authoritative sources to be selected by our Board of Directors, over the ten trading days preceding the date of the purchase (or the date of the commitment to the transaction). The authorization is valid for a period ending five years from the date of the general meeting or the date of its renewal by a subsequent general meeting of shareholders. Pursuant to such authorization, our Board of Directors is authorized to acquire and sell our common shares under the conditions set forth in the minutes of such general meeting of shareholders. Such purchases and sales may be carried out for any purpose authorized by the general meeting of Globant S.A.</p>
Any significant agreements to which the	In the event of any transaction resulting in a "change in control" of the Company, any outstanding stock options and

<p>Company is a party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the Company; this exception must not apply where the Company is specifically obliged to disclose such information on the basis of other legal requirements.</p>	<p>other awards that are payable in or convertible into our common shares according and under the Company's 2014 Equity Incentive Plan, will terminate upon the effective time of the change in control unless provision is made in connection with the transaction for the continuation, assumption, or substitution of the awards by the surviving or successor entity or its parent. In the event of such termination, the holders of stock options and other awards under the plan will be permitted immediately before the change in control to exercise or convert all portions of such stock options or awards that are exercisable or convertible or which become exercisable or convertible upon or prior to the effective time of the change in control.</p> <p>Notwithstanding the foregoing, the vesting schedule of all of the outstanding stock options granted to certain senior executives will be accelerated in the event of a transaction resulting in a change in control if (i) no provision is made in connection with the transaction for the continuation or assumption of the relevant executive's outstanding options by, or for the substitution of the equivalent awards of, the surviving or successor entity or a parent thereof, or (ii) the relevant executive is dismissed without cause within a two-year period following the change in control.</p>
<p>Any agreements between the Company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.</p>	<p>Neither we nor our subsidiaries maintain any directors' service contracts providing for benefits upon termination of service. On December 27, 2012, we entered into noncompetition agreements with our founders. Under such agreements, the founders agreed that during their employment with our company, and for a period of two years from the termination of such employment, they will not directly or indirectly perform any kind of activity or provide any service in other companies that provide the same kinds of services as those provided by us. In consideration of these noncompetition covenants, the founders will receive compensation equal to 24 times the highest monthly compensation paid to them during the 12-month period immediately preceding the date of termination of their employment. This compensation will be paid in two equal installments.</p> <p>In 2016, our compensation committee approved an amendment to Martín Migoya's noncompetition agreement to increase his compensation to 36 times the highest monthly compensation paid to him during the 12-month period immediately preceding the date of termination of his employment. In addition, our compensation committee approved an amendment each founder's noncompetition agreement so that the compensation calculation will include the proportional amount of any variable annual cash</p>

	<p>compensation payable to each founder, at target amounts, and that each founder will be entitled to receive continued health coverage and life insurance after the termination of their employment and for a period of 36 months in the case of Martín Migoya and 24 months for the other founders.</p> <p>In addition, our compensation committee approved the execution of a noncompetition agreement with Mr. Marsicovetere, our Chief Strategy Officer, Mr. Alejandro Scannapieco, our Executive Vice-President and General Manager of the Company's U.S. East Region and Patricia Pomies, our Chief Delivery Officer, under substantially similar terms and conditions to those applicable to those of Messrs. Umaran, Englebienne and Nocetti.</p>
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## VII- APPROVAL OF MANDATE AND DISCHARGE

We kindly ask you to grant discharge to the directors who were members of the Board of Directors during the financial year ended 31 December 2018 for the exercise of their mandates during the financial year ended 31 December 2018.

So done on March 22, 2019.

For the Board of Directors of the Company:



\_\_\_\_\_  
Name: Martín Migoya

Title: Chairman of the Board of Directors



**Annual Accounts Helpdesk :**

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centralebilans@statec.etat.lu**

**RCSL Nr. : B173727**

**Matricule : 20122223796**

## **BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2018 **to** <sup>02</sup> 31/12/2018 *(in* <sup>03</sup> USD)

Globant S.A.  
37A Avenue J.F. Kennedy  
L-1855 Luxembourg

### **ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101	101	102
I. Subscribed capital not called	1103	103	104
II. Subscribed capital called but unpaid	1105	105	106
<b>B. Formation expenses</b>	1107	107	108
<b>C. Fixed assets</b>	1109	87,051,340.20	88,050,164.30
I. Intangible assets	1111	111	112
1. Costs of development	1113	113	114
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	115	116
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117	118
b) created by the undertaking itself	1119	119	120
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	121	122
4. Payments on account and intangible assets under development	1123	123	124
II. Tangible assets	1125	125	126
1. Land and buildings	1127	127	128
2. Plant and machinery	1129	129	130

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B173727

Matricule : 2012223796

	Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131	131		132	
4. Payments on account and tangible assets in the course of construction	1133	133		134	
<b>III. Financial assets</b>	1135	<b>2.2.2,3</b>	<b>87,051,340.20</b>	136	<b>88,050,164.30</b>
1. Shares in affiliated undertakings	1137	3.1	87,051,340.20	138	88,050,164.30
2. Loans to affiliated undertakings	1139	139		140	
3. Participating interests	1141	141		142	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143		144	
5. Investments held as fixed assets	1145	145		146	
6. Other loans	1147	147		148	
<b>D. Current assets</b>	1151		<b>19,477,111.49</b>	152	<b>7,911,561.28</b>
<b>I. Stocks</b>	1153	153		154	
1. Raw materials and consumables	1155	155		156	
2. Work in progress	1157	157		158	
3. Finished goods and goods for resale	1159	159		160	
4. Payments on account	1161	161		162	
<b>II. Debtors</b>	1163	<b>2.2.3,4</b>	<b>17,154,224.52</b>	164	<b>5,044,197.76</b>
1. Trade debtors	1165	165		166	
a) becoming due and payable within one year	1167	167		168	
b) becoming due and payable after more than one year	1169	169		170	
2. Amounts owed by affiliated undertakings	1171	4.1	16,987,283.95	172	5,037,354.07
a) becoming due and payable within one year	1173	4.1.1	16,987,283.95	174	5,037,354.07
b) becoming due and payable after more than one year	1175	175		176	
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177		178	
a) becoming due and payable within one year	1179	179		180	
b) becoming due and payable after more than one year	1181	181		182	
4. Other debtors	1183	4.2	166,940.57	184	6,843.69
a) becoming due and payable within one year	1185	4.2.1	166,940.57	186	6,843.69
b) becoming due and payable after more than one year	1187	187		188	

RCSL Nr. : B173727

Matricule : 20122223796

	Reference(s)		Current year		Previous year	
III. Investments	1189	5	189	1,679,368.76	190	1,679,368.76
1. Shares in affiliated undertakings	1191		191		192	
2. Own shares	1209	5.1	209	1,679,368.76	210	1,679,368.76
3. Other investments	1195		195		196	
IV. Cash at bank and in hand	1197	6	197	643,518.21	198	1,187,994.76
<b>E. Prepayments</b>	1199	2.2.5, 7	199	41,237.44	200	
<b>TOTAL (ASSETS)</b>			201	106,569,689.13	202	95,961,725.58

RCSL Nr. : B173727

Matricule : 2012223796

## CAPITAL, RESERVES AND LIABILITIES

	Reference(s)		Current year		Previous year	
<b>A. Capital and reserves</b>	1301	<u>8</u>	301	<u>105,992,428.73</u>	302	<u>94,448,384.51</u>
I. Subscribed capital	1303	<u>8.1</u>	303	<u>43,324,576.80</u>	304	<u>42,437,899.20</u>
II. Share premium account	1305	<u>8.2</u>	305	<u>73,925,624.72</u>	306	<u>64,466,298.63</u>
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309	<u>2,116,371.54</u>	310	<u>1,679,368.76</u>
1. Legal reserve	1311	<u>8.3</u>	311	<u>437,002.78</u>	312	
2. Reserve for own shares	1313	<u>8.4</u>	313	<u>1,679,368.76</u>	314	<u>1,679,368.76</u>
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves, including the fair value reserve	1429		429		430	
a) other available reserves	1431		431		432	
b) other non-available reserves	1433		433		434	
V. Profit or loss brought forward	1319		319	<u>-14,572,184.86</u>	320	<u>-22,875,237.66</u>
VI. Profit or loss for the financial year	1321		321	<u>1,198,040.53</u>	322	<u>8,740,055.58</u>
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
<b>B. Provisions</b>	1331		331		332	
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337		338	
<b>C. Creditors</b>	1435	<u>2.2.6,9</u>	435	<u>577,260.40</u>	436	<u>1,513,341.07</u>
1. Debenture loans	1437		437		438	
a) Convertible loans	1439		439		440	
i) becoming due and payable within one year	1441		441		442	
ii) becoming due and payable after more than one year	1443		443		444	
b) Non-convertible loans	1445		445		446	
i) becoming due and payable within one year	1447		447		448	
ii) becoming due and payable after more than one year	1449		449		450	
2. Amounts owed to credit institutions	1355		355		356	
a) becoming due and payable within one year	1357		357		358	
b) becoming due and payable after more than one year	1359		359		360	

The notes in the annex form an integral part of the annual accounts

RC SL Nr. : B173727

Matricule : 2012223796

	Reference(s)		Current year		Previous year	
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361		361		362	
a) becoming due and payable within one year	1363		363		364	
b) becoming due and payable after more than one year	1365		365		366	
4. Trade creditors	1367	9.1	367	311,423.58	368	137,720.45
a) becoming due and payable within one year	1369	9.1.1	369	311,423.58	370	137,720.45
b) becoming due and payable after more than one year	1371		371		372	
5. Bills of exchange payable	1373		373		374	
a) becoming due and payable within one year	1375		375		376	
b) becoming due and payable after more than one year	1377		377		378	
6. Amounts owed to affiliated undertakings	1379	9.2	379	91,670.45	380	1,136,005.06
a) becoming due and payable within one year	1381	9.2.1	381	91,670.45	382	1,136,005.06
b) becoming due and payable after more than one year	1383		383		384	
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		385		386	
a) becoming due and payable within one year	1387		387		388	
b) becoming due and payable after more than one year	1389		389		390	
8. Other creditors	1451	9.3	451	174,166.37	452	239,615.56
a) Tax authorities	1393	2.2.6.1	393	84,166.37	394	50,615.56
b) Social security authorities	1395		395		396	
c) Other creditors	1397	9.3.1	397	90,000.00	398	189,000.00
i) becoming due and payable within one year	1399	9.3.1.1	399	90,000.00	400	189,000.00
ii) becoming due and payable after more than one year	1401		401		402	0.00
<b>D. Deferred income</b>	1403		403		404	
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>			405	106,569,689.13	406	95,961,725.58

Annual Accounts Helpdesk :

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RCSL Nr. : B173727

Matricule : 20122223796

## PROFIT AND LOSS ACCOUNT

Financial year from <sup>01</sup> 01/01/2018 to <sup>02</sup> 31/12/2018 (in <sup>03</sup> USD)

Globant S.A.  
37A Avenue J.F. Kennedy  
L-1855 Luxembourg

## PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701	701	702
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703	703	704
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705	705	706
<b>4. Other operating income</b>	1713	10	713
		4,842,227.45	714
			10,243,886.31
<b>5. Raw materials and consumables and other external expenses</b>	1671	11	671
		-1,071,312.06	672
			-945,564.67
a) Raw materials and consumables	1601	601	602
b) Other external expenses	1603	11.1	603
		-1,071,312.06	604
			-945,564.67
<b>6. Staff costs</b>	1605	605	606
a) Wages and salaries	1607	607	608
b) Social security costs	1609	609	610
i) relating to pensions	1653	653	654
ii) other social security costs	1655	655	656
c) Other staff costs	1613	613	614
<b>7. Value adjustments</b>	1657	657	658
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659	660
b) in respect of current assets	1661	661	662
<b>8. Other operating expenses</b>	1621	12	621
		-344,663.46	622
			-278,222.90

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B173727

Matricule : 2012223796

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>			
	1715	715	716
			<u>67,153.96</u>
a) derived from affiliated undertakings	1717	717	718
			<u>67,153.96</u>
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>			
	1721	721	722
			<u>57,035.49</u>
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
			<u>57,035.49</u>
<b>11. Other interest receivable and similar income</b>			
	1727	727	728
	<u>13</u>	<u>6,394.53</u>	<u>1,862.38</u>
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
	<u>13.1</u>	<u>6,394.53</u>	<u>1,862.38</u>
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>			
	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>			
	1665	665	666
<b>14. Interest payable and similar expenses</b>			
	1627	627	628
	<u>14</u>	<u>-2,104,160.58</u>	<u>-314,809.07</u>
a) concerning affiliated undertakings	1629	629	630
			<u>0.00</u>
b) other interest and similar expenses	1631	631	632
	<u>14.1</u>	<u>-2,104,160.58</u>	<u>-314,809.07</u>
<b>15. Tax on profit or loss</b>			
	1635	635	636
		<u>-86,000.00</u>	<u>-69,555.73</u>
<b>16. Profit or loss after taxation</b>			
	1667	667	668
		<u>1,242,485.88</u>	<u>8,761,785.77</u>
<b>17. Other taxes not shown under items 1 to 16</b>			
	1637	637	638
	<u>15</u>	<u>-44,445.35</u>	<u>-21,730.19</u>
<b>18. Profit or loss for the financial year</b>			
	1669	669	670
		<u>1,198,040.53</u>	<u>8,740,055.58</u>

**Globant S.A.**  
**Notes to the annual accounts as at December 31, 2018**

**1. General information**

Globant S.A. (hereafter the "Company") was incorporated on December 10, 2012 and is organised under the laws of Luxembourg as a Société Anonyme for an unlimited period.

The registered office of the Company has been transferred from 5, rue Guillaume Kroll, L-1882 Luxembourg to 37A Avenue J.F. Kennedy, L-1855 Luxembourg with effect as of December 1, 2018.

The Company's financial year starts on January 1st and ends on December 31st of each year.

The Company's primary purpose is the creation, holding, development and realization of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, acquisition by purchase, sale or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments, patents and licenses, as well as the administration and control of such portfolio.

An additional purpose of the Company is (i) the acquisition by purchase, registration or in any other manner, as well as the transfer by sale, exchange or otherwise of intellectual and industrial property rights, (ii) the granting or transfer of licenses on such intellectual and industrial property rights, and (iii) the holding and management of its intellectual and industrial property rights.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid or other securities of any kind in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate, technical, intellectual property or other activities which it may deem useful in accomplishment of these purposes.

The Company also prepares consolidated accounts in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), which are subject to publication as prescribed by the Luxembourg law. The consolidated accounts can be obtained at the registered office of the Company.



## **2. Summary of significant accounting policies and valuation methods**

### **2.1. General principles**

The annual accounts are prepared in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg under the historical cost convention. The accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

### **2.2. Significant accounting and valuation policies**

The significant accounting and valuation policies of the Company can be summarised as follows:

#### **2.2.1. Formation expenses**

The formation expenses are fully amortised during the year in which they are incurred.

#### **2.2.2. Financial assets**

Financial assets such as shares in affiliated undertakings, participating interests, loans to these undertakings, investments held as assets and other loans are valued at their historical acquisition cost. Amounts owed by affiliated undertakings or other companies and defined as financial assets are valued at their nominal value.

If the Board of Directors determines that a durable impairment has occurred in the value of a financial asset, a value adjustment is made in order to reflect that loss. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

#### **2.2.3. Debtors**

Debtors are recorded at their nominal value. A value adjustment is made when their recovery is partly or completely in doubt. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

#### **2.2.4. Foreign currency translation**

The Company maintains its books and records in USD.

**Globant S.A.**  
**Notes to the annual accounts as at December 31, 2018**

All transactions expressed in currency other than USD are translated into USD at the exchange rate prevailing at the date of the transaction.

The formation expenses and the fixed assets other than the long-term loans classified as financial assets and expressed in another currency than USD are translated in USD at the exchange rate prevailing at the date of their acquisition. At the balance sheet date, these fixed assets are maintained at their historical exchange rate.

Cash is translated at the exchange rate prevailing at the balance sheet date. Exchange gains and losses resulting from this conversion are accounted for in the profit and loss account for the year.

Other assets and liabilities are translated separately respectively at the lower (assets) or at the higher (liabilities) of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains and losses are recorded in the profit and loss account at the moment of their realisation.

In the case there is an economic link between an asset and a liability, they are translated in total and only the unrealised net exchange losses are accounted for in the profit and loss account.

**2.2.5. Prepayments**

This item includes charges incurred during the financial year but attributable to a subsequent financial year.

**2.2.6. Creditors**

Creditors are recorded at their repayment value. When the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt.

**2.2.6.1. Other creditors - Tax**

This item includes the tax liability estimated by the Company for the financial years for which the Company has not been assessed yet. The advance payments are disclosed in the assets of the balance sheet under "Other debtors".

**2.2.7. Own shares**

Own shares are valued at their historical acquisition cost. Own shares are diminished once they are granted to employees as rewards, to sellers of acquired companies or otherwise granted to third parties; this triggers a change in reserves for own shares.

**2.2.8. Stock Options**

The Company has a share-based compensation plan for executives and employees of the Company and its subsidiaries. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Once options are exercised, the

## Globant S.A.

### Notes to the annual accounts as at December 31, 2018

Company at times either grants own shares or issues own shares to satisfy their obligations. In the second case, the difference between exercise price and the nominal value of shares is recorded in share premium.

### 3. Financial assets

#### 3.1. Shares in affiliated undertakings

The shares in affiliated undertakings or in which the Company is a general partner are as follows:

Name of company	Registered office	Percentage of ownership	Closing date of last financial year	Shareholders' equity (USD)	Results of last financial year (USD)	Net investment amount (USD)
Globant España S.A. (sociedad unipersonal)	Calle Velazquez 157, floor 5 <sup>o</sup> C", 28002 Madrid, Spain	100%	31.12.2018	157,346,984	9,313,122	81,248,897.00
Globant France SAS	9, rue du Quatre Septembre 75002, Paris, France	100%	31.12.2018	(782.82)	(1,958.75)	1,175.90
Software Product Creation S.L.	Calle Velazquez 157, floor 5 <sup>o</sup> C", 28002 Madrid, Spain	47.72%	31.12.2018	13,756,791	1,710,046	5,801,267.30
<b>Total</b>						<b>87,051,340.20</b>

As an indication, the Shareholders' equity and the Results of the last financial year of the financial investments whose financial statements were expressed in a currency other than USD were translated into USD with the exchange rate prevailing at the balance sheet date.

The figures mentioned in the Shareholders' equity and the Results of the last financial year are based on the last unaudited standalone annual accounts available prepared under respective local GAAP.

The movements on the shares in affiliated undertakings during 2018 are detailed as follows:

#### Globant España S.A. (sociedad unipersonal) (previously GLOBANT S.A. Spain)

On December 7, 2018, the Company decreased its investment in Globant España S.A. by an amount of USD 1,000,000.00 resulting in a decrease of its net investment amount from USD 82,248,897.00 to USD 81,248,897.00. As of December 31, 2018, the amount of USD 1,000,000.00 remains a receivable for Globant S.A.

#### Globant France SAS

On September 21, 2018, the Company incorporated Globant France SAS with a subscription of 1,000 shares with a par value of EUR 1 (equivalent to USD 1,759 at the exchange rate prevailing on the transaction date).

## **Globant S.A.**

### **Notes to the annual accounts as at December 31, 2018**

The Board of Directors of the Company considered the valuation of the subsidiaries and decided that, based on the projected profit of the subsidiaries, no value adjustment is to be recorded on those financial assets in the accounts of the Company.

#### **4. Debtors**

##### **4.1. Amounts owed by affiliated undertakings**

###### **4.1.1. becoming due and payable within one year**

As of December 31, 2018, this item is composed of receivables from group companies for an amount of USD 16,987,283.95 (2017: USD 5,037,354.07) detailed as follows:

<b>Name of the Company</b>	<b>Amount as at December 31, 2018 in USD</b>	<b>Amount as at December 31, 2017 in USD</b>
Globant España S.A	9,200,000.00	-
Globant LLC	472,955.00	472,955.00
Globant France SAS	907.43	-
Sistemas Uk Ltda.	38,301.00	38,301.00
Sistemas Globales S.A.(*)	6,041,592.65	3,871,513.06
IAFH Global S.A.(*)	1,233,527.87	654,584.91
<b>Total</b>	<b>16,987,283.95</b>	<b>5,037,354.07</b>

(\*) See note 10 and 16

##### **4.2. Other debtors**

###### **4.2.1. becoming due and payable within one year**

This item is composed of (i) the 2015 corporate income tax advance for a total amount of USD 3,383.65 (equivalent to EUR 3,210.00), (ii) the 2016 net wealth tax advance for a total amount of USD 3,449.00 (equivalent to EUR 3,272.00), (iii) the 2018 net wealth tax advance for a total amount of USD 33,988.69 (equivalent to EUR 28,895.00) and (iv) a receivable from shareholders for a total amount of USD 126,119.23.

#### **5. Investments**

##### **5.1. Own shares**

As at December 31, 2017, the Company held 137,416 of its own shares for a book value of USD 1,679,368.76.

As at December 31, 2018, the balance of the investment in the own shares of the Company has remained unchanged as there were no movements during the financial year.

**Globant S.A.**  
**Notes to the annual accounts as at December 31, 2018**

**6. Cash at Bank**

As at December 31, 2018, the cash at bank and in hand is composed as follows:

<b>Bank name</b>	<b>Amount as at December 31, 2018 in USD</b>	<b>Amount as at December 31, 2017 in USD</b>
HSBC Luxembourg Branch – Current account (EUR)	USD 38,036.26	USD 50,475.42
HSBC Luxembourg Branch – Current account (USD)	USD 146,452.34	USD 164,059.91
Citibank New York Branch – Current account (USD)	USD 459,029.61	USD 970,646.43
Petty Cash	-	USD 2,813.00
<b>Total</b>	<b>EUR 643,518.21</b>	<b>EUR 1,187,994.76</b>

**7. Prepayments**

This item is composed of the prepaid insurance until July 7, 2019 for a total amount of USD 41,237.44. There were no prepayments for the year ended December 31, 2017.

**8. Capital and reserves**

	Subscribed Capital	Share Premium Account	Legal Reserve	Reserve for own shares	Result brought forward	Result of the financial year
As at 31.12.2017	42,437,899.20	64,466,298.63	-	1,679,368.76	(22,875,237.66)	8,740,055.58
Result allocation	-	-	437,002.78	-	8,303,052.80	(8,740,055.58)
Capital increases	886,677.60	9,459,326.09	-	-	-	-
Result of the financial year	-	-	-	-	-	1,198,040.53
As at 31.12.2018	43,324,576.80	73,925,624.72	437,002.78	1,679,368.76	(14,572,184.86)	1,198,040.53

**8.1. Subscribed capital**

As at December 31, 2017, the subscribed capital of the Company amounted to USD 42,437,899.20, represented by 35,364,916 common shares with a nominal value of USD 1.20, fully paid, among which 25,363,926 common shares are listed on the NYSE.

As at December 31, 2018, further to the movements on the subscribed capital account during 2018, the subscribed capital amounts to USD 43,324,576.80, represented by 36,103,814 common shares with a nominal value of USD 1.20, fully paid, among which 32,496,961 common shares are listed on the NYSE.

## **Globant S.A.**

### **Notes to the annual accounts as at December 31, 2018**

The authorised capital excluding the share capital is set at USD 7,555,227.60 consisting in 6,296,023 common shares having a nominal value of USD 1.20 per common share.

#### **8.2. Share premium account**

As at December 31, 2017, the Company had a share premium of USD 64,466,298.63.

During the year 2018, the Company issued 738,898 common shares which has led to an increase of the share premium to USD 73,925,624.72.

#### **8.3. Legal reserve**

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

#### **8.4. Reserve for own shares**

As at December 31, 2018, the Company holds 137,416 of its own shares for a book value of USD 1,679,368.76 (see note 5.1).

### **9. Creditors**

#### **9.1. Trade creditors**

##### **9.1.1. becoming due and payable within one year**

This item is composed of:

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
- accrual for audit fees	74,855.76	98,806.49
- accrual for tax fees	24,803.20	-
- accrual for legal fees	-	-
- accrual for other fees	191,638.10	17,833.00
- accrual for accounting fees	20,126.52	21,080.96
	<b>311,423.58</b>	<b>137,720.45</b>

#### **9.2. Amounts owed to affiliated undertakings**

##### **9.2.1. becoming due and payable within one year**

This item is composed of amounts granted by companies of the group for a total amount of USD 91,670.45 (2017: USD 1,136,005.06).

**Globant S.A.**  
**Notes to the annual accounts as at December 31, 2018**

**9.3. Other creditors**

**9.3.1. becoming due and payable within one year**

This item is composed of amounts payable for director's fees for a total amount of USD 90,000.00 (2017: USD 189,000.00).

**10. Other operating income**

This item, amounting to USD 4,842,227.45 (2017: USD 10,243,886.31), corresponds to the gain that arose from the agreements entered into between the Company and Sistemas Globales S.A. and IAFH Global S.A. ("Argentine Subsidiaries"), pursuant to which the Argentine Subsidiaries reimbursed the Company for the economic cost related to the options exercised by certain employees of these subsidiaries in connection with the share-based compensation plan (see note 16) during 2012 to 2014. The amount due was determined as the difference between the fair market value of the Company's common shares on the date that each vested option was exercised and the strike price paid by each employee in connection with such vested option.

**11. Raw materials and consumables and other external expenses**

**11.1. other external expenses**

This item is composed of:

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
- bank fees	9,724.00	9,456.33
- legal fees	211,760.93	121,526.25
- recurrent accounting fees	40,619.46	20,321.98
- non recurrent accounting fees	3,624.93	2,204.17
- auditor fees	185,128.25	84,598.52
- fiscal fees	24,803.20	14,298.84
- rental offices	33,603.15	31,385.57
- insurance fees	178,101.33	491,121.00
- other fees	383,946.81	170,652.01
	<b>1,071,312.06</b>	<b>945,564.67</b>

**12. Other operating expenses**

This item is composed of (i) the director fees paid to some directors of the Company for a total amount of USD 344,000.00 and (ii) the interest paid for the late payment of net wealth tax for the year 2018 and withholding taxes for the year 2017 and 2018 for a total amount of USD 663.46. In 2017, this item was mainly composed of director fees for a total amount of USD 278,222.90.

**Globant S.A.**  
**Notes to the annual accounts as at December 31, 2018**

**13. Other interest receivable and similar income**

**13.1. other interest and similar income**

This item is composed of realised exchange gains for an amount of USD 6,394.53 (2017: USD 1,862.38).

**14. Interest payable and similar expenses**

**14.1. other interest and similar expenses**

This item is composed of unrealised exchange losses and other financial charges for an amount of USD 2,104,160.58 (2017: USD 314,809.07).

**15. Tax status**

The Company is subject in Luxembourg to the applicable general tax regulations.

**16. Share-based compensation plan**

Subsidiaries of the Company grant rights to shares of Globant S.A to their respective employees. Share-based compensation expense for awards of equity instruments to employees and non-employee directors is determined based on the grant-date fair value of the awards. Fair value is calculated using Black & Scholes model. This expense is recorded directly by the subsidiary of the Company.

Once options are exercised, the Company at times either grants own shares (see Note 2.2.7) or issues own shares to satisfy their obligations. In the second case, the difference between exercise price and the nominal value of shares is recorded in share premium.

In June 2012, the Company decided to replace its Stock Appreciation Rights ("SAR") program with a new share-based compensation program. The 2012 share-based compensation agreement was signed by the employees on June 30, 2012, considering the actual grant dates of the SARs to employees.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry (seven years after the effective date).

All options vested on the date of modification of the plan or all other non-vested options expire within seven years after the effective date or seven years after the period of vesting finalizes.

In July 2014, the Company adopted a new Equity Incentive Program, the 2014 Plan.



**Globant S.A.**

**Notes to the annual accounts as at December 31, 2018**

Pursuant to this plan, on July 18, 2014, the first trading day of the Company common shares on the NYSE, the Company made the annual grants for 2014 Plan to certain of the executive officers and other employees. The grants included share options with a vesting period of 4 years, becoming exercisable a 25% of the options on each anniversary of the grant date through the fourth anniversary of the grant. Share-based compensation expense for awards of equity instruments is determined based on the fair value of the awards at the grant date.

Each employee share option converts into one ordinary share of the Company on exercise at exercise price. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry (ten years after the effective date).

Under this share-based compensation plan, during the year 2018 and 2017, other share-based compensation agreements were signed for a total of 221,000 and 85,000 options granted, respectively.

During the year 2017, as part of the 2014 Equity Incentive Plan, the Company granted awards to certain employees in the form of Restricted Stock Units ("RSUs"), having a par value of \$1.20 each, with a specific period of vesting. Each RSU is equivalent in value to one share of the company's common stock and represents the Company's commitment to issue one share of the Company's common stock at a future date, subject to the term of the RSU agreement.

Until the RSUs vest, they are an unfunded promise to issue shares of stock to the recipient at some point in the future. The RSUs carry neither rights to dividends nor voting rights. RSU's vesting is subject to the condition that the employee must remain in such condition at of the vesting date. The Company may determine a percentage of RSU, as part of the full year compensation package payment. The Company records these RSU at nominal value in this standalone financial statement upon issuance of the shares (once the vesting conditions are fulfilled).

**Globant S.A.**  
**Notes to the annual accounts as at December 31, 2018**

The following shows the evolution of the share options for the years ended at December 31, 2018 and 2017:

	<b>As of December 31, 2018</b>		<b>As of December 31, 2017</b>	
	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Number of options</b>	<b>Weighted average exercise price</b>
Balance at the beginning of year	2,155,851	23.02	2,658,595	22.21
RSU granted during the year	221,000	46.45	85,000	39.69
Forfeited during the year	(78,716)	36.89	(249,035)	30.08
Exercised during the year	(511,668)	13.76	(338,709)	15.63
<b>Balance at end of year</b>	<b>1,786,467</b>	<b>27.96</b>	<b>2,155,851</b>	<b>23.02</b>

The following shows the evolution of the RSUs for the years ended at December 31, 2018 and 2017:

	<b>As of December 31, 2018</b>		<b>As of December 31, 2017</b>	
	<b>Number of RSU</b>	<b>Weighted average grant price</b>	<b>Number of RSU</b>	<b>Weighted average grant price</b>
Balance at the beginning of year	164,859	37.58	—	—
RSU granted during the year	564,995	46.29	254,328	37.07
Forfeited during the year	(30,783)	44.14	(2,538)	36.59
Issued during the year	(163,233)	43.13	(86,931)	36.11
<b>Balance at end of year</b>	<b>535,838</b>	<b>44.70</b>	<b>164,859</b>	<b>37.58</b>

**Globant S.A.**  
**Notes to the annual accounts as at December 31, 2018**

The following tables summarizes the RSU at the end of the year (the following amounts are expressed in thousands of U.S. dollars):

Grant date	Grant price (\$)	Number of Restricted Stock Units
2017	36.30	1,500
	37.00	93,228
	42.00	6,750
	43.42	—
2018	46.00	407,750
	50.92	10,000
	52.74	4,000
	55.07	4,000
	56.87	6,000
<b>Subtotal</b>		<b>533,228</b>
Non employees stock options		
2017	38.21	—
2018	46.00	2,174
	57.39	436
<b>Subtotal</b>		<b>2,610</b>
<b>Total</b>		<b>535,838</b>

**Globant S.A.****Notes to the annual accounts as at December 31, 2018**

The following tables summarizes the share options at the end of the year (the following amounts are expressed in thousands of U.S. dollars):

Grant date	Exercise price (\$)	Number of stock options	Number of stock options vested as of December 31, 2018
2006	0.95	1,103	1,103
2007	0.71	—	—
	1.40	—	—
2010	2.48	1,304	1,304
	3.38	13,223	13,223
2011	2.71	—	—
2013	12.22	24,999	24,999
2014	10.00	281,037	281,037
	13.20	—	—
2015	22.77	30,000	30,000
	28.31	372,707	228,270
	29.34	15,972	15,290
	34.20	13,500	9,375
2016	29.01	222,500	92,500
	32.36	455,612	190,300
2017	43.42	—	—
	38.16	30,000	10,000
	36.30	15,000	3,750
2018	44.97	20,000	—
	46.00	180,000	—
	55.07	10,000	—
	50.92	6,000	—
<b>Subtotal</b>		<b>1,692,957</b>	<b>901,151</b>
Non employees stock options			
2012	6.77	22,170	22,170
2013	12.22	22,170	22,170
2014	10.00	22,170	22,170
2016	39.37	27,000	13,500
<b>Subtotal</b>		<b>93,510</b>	<b>80,010</b>
<b>Total</b>		<b>1,786,467</b>	<b>981,161</b>

**Globant S.A.**  
**Notes to the annual accounts as at December 31, 2018**

**16.1. Share options exercised and RSU vested during the year**

	<u>As of December 31, 2018</u>		<u>As of December 31, 2017</u>	
	<u>Number of options exercised</u>	<u>Exercise price</u>	<u>Number of options exercised</u>	<u>Exercise price</u>
Granted in 2006	9,900	0.95	4,600	0.95
Granted in 2007	200,000	0.71	—	—
Granted in 2007	616	1.40	800	1.40
Granted in 2010	1,793	2.48	1,623	2.48
Granted in 2010	19,732	3.38	22,377	3.38
Granted in 2011	6,031	2.71	26,194	2.71
Granted in 2012	—	—	1,651	6.77
Granted in 2012	—	—	3,991	7.04
Granted in 2013	—	—	2,395	13.40
Granted in 2014	66,146	10.00	149,337	10.00
Granted in 2014	3,769	13.20	1,918	13.20
Granted in 2015	111,843	28.31	90,787	28.31
Granted in 2015	3,000	34.20	—	—
Granted in 2015	1,200	29.34	9,911	29.34
Granted in 2016	18,750	29.01	18,750	29.01
Granted in 2016	68,888	32.36	4,375	32.36
<b>Balance at end of the year</b>	<b><u>511,668</u></b>		<b><u>338,709</u></b>	

The average market price of the share amounted to 52.81 and 38.77 for year 2018 and 2017, respectively (See Note 10).

The following tables summarizes the RSU vested during the year 2018:

	<u>As of December 31, 2018</u>		<u>As of December 31, 2017</u>	
	<u>Number of RSUs vested</u>	<u>Grant price</u>	<u>Number of RSUs vested</u>	<u>Grant price</u>
Granted in 2017	500	36.30	37,546	34.96
Granted in 2017	45,906	37.00	49,385	37.00
Granted in 2017	2,671	38.21	—	—
Granted in 2017	2,250	42.00	—	—
Granted in 2018	107,463	45.50	—	—
Granted in 2018	4,443	53.29	—	—
<b>Balance at end of the year</b>	<b><u>163,233</u></b>		<b><u>86,931</u></b>	

**Globant S.A.****Notes to the annual accounts as at December 31, 2018****16.2. Fair value of share-based compensation granted**

Determining the fair value of the stock-based awards at the grant date requires judgment. The Company calculated the fair value of each option award on the grant date using the Black-Scholes option pricing model. The Black-Scholes model requires the input of highly subjective assumptions, including the fair value of the Company's shares, expected volatility, expected term, risk-free interest rate and dividend yield.

The Company estimated the following assumptions for the calculation of the fair value of the share options:

<b>Assumptions</b>	<b>Granted in 2018 for 2014 plan</b>	<b>Granted in 2017 for 2014 plan</b>	<b>Granted in 2016 for 2014 plan</b>
Stock price	46.45	39.69	31.89
Expected option life	6 years	6 years	6 years
Volatility	40%	19%	20%
Risk-free interest rate	3.00%	2.00%	1.95%

**17. Staff**

The Company did not have any employee in Luxembourg during the year ended December 31, 2017 and December 31, 2018.

**18. Off-balance sheet commitments**

On August 3, 2017, Globant LLC, a subsidiary of Globant España S.A., entered into a secured revolving credit facility with HSBC Bank USA, N.A. and Citibank N.A., with HSBC Bank USA, N.A. acting as administrative agent.

Under this credit facility, Globant LLC may borrow up to \$40.0 million in advances accruing interest at LIBOR plus 1.75%. This credit facility is guaranteed by the Company and Globant España S.A. and is secured by Globant LLC's now owned and after-acquired assets. This facility matures on August 2, 2022.