

Globant S.A.
Société Anonyme

Audited annual accounts for the financial year ended December 31,
2015 and Report of the réviseur d'entreprises agréé

37A, avenue J.F. Kennedy
L-1885 Luxembourg
RCS Luxembourg: B 173727
Subscribed capital: USD 41,253,854.40

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

To the Shareholders of
Globant S.A.
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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the annual accounts

We have audited the accompanying annual accounts of Globant S.A., which comprise the balance sheet as at December 31, 2015 and the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors' 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 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.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

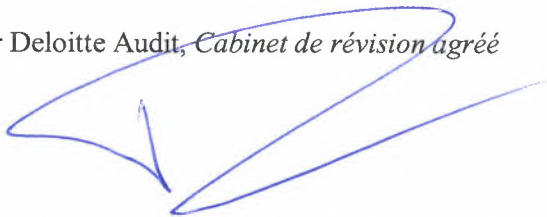
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Globant S.A. as at December 31, 2015, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

For Deloitte Audit, *Cabinet de révision agréé*



Eddy R. Termaten, *Réviseur d'entreprises agréé*
Partner

March 8, 2016

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RCSL Nr. : B173727

Matricule : 20122223796

BALANCE SHEET

Financial year from ⁰¹ 01/01/2015 to ⁰² 31/12/2015 (in ⁰³ USD)

Globant S.A.
37A, avenue J.F. Kennedy
L-1885 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	101	102
I. Subscribed capital not called	1103	103	104
II. Subscribed capital called but unpaid	1105	105	106
B. Formation expenses	1107	107	108
C. Fixed assets	1109	73,139,288.28	70,256,594.72
I. Intangible fixed assets	1111	111	112
1. Research and development costs	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 fixed assets under development	1123	123	124
II. Tangible fixed assets	1125	125	126
1. Land and buildings	1127	127	128
2. Plant and machinery	1129	129	130
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible fixed assets under development	1133	133	134
III. Financial fixed assets	1135	73,139,288.28	70,256,594.72
1. Shares in affiliated undertakings	1137	71,064,079.27	67,469,472.49
2. Amounts owed by affiliated undertakings	1139	139	140
3. Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141	141	142
4. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Securities and other financial instruments held as fixed assets	1145	145	146
6. Loans and claims held as fixed assets	1147	147	148
7. Own shares or own corporate units	1149	2,075,209.01	2,787,122.23

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

RCSL Nr. : B173727	Matricule : 20122223796
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	Reference(s)		Current year		Previous year
D. Current assets	1151	151	<u>5,151,743.75</u>	152	<u>13,540,885.70</u>
I. Inventories	1153	153		154	
1. Raw materials and consumables	1155	155		156	
2. Work and contracts in progress	1157	157		158	
3. Finished goods and merchandise	1159	159		160	
4. Payments on account	1161	161		162	
II. Debtors	1163	163	<u>2,413,045.33</u>	164	<u>2,401,497.42</u>
1. Trade receivables	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	171	<u>2,398,145.54</u>	172	<u>2,354,584.34</u>
a) becoming due and payable within one year	1173	173	<u>123,224.71</u>	174	<u>123,317.49</u>
b) becoming due and payable after more than one year	1175	175	<u>2,274,920.83</u>	176	<u>2,231,266.85</u>
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 receivables	1183	183	<u>14,899.79</u>	184	<u>46,913.08</u>
a) becoming due and payable within one year	1185	185	<u>14,899.79</u>	186	<u>46,913.08</u>
b) becoming due and payable after more than one year	1187	187		188	<u>0.00</u>
III. Transferable securities and other financial instruments	1189	189		190	
1. Shares in affiliated undertakings and in undertakings with which the undertaking is linked by virtue of participating interests	1191	191		192	
2. Own shares or own corporate units	1193	193		194	
3. Other transferable securities and other financial instruments	1195	195		196	
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197	197	<u>2,738,698.42</u>	198	<u>11,139,388.28</u>
E. Prepayments	1199	199	<u>0.00</u>	200	<u>0.00</u>
TOTAL (ASSETS)		201	<u>78,291,032.03</u>	202	<u>83,797,480.42</u>

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

LIABILITIES

	Reference(s)		Current year		Previous year	
A. Capital and reserves	1301	<u>5</u>	301	<u>70,096,064.89</u>	302	<u>75,332,359.74</u>
I. Subscribed capital	1303	<u>5.1</u>	303	<u>41,253,854.40</u>	304	<u>40,598,350.80</u>
II. Share premium and similar premiums	1305	<u>5.2</u>	305	<u>46,110,994.73</u>	306	<u>42,918,600.84</u>
III. Revaluation reserves	1307		307		308	
IV. Reserves	1309		309	<u>2,075,209.01</u>	310	<u>2,787,122.23</u>
1. Legal reserve	1311		311		312	
2. Reserve for own shares or own corporate units	1313	<u>5.4</u>	313	<u>2,075,209.01</u>	314	<u>2,787,122.23</u>
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves	1317	<u>5.4</u>	317		318	
V. Profit or loss brought forward	1319		319	<u>-10,971,714.13</u>	320	<u>-5,343,428.90</u>
VI. Profit or loss for the financial year	1321		321	<u>-8,372,279.12</u>	322	<u>-5,628,285.23</u>
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
IX. Temporarily not taxable capital gains	1327		327		328	
B. Subordinated debts	1329		329		330	
1. Convertible loans	1413		413		414	
a) becoming due and payable within one year	1415		415		416	
b) becoming due and payable after more than one year	1417		417		418	
2. Non convertible loans	1419		419		420	
a) becoming due and payable within one year	1421		421		422	
b) becoming due and payable after more than one year	1423		423		424	
C. Provisions	1331		331		332	<u>0.00</u>
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337		338	<u>0.00</u>
D. Non subordinated debts	1339	<u>2.2.5,6</u>	339	<u>8,194,967.14</u>	340	<u>8,465,120.68</u>
1. Debenture loans	1341		341		342	
a) Convertible loans	1343		343		344	
i) becoming due and payable within one year	1345		345		346	
ii) becoming due and payable after more than one year	1347		347		348	

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

RCSL Nr. : B173727		Matricule : 20122223796				
	Reference(s)	Current year	Previous year			
b) Non convertible loans	1349	349	350			
i) becoming due and payable within one year	1351	351	352			
ii) becoming due and payable after more than one year	1353	353	354			
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			
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	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	6.1	367	269,379.60	368	635,678.45
a) becoming due and payable within one year	1369	6.1.1	369	269,379.60	370	635,678.45
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	6.2	379	7,141,447.54	380	6,440,768.32
a) becoming due and payable within one year	1381	6.2.1	381	1,258,987.54	382	3,397,508.04
b) becoming due and payable after more than one year	1383	6.2.2	383	5,882,460.00	384	3,043,260.28
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. Tax and social security debts	1391		391	107,277.69	392	39,923.15
a) Tax debts	1393	2.2.6,12	393	107,277.69	394	39,923.15
b) Social security debts	1395		395		396	
9. Other creditors	1397	6.3	397	676,862.31	398	1,348,750.76
a) becoming due and payable within one year	1399	6.3.1	399	561,862.31	400	400,000.76
b) becoming due and payable after more than one year	1401	6.3.2	401	115,000.00	402	948,750.00
E. Deferred income	1403		403		404	
TOTAL (LIABILITIES)			405	78,291,032.03	406	83,797,480.42

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RCSL Nr. : B173727

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PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2015 to ⁰² 31/12/2015 (in ⁰³ USD)

Globant S.A.
37A, avenue J.F. Kennedy
L-1885 Luxembourg

A. CHARGES

	Reference(s)	Current year	Previous year
1. Use of merchandise, raw materials and consumable materials	1601 _____	601 _____	602 _____
2. Other external charges	1603 <u>7</u>	603 <u>1,573,164.47</u>	604 <u>5,180,277.87</u>
3. Staff costs	1605 _____	605 _____	606 _____
a) Salaries and wages	1607 _____	607 _____	608 _____
b) Social security on salaries and wages	1609 _____	609 _____	610 _____
c) Supplementary pension costs	1611 _____	611 _____	612 _____
d) Other social costs	1613 _____	613 _____	614 _____
4. Value adjustments	1615 _____	615 _____	616 _____
a) on formation expenses and on tangible and intangible fixed assets	1617 _____	617 _____	618 _____
b) on current assets	1619 _____	619 _____	620 _____
5. Other operating charges	1621 <u>8</u>	621 <u>168,276.24</u>	622 <u>170,000.00</u>
6. Value adjustments and fair value adjustments on financial fixed assets	1623 <u>3.1</u>	623 <u>6,405,393.22</u>	624 _____
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625 _____	625 _____	626 _____
8. Interest and other financial charges	1627 <u>9</u>	627 <u>145,783.85</u>	628 <u>101,136.10</u>
a) concerning affiliated undertakings	1629 <u>9.1</u>	629 <u>125,769.58</u>	630 <u>96,260.28</u>
b) other interest and similar financial charges	1631 <u>9.2</u>	631 <u>20,014.27</u>	632 <u>4,875.82</u>
9. Share of losses of undertakings accounted for under the equity method	1649 _____	649 _____	650 _____
10. Extraordinary charges	1633 _____	633 <u>2,543.82</u>	634 <u>276,015.81</u>
11. Income tax	1635 <u>11</u>	635 <u>56,403.16</u>	636 <u>3,897.26</u>
12. Other taxes not included in the previous caption	1637 <u>11</u>	637 <u>68,979.12</u>	638 <u>4,171.12</u>
13. Profit for the financial year	1639 _____	639 <u>0.00</u>	640 <u>0.00</u>
TOTAL CHARGES		641 <u>8,420,543.88</u>	642 <u>5,735,498.16</u>

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

B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover	1701	701	702
2. Change in inventories of finished goods and of work and contracts in progress	1703	703	704
3. Fixed assets under development	1705	705	706
4. Reversal of value adjustments	1707	707	708
a) on formation expenses and on tangible and intangible fixed assets	1709	709	710
b) on current assets	1711	711	712
5. Other operating income	1713	713	714
6. Income from financial fixed assets	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
7. Income from financial current assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income from financial current assets	1725	725	726
8. Other interest and other financial income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar financial income	1731	731	732
9. Share of profits of undertakings accounted for under the equity method	1745	745	746
10. Extraordinary income	1733	733	734
13. Loss for the financial year	1735	735	736
TOTAL INCOME		737	738

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

Globant S.A.
Notes to the annual accounts as at December 31, 2015

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 is established at 37A, avenue J.F. Kennedy, L-1855 Luxembourg.

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.

2. Principles, rules 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

Globant S.A.
Notes to the annual accounts as at December 31, 2015

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 rules and valuation methods

The significant valuation rules 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 fixed assets

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

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 fixed 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.

Globant S.A.

Notes to the annual accounts as at December 31, 2015

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. Debts

Debts are recorded at their repayment value.

2.2.6. Tax

The tax liability estimated by the Company for the financial years for which the Company has not been assessed yet, is recorded under the caption "Tax debts". The advance payments are disclosed in the assets of the balance sheet under "Other receivables".

3. Financial fixed assets

3.1. Shares in affiliated undertakings

The companies in which the Company owns at least fifty per cent of the share capital, or in which it is the member having unlimited liability are as follows:

Name of the 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 S.A. Spain*	Calle Velasquez 157, floor 5"C", 28002 Madrid, Spain	100%	31.12.2015	45,976,272.08	1,657,738.12	68,748,897.00
Huddle Investment LLP**	Winnington House, 2 Woodberry Grove North Finchley, London N12oDR England	93.125%	31.12.2015	4,230,806.95	(66,937.05)	2,315,182.27
Total						71,064,079.27

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 Shareholder's 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 Board of Directors of the Company considered the valuation of the subsidiaries and therefore decided to record an adjustment on the value of Huddle Investment LLP for an amount of USD 6,405,393.22, as this company and its subsidiaries are under a business

Globant S.A.
Notes to the annual accounts as at December 31, 2015

reorganization and as a consequence all the business is being transferred to other subsidiaries of Globant group.

*On May 23, 2015, the Company increased the share capital of GLOBANT S.A. Spain for an amount of USD 10,000,000.00 increasing its net investment amount from USD 58,748,897.00 to USD 68,748,897.00.

**On October 11, 2013, the Company accepted an offer letter, executed and submitted by Gabriel Eduardo Spitz (“Mr. Spitz”), and entered into a Stock Purchase Agreement (the “SPA”) to purchase an additional 13.75% of the capital interest of Huddle Investment LLP held by Mr Spitz (the “Spitz Interest”).

On October 23, 2014, the Company and its subsidiary Globant S.A. (Spain), accepted an offer letter, executed and submitted by Mr. Spitz, and entered into an Amendment to the SPA and Partial Assignment under which the Company wishes to assign to Globant S.A. (Spain) and Globant S.A. (Spain) wishes to acquire half of the Spitz Interest. The purchase price for half of the Spitz Interest amounted to USD 325,000.00, which shall be paid by the Company no later than September 30, 2015 against the issuance of common shares of the Company valued at their market price as quoted on the in the New York Stock Exchange at the close of business on August 31, 2015 or based on the quotation at close of business on the immediate preceding business day if such date is not a business day.

As at December 31, 2015, the purchase price for half of the Spitz Interest remains outstanding (see note 6.3.1). This liability was settled on January 2016 (see note 14).

3.2. Own shares or own corporate units

As at December 31, 2014, the Company was the owner of 228,059 of its own shares for a book value of USD 2,787,122.23.

During 2015, the Company distributed 58,253 of its own shares to its employees, representing a book value of USD 711,913.22. The cost has been recharged to companies of the group.

As a consequence, as at December 31, 2015, the Company holds 169,806 of its own shares for a book value of USD 2,075,209.01.

4. Debtors

4.1. Amounts owed by affiliated undertakings

4.1.1. becoming due and payable within one year

This item is composed of advances granted to the other group companies for an amount of USD 123,224.71.

Globant S.A.
Notes to the annual accounts as at December 31, 2015

4.1.2. becoming due and payable after more than one year

This item can be summarized in the following table:

Nature	Issuer	Maturity date	Interest Rate	Nominal Value 31.12.2014 (USD)	Loan / (Reimbursement) (USD)	Nominal Value 31.12.2015 (USD)	Interest income (USD)	Accrued interests (USD)
Interest bearing Loan	Globant Spain	01/01/2017	3.8%	600,000.00	0.00	600,000.00	11,276.71	24,000.00
Interest bearing Loan	Globant Spain	01/01/2017	3.8%	1,605,000.00	0.00	1,605,000.00	32,377.27	45,920.83
Total				2,205,000.00	0.00	2,205,000.00	43,653.98	69,920.83

4.2. Other receivables

4.2.1. becoming due and payable within one year

This item is mainly composed of:

- tax advances paid by the Company in an amount of USD 14,899.79

5. Capital and reserves

5.1. Subscribed capital

As at December 31, 2014, the subscribed capital amounted to USD 40,598,350.80, represented by 33,831,959 common shares with a nominal value of USD 1.20, fully paid, among which 4,350,000 common shares are listed on the NYSE.

As at December 31, 2015, further to the movements on the subscribed capital account during 2015, the subscribed capital amounts to USD 41,253,854.40, represented by 34,378,212 common shares with a nominal value of USD 1.20, fully paid, among which 22,045,136 common shares are listed on the NYSE.

The authorised capital excluding the share capital is set at USD 4,815,340.80 consisting in 4,012,784 common shares having a nominal value of USD 1.20 per common share.

5.2. Share premium and similar premiums

As at December 31, 2014, there was a share premium for a total amount of USD 42,918,600.84.

As at December 31, 2015, further to the movements on the share premium account during 2015, there is a share premium for a total amount of USD 46,110,994.73.

5.3. 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.

5.4. Reserve for own shares or own corporate units

As at December 31, 2014, there was a « Reserve for own shares » for an amount of USD 2,787,122.23.

During the year 2015, the Company transferred 58,253 of its own shares to its employees, representing a book value of USD 711,913.22. As a consequence, as at December 31, 2015, the Company holds 169,806 of its own shares for a book value of USD 2,075,209.01 included among the assets shown in the Company's balance sheet.

In accordance with Luxembourg company law, the Company has reduced its « Reserve for own shares » from USD 2,787,122.23 to USD 2,075,209.01, transferring USD 711,913.22 to the Share Premium account (see note 5.2).

6. Non subordinated debts

6.1. Trade creditors

6.1.1. becoming due and payable within one year

This item is composed of:

	USD
- running expenses linked to the day to day activity	19.54
- accrual for legal fees	84,718.60
- accrual for audit fees	70,614.02
- accrual for other fees	114,027.44
	<u>269,379.60</u>

6.2. Amounts owed to affiliated undertakings

6.2.1. becoming due and payable within one year

This item is composed of amounts granted to companies of the group for a total amount of USD 1,258,987.54.

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6.2.2. becoming due and payable after more than one year

The long term loans can be summarized in the following table:

Nature	Issuer	Maturity date	Interest Rate	Nominal Value 31.12.2014 (USD)	Borrowing/ capitalised interest/ (Reimbursement) (USD)	Nominal Value 31.12.2015 (USD)	Interest expenses (USD)	Accrued interests (USD)
Interest Bearing Loan	GLOBANT LLC	01/01/2017	2.7%	500,000.00	0.00	500,000.00	10,689.49	18,333.33
Interest Bearing Loan	GLOBANT LLC	01/01/2017	2.7%	2,500,000.00	0.00	2,500,000.00	51,883.56	87,500.00
Interest bearing loan*	GLOBANT LLC	04/10/2017	3.5%*	500,000.00	20,000	520,000.00	12,139.04	4,550.00
Interest bearing loan*	GLOBANT LLC	02/10/2017	3.5%*	1,000,000.00	40,000	1,040,000.00	24,168.49	9,100.00
Interest Bearing loan*	GLOBANT LLC	12/11/2017	3.5%*	1,150,000.00	46,000	1,196,000.00	26,889.00	6,976.67
Total				5,650,000.00	106,000.00	5,756,000.00	125,769.58	126,460.00

*During 2015, the conditions of these three loan agreements (the “Amended Loan Agreements”) were amended, renewing the maturity date for two additional years, increasing the interest rate from 2% to 2.7% or 3.5%, and capitalising the interest accrued until the date of the amendment of each loan agreement.

6.3. Other creditors

6.3.1. becoming due and payable within one year

This item is composed of:

	USD
- director fees	40,000.00
- payable in relation with the acquisition of Spitz Interest (see note 3.1 and 14)	325,000.00
- other payables	9,987.31
- payable in relation with the acquisition of Huddle Investment LLP	186,875.00
	<u><u>561,862.31</u></u>

6.3.2. becoming due and payable after more than one year

This item is composed of a debt payable in relation with the acquisition of Huddle Investment LLP for an amount of USD 115,000.00.

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7. Other external charges

This item is composed of:

	USD
- bank fees	10,902.76
- legal fees	106,069.15
- recurrent accounting fees	29,506.68
- non recurrent accounting fees	4,748.70
- audit fees	46,300.00
- rental offices	7,270.50
- management fees	5,507.32
- subscription to “Chambre de Commerce”	388.36
- insurance fees	277,690.00
- legal and accounting fees related to the IPO	1,084,781.00
	<u>1,573,164.47</u>

8. Other operating charges

This item is composed of the director fees paid to some directors of the Company for a total net amount of USD 168,276.24.

9. Interest and other financial charges

9.1. concerning affiliated undertakings

This item is composed of interest expenses related to the Interest bearing loans for an amount of USD 125,769.58 (see note 6.2.2).

9.2. other interest and similar financial charges

This item is composed of realized and unrealized exchange losses for an amount of USD 20,014.27.

10. Other interest and other financial income

10.1 derived from affiliated undertakings

This item is composed of interest income amounting to USD 43,653.98 (as described in note 4.1.2)

10.2 other interest and similar financial income

This item is composed of realised exchange gains for an amount of USD 4,610.78.

11. Tax status

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

12. Share-based compensation plan

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.

The 2012 share-based compensation agreement was signed by the employees on June 30, 2012. Under this share-based compensation plan, during the year 2014, other share-based compensation agreements were signed for a total of 55,260 options granted.

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.

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 589,000 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. 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 2015, other share-based compensation agreements were signed for a total of 789,948 options granted.

The following reconciles the share options outstanding from the beginning of the years ended at December 31, 2015 and 2014:

	As of December 31, 2015		As of December 31, 2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of year	1,724,614	5.92	1,497,466	4.56
Options granted during the year	789,948	28.29	644,260	10.05
Forfeited during the year	(35,674)	15.49	(158,370)	8.40
Exercised during the year	(545,649)	4.10	(258,742)	4.21
Balance at end of year	1,933,239	15.40	1,724,614	5.92

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The following table summarizes the share-based compensation plan at the end of the year:

Grant date	Exercise price (\$)	Number of stock options	Number of stock options vested as of December 31, 2015	Fair value at grant date (\$)	Fair value vested (\$)	Expense as of December 31, 2015 (\$) (*)
2006	0.95	18,799	18,799	102	102	-
2007	0.71	236,538	236,538	1,343	1,343	52
	1.40	7,737	7,737	39	39	40
2009	2.08	-	-	-	-	85
2010	2.48	8,015	8,015	32	32	19
	2.93	1,402	1,402	5	5	-
	3.38	94,474	94,474	313	313	163
2011	2.71	92,225	92,225	357	357	154
	3.38	-	-	-	-	88
2012	6.77	3,651	3,651	6	6	20
	7.04	17,182	17,182	27	27	23
2013	12.22	24,999	15,000	65	39	24
	14.40	2,395	1,436	4	3	1
2014	10.00	548,848	129,916	1,826	432	512
	13.20	10,096	1,902	20	4	9
2015	22.77	30,000	-	221	-	54
	28.31	685,600	-	4,752	-	562
	29.34	44,598	14,525	301	98	125
	34.20	18,000	-	155	-	5
Subtotal		1,844,559	642,802	9,568	2,800	1,936
Non employees stock options						
2012	6.77	22,170	22,170	35	35	7
2013	12.22	22,170	22,170	52	52	16
2014	10.00	44,340	26,604	87	52	31
Subtotal		88,680	70,944	174	139	54
Total		1,933,239	713,746	9,742	2,939	1,990

(*) Total share-based compensation for year 2015 includes 392 related to the shares granted to one employee.

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Share options exercised during the year:

	<u>As of December 31, 2015</u>		<u>As of December 31, 2014</u>	
	<u>Number of options exercised</u>	<u>Exercise price</u>	<u>Number of options exercised</u>	<u>Exercise price</u>
Granted in 2006	15,040	0.95	-	-
Granted in 2007	104,996	0.71	-	-
Granted in 2007	8,811	1.40	-	-
Granted in 2009	19,501	2.08	-	-
Granted in 2010	11,085	2.26	-	-
Granted in 2010	6,689	2.48	1,660	2.48
Granted in 2010	18,108	2.93	-	-
Granted in 2010	59,460	3.38	10,823	3.38
Granted in 2011	-	-	1,922	2.48
Granted in 2011	69,548	2.71	-	-
Granted in 2011	17,293	3.38	-	-
Granted in 2012	-	-	214,337	3.61
Granted in 2012	113,851	6.77	-	-
Granted in 2012	74,492	7.04	-	-
Granted in 2012	14,341	9.02	30,000	9.02
Granted in 2014	11,610	10.00	-	-
Granted in 2014	824	13.20	-	-
Balance at end of the year	<u>545,649</u>		<u>258,742</u>	

The average market price of the share amounted to 26.78 and 13.03 for year 2015 and 2014, respectively.

13. Initial Public Offering and second public offerings

In July 2014, the Company entered into an initial public offering for 4,350,000 common shares on the NYSE under the symbol “GLOB” (the “Listed Shares”). The underwriters have subscribed to the Listed Shares for a total issue price of USD 43,500,000.00. Trading on the NYSE began on July 18, 2014. On December 31, 2014, the closing sale price of the Listed Shares on the NYSE was USD 15.62.

The following table sets forth, for the period indicated, the high and low quoted prices for the Listed Shares as reported by NYSE (Source: Bloomberg).

2014	<u>Price per Listed Shares (USD)</u>	
	High	Low
For the period from July 18, 2014 to December 31, 2014	15.62	10.67

On March 30, 2015 the Company successfully completed its secondary public offering. Registration statement relating to the offering became effective on March 26, 2015. On March 27, 2015, the underwriters of the previously announced secondary public offering of 3,473,382 common shares exercised in full their option to purchase an additional 521,008 common shares from certain of the selling shareholders to cover over-allotments as provided in the underwriting agreement among the Company, the selling shareholders and the underwriters. Including the additional shares, a total of 3,994,390 common shares were sold in the offering. The common shares were sold to the public at a price of 18.50 per share. The Company did not receive any proceeds from the sale of common shares by the selling shareholders.

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On July 8, 2015 the Company successfully completed a new secondary public offering. Registration statement relating to the offering became effective on July 8, 2015. On July 9, 2015, the underwriters of the previously announced a new secondary public offering of 3,500,000 common shares exercised in full their option to purchase additional 525,000 common shares from certain of the selling shareholders to cover over-allotments as provided in the underwriting agreement among the Company, the selling shareholders and the underwriters. Including the additional shares, a total of 4,025,000 common shares were sold in the offering. The common shares were sold to the public at a price of 28.31 per share. The Company did not receive any proceeds from the sale of common shares by the selling shareholders.

14. Subsequent events

On January 2016, the Company repaid the outstanding liability of USD 325,000.00 in relation to the Spitz Interest by delivering to Mr. Spitz 11,949 treasury shares.