

Globant S.A.
Société Anonyme

Audited annual accounts for the financial year ended December 31,
2017 and report of the réviseur d'entreprises agréé

37A, Avenue J.F. Kennedy
L-1855 Luxembourg
RCS Luxembourg: B 173.727

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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., which comprise the balance sheet as at December 31, 2017, 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, 2017 and of 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 Law of July 23, 2016 on the audit profession (Law of July 23, 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 "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 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.

We have not identified any Key Audit Matters.

Other information

The Board of directors is responsible for the other information. The other information comprises the information included in the management report but does not include the annual accounts and our report of "*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 concluded that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regards.

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 the 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 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 a 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 "*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 July 23, 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 scepticism 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.
- Conclude on the appropriateness of Board of Directors' 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 "*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 "*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.

Report on Other Legal and Regulatory Requirements

We have been appointed as "*Réviseur d'Entreprises Agréé*" by the General Meeting of the on May 08, 2017 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 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, 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*



Marco Crosetto, *Réviseur d'Entreprises Agréé*
Partner

April 11, 2018

GLOBANT S.A.
Société Anonyme
Registered Office: 37A, avenue J.F. Kennedy,
L-1855 Luxembourg
R.C.S. Luxembourg B 173727
(the "**Company**")

**Management report to the general meeting of shareholders on the annual
accounts dated 31st December 2017.**

Dear Shareholders,

We hereby wish to submit to you the annual accounts of the Company for the financial year ending on 31 December 2017.

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

- Relevant activity of the Company during the fiscal year 2017.
- Financial results of the Company for the whole year 2017 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 2017.
- 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 2017.

I- RELEVANT ACTIVITY

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

In February 2017, Globant, LLC, our U.S. subsidiary ("Globant US"), acquired 100% of the shares of Ratio Cypress, LLC ("Ratio"), a limited liability company organized and existing under the laws of the State of Washington in the United States. Ratio offers design, development and quality assurance services necessary to build and manage robust digital products and video streaming solutions for major media companies.

Later in the year, during June 2017, Globant, LLC acquired PointSource, LLC (“**PointSource**”), a design and development technology agency, based in Raleigh, North Carolina, and Chicago. The purpose of this acquisition was related to the benefit of expected synergies, revenue growth and expanding our capabilities in the United States. Also, as a part of the transaction for the acquisition of PointSource, we purchased an option to acquire 100% of a Belarusian company owned by the Sellers of PointSource. We expect to exercise such option during the first months of the year 2018.

After being acquired, both Ratio and PointSource were merged with and into Globant US, with effective dates November 30, 2017 in the case of PointSource and August 31, 2017 in the case of Ratio. Accordingly, Globant, LLC, is now the successor-in-interest of both companies and the operations of the three have been merged completely.

In August, 2017, Globant LLC, our U.S. subsidiary, 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 Globant S.A. and Globant España S.A. and is secured by Globant LLC’s now owned and after-acquired assets. This facility matures on 2 August 2022 and includes customary negative and affirmative covenants. As of the date of this management report, Globant LLC has borrowed a total of USD \$6.000.000 under this credit facility.

II- ALLOCATION OF RESULTS

At a consolidated level the Company has made a gain of USD \$ 30.463.283 as shown in its consolidated financial statements for the financial year ended on 31 December 2017.

During the same period, at an individual level the Company has made a gain of USD \$ 8,740,055.58, as shown in its stand-alone individual financial statements for the year ended 31 December 2017.

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, we recommend the following allocation of the result:

Result of the financial year	USD	8,740,055.58
Allocation to the legal reserve	USD	437,002.78
Distribution of dividends	/	/
Result to be carried forward to the following year	USD	8,303,052.80

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.

- *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 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 (including share option or any other performance-related pay scheme), 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.

- *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, our 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, we may not have the necessary resources to maintain client relationships, and competition for such IT professionals could materially adversely affect our business, financial condition and results of operations;
- If the pricing structures that the Company and/or its subsidiaries use for our client contracts are based on inaccurate expectations and assumptions regarding the cost and complexity of performing our work, our contracts could be unprofitable;

- We may not be able to achieve our anticipated growth, which could materially adversely affect our revenues, results of operations, business and prospects;
- We may be unable to effectively manage our rapid growth, which could place significant strain on our management personnel, systems and resources;
- If we were to lose the services of our senior management team or other key employees, our business operations, competitive position, client relationships, revenues and results of operation may be adversely affected;
- If we do not continue to innovate and remain at the forefront of emerging technologies and related market trends, we may lose clients and not remain competitive, which could cause our results of operations to suffer;
- If any of our largest clients at a consolidated level terminates, decreases the scope of, or fails to renew its business relationship or short-term contract with us, our revenues, business and results of operations may be adversely affected;
- We derive a significant portion of our revenues from clients located in the United States and, to a lesser extent, Europe. Worsening general economic conditions in the United States, Europe or globally could materially adversely affect our revenues, margins, results of operations and financial condition;
- Considering our Argentine subsidiary, uncertainty concerning the instability in the current economic, political and social environment in Argentina may have an adverse impact on capital flows and could adversely affect our business, financial condition and results of operations;
- As of March 26, 2018, our greater than 5% shareholders, directors and executive officers and entities affiliated with them beneficially own approximately 48.17% of our outstanding common shares (this calculation includes common shares subject to options and/or restricted stock units currently exercisable, as well as options and/or restricted stock units exercisable within 60 days of March 26, 2018), of which approximately 18.66% of our outstanding common shares are owned by affiliates of WPP. These shareholders therefore continue to have substantial control over us at the date of this annual report and could prevent new investors from influencing significant corporate decisions, such as approval of key transactions, including a change of control.

V- 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 2017.
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 percentage of total share capital that it represents.</p>	<p>As at the date of this management report, the Company’s issued share capital was \$43,019,083.20, represented by 35,849,236 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 as set forth in the articles of association, including rights to receive dividends (if declared) or liquidation proceeds.</p> <p>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 (<i>Mémorial C Recueil des Sociétés et Associations</i>) 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.</p> <p>As at the date of this management report we had an authorized share capital, excluding the issued share capital,</p>
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	<p>of \$7,860,721.20 consisting of 6,550,601 common shares with a nominal value of \$1.20 each.</p> <p>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).</p> <p>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.</p> <p>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 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>

Significant direct and indirect shareholdings within the meaning of the Transparency Law.

The following table sets forth information regarding beneficial ownership of the common shares of the Company as of 3 April 2018, by each shareholder whom the Company knows to own beneficially more than 5% of its common shares.

As of 3 April 2018, the Company had 35,849,236 issued and outstanding common shares. Beneficial ownership for the purposes of the following table is determined in accordance with the Transparency Law.

Shareholder	Number of voting rights	Percentage of total
WPP Plc /Private Equity (1)	6,687,548	18.66%
Capital World Investors (2)	2,995,146	8.36%
GIC Asset Mngement Pte LTD (3)	2,716,925	7.58%
Morgan Stanley Investment Management Inc. (4)	2,904,646	8.10%
JP Morgan Chase & Co. (5)	2,028,954	5.66%

- (1) The ultimate parent of WPP Luxembourg Gamma Three S.a r.l. is WPPplc, a company incorporated in Jersey. Paul W.G. Richardson, Group Finance Director of WPPplc, holds voting and dispositive power over the 6,687,548 common shares indirectly held by WPP plc.
- (2) Based on a Schedule 13G/A filed with the SEC on February 8, 2018. Capital World Investors, in its capacity as an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) of the Exchange Act and as a division of Capital Research and Management Company, beneficially owns 2,995,146 of our common shares and has sole voting and dispositive power with respect to all 2,995,146 shares.
- (3) Based on a Schedule 13G/A filed with the SEC on January 23, 2018. GIC Private Limited beneficially owns 2,716,925 of our common shares and has sole and dispositive power with respect to 2,031,722 of such shares and shared voting and dispositive power with respect to 685,203 of such shares.
- (4) Based on a Schedule 13G filed jointly by Morgan Stanley and Morgan Stanley Investment Management Inc. (“MSIM”) with the SEC on February 12, 2018. Each of Morgan Stanley and MSIM beneficially own 2,904,646 of our common shares and has shared voting and dispositive power with respect to all of such shares. The securities being reported upon by Morgan Stanley, in its capacity as a parent holding company under Rule 13d-1(b)(1)(ii)(G) of the Exchange Act, are owned, or may be deemed to be beneficially owned, by MSIM, an investment adviser in accordance with Rule 13d-1(b) (1)(ii)(E) of the Exchange Act. MSIM is a wholly-owned subsidiary of Morgan Stanley.
- (5) Based on a Schedule 13G/Afiled with the SEC on January 22, 2018. JP Morgan Chase & Co beneficially owns 2,028,954 of our common shares and has sole and dispositive power with respect to 2,020,692 of such shares and shared voting and dispositive power with respect to 8.262 of such shares.

<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 3 July 2014, our board of directors and shareholders approved and adopted the 2014 Equity Incentive Plan, which was amended by our board of directors on 9 May 2016 to increase the number of common shares that may be issued as stock awards from 1,666,667 to 3,666,667.</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 2,103,456 common shares and 344,523 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 units. 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 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</p>	<p>Each common share entitles the shareholders to one vote at the Company's general shareholders' meeting. There are no 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</p>

<p>are separated from the holding of securities.</p>	<p>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>On July 23, 2014, Martín Migoya, Martín Umaran, Nestor Augusto Nocetti and Guibert Englebienne (collectively, the “Founders”), Kajur International S.A., Mifery S.A., Gudmy S.A., Noltur S.A., Etnyl S.A., Ewerzy S.A., Fudmy Corporation S.A. and Gylcer International S.A. (collectively, the “Uruguayan Entities”) along with Riverwood Capital LLC, Riverwood Capital Partners (Paralell-B) L.P. and Riverwood Capital Partners (collectively, the “Riverwood Entities”), FTVentures III L.P. and FTVentures IIIN L.P.(collectively, the FTV Partnerships) Endeavor Global, Inc. and Endeavor Catalyst Inc. Paldwick S.A., (collectively, the “Selling Shareholders”) entered into a tag-along agreement pursuant to which if, during a period of four years as from the date our registration statement filed with the Securities and Exchange Commission was declared effective, any of the Selling Shareholders proposes to make a transfer of our shares to any other Selling Shareholder or WPP, each of (i) the Founders and the Uruguayan Entities (individually</p>

	<p>and/or acting as a group), (ii) the RW Entities (individually and/or acting as a group), (iii) the FTV Partnerships (individually and/or acting as a group), and (v) Endeavor, shall have the right to participate in such sale with respect to any shares held by them on a pro rata basis, and on the same terms and conditions and the same total consideration, as those offered to the corresponding Selling Shareholder in the applicable transfer.</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</p>

	<p>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 Luxembourg's official gazette (<i>Mémorial C Recueil des Sociétés et Associations / Recueil Electronique des Sociétés et Associations</i>) 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.</p> <p>We have an authorized share capital, excluding the issued share capital, of \$ 7,860,721.20 and our board of directors is authorized to issue up to 6,550,601 common shares (subject to stock splits, consolidation of common shares or like transactions) with a nominal value of \$1.20 per common share.</p> <p>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 (<i>Mémorial C Recueil des Sociétés et Associations</i>) 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.</p> <p>We cannot subscribe for our own common shares. We may, however, repurchase issued common shares or have another</p>

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 consideration, the minimum and maximum consideration per common share;
- 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
- only fully paid-up common shares are repurchased.

No prior authorization by our shareholders is required for us to repurchase our own common shares if:

- 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
- 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.

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

	<p>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>
<p>Any significant agreements to which the 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>In the event of any transaction resulting in a "change in control" of the Company, any outstanding stock options and 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</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</p>

<p>because of a takeover bid.</p>	<p>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 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 Operating 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 2017 for the exercise of their mandates during the financial year ended 31 December 2017.

So done on April 3, 2018.

For the Board of Directors of the Company:



 Name : Martín Migoya

Title: Chairman of the Board of Directors

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494

Email :

centralebilans@statec.etat.lu

RCSL Nr. : B173727

Matricule : 20122223796

BALANCE SHEET

Financial year from ⁰¹ 01/01/2017 to ⁰² 31/12/2017 (in ⁰³ USD)

Globant S.A.
37A Avenue J.F. Kennedy
L-1855 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	109	110
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
		88,050,164.30	68,748,898.00

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

RCSL Nr. : B173727

Matricule : 20122223796

	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
III. Financial assets	1135	2.2.2,3	135	88,050,164.30	136 68,748,898.00
1. Shares in affiliated undertakings	1137	3.1	137	88,050,164.30	138 68,748,898.00
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
D. Current assets	1151		151	7,911,561.28	152 6,718,694.24
I. Stocks	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
II. Debtors	1163	2.2.3,4	163	5,044,197.76	164 902,061.72
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	171	5,037,354.07	172 895,229.07
a) becoming due and payable within one year	1173	4.1.1	173	5,037,354.07	174 895,229.07
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	183	6,843.69	184 6,832.65
a) becoming due and payable within one year	1185	4.2.1	185	6,843.69	186 6,832.65
b) becoming due and payable after more than one year	1187		187		188

RCSL Nr. : B173727	Matricule : 20122223796
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	Reference(s)		Current year		Previous year
III. Investments	1189 5	189	1,679,368.76	190	1,745,863.52
1. Shares in affiliated undertakings	1191	191		192	
2. Own shares	1209 5.1	209	1,679,368.76	210	1,745,863.52
3. Other investments	1195	195		196	
IV. Cash at bank and in hand	1197	197	1,187,994.76	198	4,070,769.00
E. Prepayments	1199	199		200	
TOTAL (ASSETS)		201	95,961,725.58	202	75,467,592.24

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)		Current year		Previous year	
A. Capital and reserves	1301	<u>6</u>	301	<u>94,448,384.51</u>	302	<u>74,840,886.78</u>
I. Subscribed capital	1303	<u>6.1</u>	303	<u>42,437,899.20</u>	304	<u>41,749,483.20</u>
II. Share premium account	1305	<u>6.2</u>	305	<u>64,466,298.63</u>	306	<u>54,220,777.72</u>
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309	<u>1,679,368.76</u>	310	<u>1,745,863.52</u>
1. Legal reserve	1311		311		312	
2. Reserve for own shares	1313	<u>6.4</u>	313	<u>1,679,368.76</u>	314	<u>1,745,863.52</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>-22,875,237.66</u>	320	<u>-19,343,993.25</u>
VI. Profit or loss for the financial year	1321		321	<u>8,740,055.58</u>	322	<u>-3,531,244.41</u>
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	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	
C. Creditors	1435	<u>2.2.5</u>	435	<u>1,513,341.07</u>	436	<u>626,705.46</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	

RCSL Nr. : B173727

Matricule : 20122223796

	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	7.1	367	137,720.45	368	147,040.56
a) becoming due and payable within one year	1369	7.1.1	369	137,720.45	370	147,040.56
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	7.2	379	1,136,005.06	380	274,003.45
a) becoming due and payable within one year	1381	7.2.1	381	1,136,005.06	382	274,003.45
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	7.3	451	239,615.56	452	205,661.45
a) Tax authorities	1393	2.2.5.1	393	50,615.56	394	22,451.05
b) Social security authorities	1395		395		396	
c) Other creditors	1397	7.3.1	397	189,000.00	398	183,210.40
i) becoming due and payable within one year	1399	7.3.1.1	399	189,000.00	400	65,710.40
ii) becoming due and payable after more than one year	1401		401	0.00	402	117,500.00
D. Deferred income	1403		403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	95,961,725.58	406	75,467,592.24

Annual Accounts Helpdesk :

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RCSL Nr. : B173727

Matricule : 20122223796

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2017 to ⁰² 31/12/2017 (in ⁰³ USD)

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

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 <u>8</u>	713 <u>10,243,886.31</u>	714 _____
5. Raw materials and consumables and other external expenses	1671 <u>9</u>	671 <u>-945,564.67</u>	672 <u>-990,731.47</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 <u>9.1</u>	603 <u>-945,564.67</u>	604 <u>-990,731.47</u>
6. Staff costs	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 _____
7. Value adjustments	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 _____
8. Other operating expenses	1621 <u>10</u>	621 <u>-278,222.90</u>	622 <u>-229,557.74</u>

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
9. Income from participating interests					
	1715	<u>11</u>	715	<u>67,153.96</u>	716
a) derived from affiliated undertakings	1717	<u>11.1</u>	717	<u>67,153.96</u>	718
b) other income from participating interests	1719		719		720
10. Income from other investments and loans forming part of the fixed assets					
	1721	<u>12</u>	721	<u>57,035.49</u>	722
a) derived from affiliated undertakings	1723		723		724
b) other income not included under a)	1725	<u>12.1</u>	725	<u>57,035.49</u>	726
11. Other interest receivable and similar income					
	1727	<u>13</u>	727	<u>1,862.38</u>	728
a) derived from affiliated undertakings	1729		729		730
b) other interest and similar income	1731	<u>13.1</u>	731	<u>1,862.38</u>	732
12. Share of profit or loss of undertakings accounted for under the equity method					
	1663		663		664
13. Value adjustments in respect of financial assets and of investments held as current assets					
	1665		665		666
					<u>-2,315,181.27</u>
14. Interest payable and similar expenses					
	1627	<u>14</u>	627	<u>-314,809.07</u>	628
a) concerning affiliated undertakings	1629		629		630
b) other interest and similar expenses	1631	<u>14.1</u>	631	<u>-314,809.07</u>	632
15. Tax on profit or loss					
	1635		635	<u>-69,555.73</u>	636
16. Profit or loss after taxation					
	1667		667	<u>8,761,785.77</u>	668
17. Other taxes not shown under items 1 to 16					
	1637	<u>15</u>	637	<u>-21,730.19</u>	638
18. Profit or loss for the financial year					
	1669		669	<u>8,740,055.58</u>	670
					<u>-3,531,244.41</u>

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. 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.

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. 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.

2.2.5.1. 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".

2.2.6. 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.

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 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 España S.A. (sociedad unipersonal) (previously GLOBANT S.A. Spain)	Calle Velasquez 157, floor 5"C",28002 Madrid, Spain	100%	31.12.2017	161,656,380	(2,022,757)	82,248,897.00
Software Product Creation S.L.	Calle Velasquez 157, floor 5"C",28002 Madrid, Spain	47.72%	31.12.2017	12,637,723	21,283	5,801,267.30
Total						88,050,164.30

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 2017 are detailed as follows:

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

On January 18, 2017, the Company increased its investment in Globant España S.A. by an amount of USD 3,500,000.00 resulting in an increase of its net investment amount from USD 68,748,897.00 to USD 72,248,897.00.

On July 17, 2017, the Company further increased its investment in Globant España S.A. by an amount of USD 10,000,000.00 resulting in an increase of its net investment amount from USD 72,248,897.00 to USD 82,248,897.00. As of December 31, 2017, part of the subscription price amounting to USD 1,000,000.00 remains unpaid.

Huddle Investment LLP

On June 30, 2017, Huddle Investment LLP was dissolved. As of December 31, 2016, the Company had recorded an impairment on this investment for a total amount of USD 8,720,575.49. During 2017, the Company recorded a net income for an amount of USD 67,153.96 (see note 11.1).

Software Product Creation

On November 15, 2017, the Company contributed its receivables of USD 5,801,267.30 to the share capital of Software Product Creation.

The Board of Directors of the Company considered the valuation of the subsidiaries and decided that 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, 2017, this item is composed of receivables from group companies for an amount of USD 5,037,354.07 detailed as follows:

- Receivables from Globant LLC: USD 472,955.00;
- Receivables from Sistemas Uk Ltda.: USD 38,301.00; and,
- Receivables from Sistemas Globales S.A.: USD 3,871,513.06 (see note 8 and 15); and,
- Receivables from IAFH Global S.A.: USD 654,584.91 (see note 8 and 15).

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) and (iii) a receivable from the shareholders related to capital increases for an amount of USD 11.04.

5. Investments

5.1. Own shares

As at December 31, 2016, the Company was the owner of 142,857 of its own shares for a book value of USD 1,745,863.52.

During 2017, the Company distributed 5,441 of its own shares to employees of the Company group representing a book value of USD 66,494.76.

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

6. Capital and reserves

	Subscribed Capital	Share Premium Account	Reserves	Result brought forward	Result of the financial year
As at 31.12.2016	41,749,483.20	54,220,777.72	1,745,863.52	(19,343,993.25)	(3,531,244.41)
Result allocation				(3,531,244.41)	3,531,244.41
Capital increases	688,416.00	10,245,520.91	(66,494.76)		
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

6.1. Subscribed capital

As at December 31, 2016, the subscribed capital of the Company amounted to USD 41,749,483.20, represented by 34,791,236 common shares with a nominal value of USD 1.20, fully paid, among which 24,409,182 common shares are listed on the NYSE.

As at December 31, 2017, further to the movements on the subscribed capital account during 2017, the subscribed capital amounts 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.

The authorised capital excluding the share capital is set at USD 8,441,905 consisting in 7,034.921 common shares having a nominal value of USD 1.20 per common share.

6.2. Share premium account

As at December 31, 2016, there was a share premium for a total amount of USD 54,220,777.72

As at December 31, 2017, further to the movements on the share premium account during 2017, there is a share premium for a total amount of USD 64,466,298.63.

6.3. 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.

6.4. Reserve for own shares

As at December 31, 2016, there was a “Reserve for own shares” for an amount of USD 1,745,863.52, with 142,857 shares held by the Company.

As at December 31, 2017, the Company holds 137,416 of its own shares for a book value of USD 1,679,368.76 (see note 5.1).

7. Creditors

7.1. Trade creditors

7.1.1. becoming due and payable within one year

This item is composed of:

	2017	2016
	USD	USD
- accrual for audit fees	98,806.49	64,653.92
- accrual for tax fees	-	1,849.10
- accrual for legal fees	-	33,659.31
- accrual for other fees	17,833.00	36,094.60
- accrual for accounting fees	21,080.96	10,783.63
	137,720.45	147,040.56

7.2. Amounts owed to affiliated undertakings

7.2.1. 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 1,136,005.06 (2016: USD 274,003.45).

7.3. Other creditors

7.3.1. Other creditors

7.3.1.1. becoming due and payable within one year

This item, amounting to USD 189,000.00 is composed of (i) directors fees payable for an amount of USD 74,000.00 and (ii) a debt payable in relation with the acquisition of Huddle Investment LLP for an amount of USD 115,000.00.

8. Other operating income

This item, amounting to 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 2014 to 2017. 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.

9. Raw materials and consumables and other external expenses

9.1. other external expenses

This item is composed of:

	2017	2016
	USD	USD
- bank fees	9,456.33	8,096.38
- legal fees	121,526.25	246,410.05
- recurrent accounting fees	20,321.98	62,060.60
- non recurrent accounting fees	2,204.17	-
- auditor fees	84,598.52	89,879.76
- fiscal fees	14,298.84	1,849.10
- rental offices	31,385.57	38,041.25
- subscription to “Chambre de Commerce”	-	387.52
- insurance fees	491,121.00	315,403.05
- other fees	170,652.01	228,603.76
	945,564.67	990,731.47

10. Other operating expenses

This item is composed of the director fees paid to some directors of the Company for a total amount of USD 278,222.90. In 2016, this item was mainly composed of director fees for a total amount of USD 230,000.09.

11. Income from participating interests

11.1. derived from affiliated undertakings

This item is composed of income on the dissolution of Huddle Investment LLP for an amount of USD 67,153.96 (see note 3.1).

12. Income from other investments and loans forming part of the fixed assets

12.1 other income not included under derived from affiliated undertakings

This item is composed of net income on own shares granted to employees of the Company group for an amount of USD 57,035.49 (2016: USD 178,970.36).

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 1,862.38.

14. Interest payable and similar expenses

14.1. other interest and similar expenses

This item is composed of realised and unrealised exchange losses for an amount of USD 314,809.07 (2016: USD 102,960.94).

15. Tax status

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

16. Share-based compensation plan

Following is an extract from the consolidated financial statements of Globant S.A. that is relevant for the understanding of the share-based compensation plan.

Once options are exercised, the Company at times either grants own shares (see Note 2.2.6) 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.

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.

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.

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. 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 2017 and 2016, other share-based compensation agreements were signed for a total of 85,000 and 1,003,250 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.

These RSUs agreements have been recorded as Equity Settled transactions in accordance to IFRS 2, and they were measured at fair value of shares at the grant date.

The following shows the evolution of the share options for the years ended at December 31, 2017 and 2016:

	<u>As of December 31, 2017</u>		<u>As of December 31, 2016</u>	
	<u>Number of options</u>	<u>Weighted average exercise price</u>	<u>Number of options</u>	<u>Weighted average exercise price</u>
Balance at the beginning of year	2,658,595	22.21	1,933,239	15.40
Options granted during the year	85,000	39.69	1,003,250	31.89
Forfeited during the year	(249,035)	30.08	(33,979)	25.75
Exercised during the year	(338,709)	15.63	(243,915)	7.64
Balance at end of year	2,155,851	23.02	2,658,595	22.21

The following shows the evolution of the RSUs for the year ended at December 31, 2017:

	<u>As of December 31, 2017</u>	
	<u>Number of RSU</u>	<u>Weighted average grant price</u>
Balance at the beginning of year	—	—
RSU granted during the year	254,328	37.07
Forfeited during the year	(2,538)	36.59
Issued during the year	(86,931)	36.11
Balance at end of year	164,859	37.58

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	Fair value at grant date (\$)	Expense as of December 31, 2017 (\$)
2017	34.96	—	—	1,476
	36.30	2,000	73	3
	37.00	143,188	5,298	2,766
	42.00	9,000	378	101
	43.42	8,000	347	34
Subtotal		162,188	6,096	4,380

Non employees stock options

2017	37.44	2,671	100	63
Subtotal		2,671	100	63
Total		164,859	6,196	4,443

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, 2017	Fair value at grant date (\$)	Fair value vested (\$)	Expense as of December 31, 2017
2006	0.95	11,003	11,003	60	60	—
2007	0.71	200,000	200,000	1,135	1,135	—
	1.40	616	616	3	3	8
2010	2.48	3,097	3,097	12	12	14
	2.93	—	—	—	—	—
	3.38	32,955	32,955	109	109	144
2011	2.71	6,031	6,031	23	23	202
2012	6.77	—	—	—	—	12
	7.04	—	—	—	—	37
2013	12.22	24,999	24,999	65	65	—
2014	10.00	350,517	226,651	1,166	754	881
	13.20	3,769	1,648	8	3	15
2015	22.77	30,000	20,000	221	147	74
	28.31	490,275	195,800	3,398	1,357	1,160
	29.34	18,454	14,868	125	100	29
	34.20	16,500	8,250	142	71	35
2016	29.01	241,250	46,250	1,663	319	477
	32.36	547,875	133,688	4,438	1,083	1,118
2017	36.30	15,000	—	127	—	4
	38.16	40,000	—	364	—	23
	43.42	30,000	—	311	—	30
Subtotal		2,062,341	925,856	13,370	5,241	4,263
Non employees stock options						
2012	6.77	22,170	22,170	35	35	—
2013	12.22	22,170	22,170	52	52	—
2014	10.00	22,170	22,170	43	43	—
2016	39.37	27,000	6,750	248	62	62
Subtotal		93,510	73,260	378	192	62
Total		2,155,851	999,116	13,748	5,433	4,325

Deferred income tax asset arising from the recognition of the share-based compensation plan amounted to 5,772 and 4,919 for the years ended December 31, 2017 and 2016, respectively.

Share options exercised and RSU vested during the year:

	As of December 31, 2017		As of December 31, 2016	
	Number of options exercised	Exercise price	Number of options exercised	Exercise price
Granted in 2006	4,600	0.95	3,196	0.95
Granted in 2007	—	0.71	36,538	0.71
Granted in 2007	800	1.40	6,321	1.40
Granted in 2010	1,623	2.48	3,295	2.48
Granted in 2010	—	2.93	1,402	2.93
Granted in 2010	22,377	3.38	39,142	3.38
Granted in 2011	26,194	2.71	60,000	2.71
Granted in 2012	1,651	6.77	2,000	6.77
Granted in 2012	3,991	7.04	13,191	7.04
Granted in 2013	2,395	13.40	—	0.00
Granted in 2014	149,337	10.00	42,645	10.00
Granted in 2014	1,918	13.20	2,901	13.20
Granted in 2015	90,787	28.31	30,465	28.31
Granted in 2015	9,911	29.34	2,819	29.34
Granted in 2016	18,750	29.01	—	—
Granted in 2016	4,375	32.36	—	—
Balance at end of the year	338,709		243,915	

The average market price of the share amounted to 38.77 and 36.77 for year 2017 and 2016, respectively.

The following tables summarizes the RSU vested during the year 2017:

	As of December 31, 2017	
	Number of RSUs vested	Grant price
Granted in 2017	37,546	34.96
Granted in 2017	49,385	37.00
Balance at end of the year	86,931	