Globant S.A.

Consolidated Financial Statements as of December 31, 2023 and December 31, 2022 and for each of the three years in the period ended December 31, 2023

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Globant S.A.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Globant S.A. and its subsidiaries (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Annual Report on Internal Control over Financial Reporting, management has excluded Experience IT LLC, Python Bidco S.A.S. (referred to as "Pentalog"), GUT Agency Ltd and Iteris Holding Ltda. from its assessment of internal control over financial reporting as of December 31, 2023 because they were acquired by the Company in purchase business combinations during 2023. We have also excluded Experience IT LLC, Pentalog, GUT Agency Ltd and Iteris Holding Ltda. from our audit of internal control over financial reporting. Experience IT LLC, Pentalog, GUT Agency Ltd and Iteris Holding Ltda. are consolidated subsidiaries whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting collectively represent approximately 3.9% and 4.2%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2023.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Acquisition of Pentalog – Valuation of Customer Relationships

As described in Notes 4 and 26 to the consolidated financial statements, on July 20, 2023, the Company completed the acquisition of Pentalog for net consideration of $182.0 million. Of the acquired intangible assets, $22.4 million of customer relationships were recorded. Fair value is estimated by management using a multi-period excess earnings method for customer relationships. Management's cash flow projections for the intangible assets acquired included significant judgments and assumptions relating to revenue growth rates, customer attrition rates, and discount rates for customer relationships.

The principal considerations for our determination that performing procedures relating to the valuation of customer relationships acquired in the acquisition of Pentalog is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the customer relationships; (ii) a high degree of auditor judgment subjectivity, and effort performing procedures and evaluating management's significant assumptions related to revenue growth rates, customer attrition rates and discount rates for customer relationships; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the acquisition accounting, including controls over management's valuation of the customer relationships. These procedures also included, among others, (i) reading the purchase agreement; (ii) testing management's process for developing the fair value estimate of the customer relationships; and (iii) evaluating the reasonableness of the significant assumptions used by management related to revenue growth rates, customer attrition rates and discount rates for customer relationships. Evaluating management's assumptions related to revenue growth rates for customer relationships involved considering (i) the current and past performance of the Pentalog businesses; (ii) the consistency with external market and industry data; and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness multi-period excess earnings and (ii) the reasonableness of the discount rate assumption for customer relationships.

/s/ PRICE WATERHOUSE & CO. S.R.L.

/s/ Reinaldo Sergio Cravero (Partner)
Autonomous City of Buenos Aires, Argentina
February 29, 2024

We have served as the Company's auditor since 2020.

GLOBANT S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(in thousands of U.S. dollars, except per share amounts)

		For the year ended December 31,		
	Notes	**2023**	**2022**	**2021**
Revenues	**5**	2,095,939	1,780,243	1,297,078
Cost of revenues	**6.1**	(1,340,178)	(1,110,848)	(802,090)
Gross profit		**755,761**	**669,395**	**494,988**
Selling, general and administrative expenses	**6.2**	(537,075)	(456,324)	(343,004)
Net impairment losses on financial assets	**13**	(18,808)	(6,364)	(7,551)
Other operating income and expenses, net		(916)	—	—
Profit from operations		**198,962**	**206,707**	**144,433**
Finance income	**7**	4,777	2,832	652
Finance expense	**7**	(23,753)	(16,552)	(12,708)
Other financial results, net	**7**	11,342	173	(3,923)
Financial results, net		**(7,634)**	**(13,547)**	**(15,979)**
Share of results of investment in associates	**12.2**	89	119	(233)
Other income and expenses, net	**8**	6,602	(395)	(3,369)
Profit before income tax		**198,019**	**192,884**	**124,852**
Income tax	**9.1**	(39,511)	(43,405)	(28,497)
Net income for the year		**158,508**	**149,479**	**96,355**
Other comprehensive income (loss) net of income tax effects				
Items that may be reclassified subsequently to profit and loss:				
- Exchange differences on translating foreign operations		(16,721)	(21,770)	(3,733)
- Net change in fair value on financial assets measured at FVOCI		119	(107)	1
- Gains and losses on cash flow hedges		9,327	(3,171)	11
Total comprehensive income for the year		**151,233**	**124,431**	**92,634**
Net income attributable to:				
Owners of the Company		158,538	148,891	96,065
Non-controlling interest		(30)	588	290
Net income for the year		**158,508**	**149,479**	**96,355**
Total comprehensive income for the year attributable to:				
Owners of the Company		148,732	123,044	92,344
Non-controlling interest		2,501	1,387	290
Total comprehensive income for the year		**151,233**	**124,431**	**92,634**

	Notes	For the year ended December 31, 2023	2022	2021
Earnings per share				
Basic	**10**	3.72	3.55	2.35
Diluted	**10**	3.64	3.47	2.28
Weighted average of outstanding shares (in thousands)				
Basic	**10**	42,601	41,929	40,940
Diluted	**10**	43,594	42,855	42,076

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements

GLOBANT S.A.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022
(in thousands of U.S. dollars)

		As of December 31,	
	Notes	**2023**	**2022**
ASSETS			
Current assets			
Cash and cash equivalents	**11**	307,223	292,457
Investments	**12.1**	16,070	48,408
Trade receivables	**13**	499,283	424,810
Other assets	**17**	31,753	15,197
Other receivables	**14**	54,786	70,212
Other financial assets	**18**	15,418	6,529
Total current assets		924,533	857,613
Non-current assets			
Investments	**12.1**	1,833	1,513
Other assets	**17**	4,088	10,657
Other receivables	**14**	26,475	21,141
Deferred tax assets	**9.2**	60,777	41,982
Investment in associates	**12.2**	1,426	1,337
Other financial assets	**18**	34,864	34,978
Property and equipment	**15**	162,736	161,733
Intangible assets	**16**	235,540	182,572
Right-of-use asset	**28**	119,400	147,311
Goodwill	**26.4**	1,163,683	734,952
Total non-current assets		1,810,822	1,338,176
TOTAL ASSETS		**2,735,355**	**2,195,789**
LIABILITIES			
Current liabilities			
Trade payables	**19**	124,545	89,397
Payroll and social security taxes payable	**20**	221,843	203,819
Borrowings	**21**	156,916	2,838
Other financial liabilities	**18**	81,504	59,316
Lease liabilities	**28**	47,852	37,681
Tax liabilities	**22**	33,229	23,454
Income tax payable		11,287	11,276
Other liabilities		896	808
Total current liabilities		678,072	428,589
Non-current liabilities			
Trade payables	**19**	2,981	5,445
Borrowings	**21**	2,191	861
Other financial liabilities	**18**	163,318	78,055
Lease liabilities	**28**	70,884	97,457
Deferred tax liabilities	**9.2**	9,706	11,291
Payroll and social security taxes payable	**20**	5,139	4,316
Contingent liabilities	**23**	16,448	13,615
Total non-current liabilities		270,667	211,040
TOTAL LIABILITIES		**948,739**	**639,629**
Capital and reserves			
Issued capital		51,705	50,724
Additional paid-in capital		1,022,918	950,520
Other reserves		(42,048)	(32,242)
Retained earnings		697,089	538,551
Total equity attributable to owners of the Company		1,729,664	1,507,553
Non-controlling interests		56,952	48,607
Total equity		1,786,616	1,556,160
TOTAL EQUITY AND LIABILITIES		**2,735,355**	**2,195,789**

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements

GLOBANT S.A.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(in thousands of U.S. dollars except number of shares issued)

	Number of Shares Issued (1)	Issued capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve	Attributable to owners of the Parent	Non-controlling interests	Total
Balance at January 1, 2021	**39,884,788**	**47,861**	**541,157**	**293,595**	**(2,895)**	**221**	**879,939**	**—**	**879,939**
Issuance of shares under share-based compensation plan (see note 30.1)	449,078	539	27,065	—	—	—	27,604	—	27,604
Issuance of shares under ESPP plan (note 25.4)	7,453	9	2,331	—	—	—	2,340	—	2,340
Issuance of shares under subscription agreement (see note 30.1)	38,879	47	9,074	—	—	—	9,121	—	9,121
Equity settled deferred consideration (note 26)	—	—	2,152	—	—	—	2,152	—	2,152
Common shares issued pursuant to the May 2021 public offering (see note 30.2)	1,380,000	1,656	284,551	—	—	—	286,207	—	286,207
Share-based compensation plan (see note 25)	—	—	29,209	—	—	—	29,209	—	29,209
Repurchase of shares (note 25.4)	(27,000)	(32)	(7,224)	—	—	—	(7,256)	—	(7,256)
Non-controlling interest arising on a business combination (note 26)	—	—	—	—	—	—	—	2,648	2,648
Put option over non-controlling interest (note 3.13.3)	—	—	(16,285)	—	—	—	(16,285)	—	(16,285)
Other comprehensive income (loss) for the year	—	—	—	—	(3,733)	12	(3,721)	—	(3,721)
Net income for the year	—	—	—	96,065	—	—	96,065	290	96,355
Balance at December 31, 2021	**41,733,198**	**50,080**	**872,030**	**389,660**	**(6,628)**	**233**	**1,305,375**	**2,938**	**1,308,313**

GLOBANT S.A.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(in thousands of U.S. dollars except number of shares issued)

	Number of Shares Issued [(1)]	Issued capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve and cash flow hedge reserve	Attributable to owners of the Parent	Non-controlling interests	Total
Balance at January 1, 2022	**41,733,198**	**50,080**	**872,030**	**389,660**	**(6,628)**	**233**	**1,305,375**	**2,938**	**1,308,313**
Issuance of shares under share-based compensation plan (see note 30.1)	360,680	433	35,641	—	—	—	36,074	—	36,074
Issuance of shares under ESPP plan (note 25.4)	39,136	47	8,934	—	—	—	8,981	—	8,981
Issuance of shares under subscription agreement (see note 30.1)	183,145	220	35,636	—	—	—	35,856	—	35,856
Share-based compensation plan (see note 25)	—	—	6,605	—	—	—	6,605	—	6,605
Repurchase of shares (note 25.4)	(46,500)	(56)	(9,260)	—	—	—	(9,316)	—	(9,316)
Put option over non-controlling interest (note 3.13.3)	—	—	934	—	—	—	934	(934)	—
Non-controlling interest arising on a business combination (note 26)	—	—	—	—	—	—	—	45,216	45,216
Other comprehensive income (loss) for the year	—	—	—	—	(21,770)	(3,278)	(25,847)	799	(25,048)
Net income for the year	—	—	—	148,891	—	—	148,891	588	149,479
Balance at December 31, 2022	**42,269,659**	**50,724**	**950,520**	**538,551**	**(28,398)**	**(3,045)**	**1,507,553**	**48,607**	**1,556,160**

GLOBANT S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

(in thousands of U.S. dollars except number of shares issued)

	Number of Shares Issued (1)	Issued capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve and cash flow hedge reserve	Attributable to owners of the Parent	Non-controlling interest	Total
Balance at January 1, 2023	**42,269,659**	**50,724**	**950,520**	**538,551**	**(29,197)**	**(3,045)**	**1,507,553**	**48,607**	**1,556,160**
Issuance of shares under share-based compensation plan (see note 30.1)	407,233	489	47,471	—	—	—	47,960	—	47,960
Issuance of shares under ESPP plan (note 25.4)	48,130	58	9,155	—	—	—	9,213	—	9,213
Issuance of shares under subscription agreement (see note 30.1)	403,760	485	72,441	—	—	—	72,926	—	72,926
Share-based compensation plan (see note 25)	—	—	27,726	—	—	—	27,726	—	27,726
Repurchase of shares (note 25.4)	(42,500)	(51)	(11,472)	—	—	—	(11,523)	—	(11,523)
Put option over non-controlling interest (note 3.13.3)	—	—	(72,923)	—	—	—	(72,923)	(2,169)	(75,092)
Non-controlling interest arising on a business combination (note 26)	—	—	—	—	—	—	—	8,013	8,013
Other comprehensive income (loss) for the year	—	—	—	—	(19,252)	9,446	(9,806)	2,531	(7,275)
Net income for the year	—	—	—	158,538	—	—	158,538	(30)	158,508
Balance at December 31, 2023	**43,086,282**	**51,705**	**1,022,918**	**697,089**	**(48,449)**	**6,401**	**1,729,664**	**56,952**	**1,786,616**

(1) All shares are issued, authorized and fully paid. Each share is issued at a nominal value of $1.20 per share and entitles to one vote.

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements

GLOBANT S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(in thousands of U.S. dollars)

	For the year ended December 31,		
	2023	**2022**	**2021**
Cash flows from operating activities			
Net income for the year	158,508	149,479	96,355
Adjustments to reconcile net income for the year to net cash flows from operating activities:			
Share-based compensation expense	72,941	60,251	37,031
Current income tax (note 9.1)	74,454	44,756	53,319
Deferred income tax (note 9.1)	(34,943)	(1,351)	(24,822)
Depreciation of property and equipment (note 15)	32,760	25,324	19,799
Depreciation of right-of-use assets (note 28)	39,982	35,244	23,833
Amortization of intangible assets (note 16)	67,119	47,365	36,654
(Reversal)/Impairment of intangible assets (note 16)	(822)	1,017	80
Net impairment losses on financial assets	18,808	6,364	7,551
Remeasurement at fair value of investment in associates	—	—	(1,538)
(Reversal)/Allowance for claims and lawsuits (note 23)	(348)	1,871	5,769
(Gain) Loss on remeasurement of contingent consideration and call/put option over non-controlling interest (note 29.9.1)	(4,442)	(1,147)	4,694
Gain on transactions with bonds (note 3.18)	(9,157)	(13,883)	(708)
Accrued interest	15,295	11,203	9,828
Interest received	4,718	2,686	585
Net (gain) loss arising on financial assets measured at FVPL	(23,564)	7,537	8,537
Net (gain) loss arising on financial assets measured at FVOCI	(22,747)	(165)	130
Exchange differences	21,874	4,648	(5,708)
Share of results of investment in associates	(89)	(119)	233
Payments related to forward and future contracts	(3,813)	(6,242)	(1,692)
Proceeds related to forward and future contracts	24,977	3,918	1,368
Payments of remeasured earn-outs related to acquisition of business	(7,078)	(4,467)	—
Gain arising from lease disposals	—	—	(643)
Loss arising from property and equipment and intangibles derecognition	846	1,632	—
Changes in working capital:			
Net increase in trade receivables	(44,297)	(104,315)	(93,019)
Net decrease (increase) in other receivables	16,629	(21,021)	(21,149)
Net increase in other assets	(10,004)	(9,416)	(1,338)
Net increase (decrease) in trade payables	19,004	(2,651)	10,870
Net (decrease) increase in payroll and social security taxes payable	(37,402)	13,398	66,670
Net (decrease) increase in tax liabilities	(1,675)	264	4,595
Utilization of provision for contingent liabilities (note 23)	(227)	(1,750)	(8,113)
Income tax paid	(48,783)	(52,906)	(50,197)
Net cash provided by operating activities	**318,524**	**197,524**	**178,974**
Cash flows from investing activities			
Cash outflows for property and equipment [(2)]	(45,110)	(47,063)	(42,766)
Proceeds from disposals of property and equipment and intangibles	288	—	1,249
Cash outflows for intangible assets [(3)]	(81,691)	(48,367)	(34,868)
Acquisition of investment in sovereign bonds	(29,032)	(24,883)	(5,990)
Proceeds from investment in sovereign bonds	38,189	38,766	6,698
Payments related to forward and future contracts	(10,906)	(25,561)	(13,534)
Proceeds related to forward and future contracts	20,419	12,511	3,923
Acquisition of investments measured at FVPL	(384,083)	(414,950)	(238,991)
Proceeds from investments measured at FVPL	410,707	393,059	230,236
Acquisition of investments measured at FVOCI	(214,642)	(264,992)	(49,965)
Proceeds from investments measured at FVOCI	217,246	269,102	44,976
Payments to acquire equity instruments	(1,748)	(5,148)	(5,762)
Payments to acquire investments in associates	—	(500)	(1,389)
Acquisition of investment in convertible notes (note 29)	(2,367)	(2,667)	(2,772)
Acquisition of business, net of cash (note 26) [(1)]	(253,691)	(126,370)	(144,503)
Payments of earn-outs related to acquisition of business	(13,940)	(22,241)	(19,422)
Net cash used in investing activities	**(350,361)**	**(269,304)**	**(272,880)**

GLOBANT S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(in thousands of U.S. dollars)

	For the year ended December 31,		
	2023	**2022**	**2021**
Cash flows from financing activities			
Proceeds from the issuance of common shares pursuant to May 2021 Public Offering, net of costs	—	—	286,207
Proceeds from the issuance of shares under the share-based compensation plan (note 30.1)	4,103	3,508	6,612
Proceeds from the issuance of shares under the ESPP plan	9,213	8,981	2,340
Repurchase of shares	(11,523)	(9,316)	(7,256)
Payment of call/put-option over non-controlling interest	(3,892)	(5,166)	—
Proceeds from borrowings (note 21)	395,621	—	13,500
Repayment of borrowings (note 21)	(271,783)	(8,269)	(29,384)
Payments of principal portion of lease liabilities (note 28)	(38,514)	(30,564)	(21,786)
Payments of lease liabilities interest (note 28)	(6,319)	(6,822)	(5,415)
Interest paid (note 21)	(4,106)	(2,491)	(832)
Payments of installments related to acquisition of business	(28,270)	(15,541)	—
Net cash provided (used in) by financing activities	**44,530**	**(65,680)**	**243,986**
Increase (Decrease) in cash and cash equivalents	12,693	(137,460)	150,080
Cash and cash equivalents at beginning of the year	292,457	427,804	278,939
Effect of exchange rate changes on cash and cash equivalents	2,073	2,113	(1,215)
Cash and cash equivalents at end of the year	307,223	292,457	427,804

(1) Cash paid for assets acquired and liabilities assumed in the acquisition of subsidiaries net of cash acquired (note 26):

Supplemental information			
Cash paid	286,695	172,445	161,107
Less: cash and cash equivalents acquired	(33,004)	(46,075)	(16,604)
Total consideration paid net of cash and cash equivalents acquired	**253,691**	**126,370**	**144,503**

As of December 31, 2023, the Company issued 359,242 common shares for a total amount of 65,064, according to the subscription agreement included in the stock purchase agreement, these were non-cash transactions. As of December 31, 2022, the Company issued 135,096, common shares for a total amount of 25,531, according to the subscription agreement included in the stock purchase.

(2) In 2023, 2022 and 2021, there were 1,741, 16,225 and 10,129 of acquisition of property and equipment financed with trade payables, respectively. In 2023, 2022 and 2021, the Company paid 16,225, 10,129 and 1,515 related to property and equipment acquired in 2022, 2021 and 2020, respectively.

(3) In 2023, 2022 and 2021 there were 132, 1,984 and 3,662 of acquisition of intangibles financed with trade payables, respectively. In 2023, 2022 and 2021 , the Company paid 1,984, 3,662 and 285 related to intangibles acquired in 2022, 2021 and 2020, respectively.

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements

NOTE 1 – COMPANY OVERVIEW AND BASIS OF PRESENTATION

Globant S.A. is a digitally native company organized in the Grand Duchy of Luxembourg, primarily engaged in helping organizations to reinvent themselves and unleash their potential (hereinafter the "Company" or "Globant" or "Globant Group"). Globant is the place where innovation, design and engineering meet scale.

The Company's principal operating subsidiaries and countries of incorporation as of December 31, 2023 were the following:

Country	Company
Argentina	Sistemas Globales S.A.
Argentina	IAFH Global S.A.
Brazil	Globant Brasil Consultoria LTDA
Chile	Sistemas Globales Chile Asesorías Limitada
Colombia	Sistemas Colombia S.A.S.
India	Globant India Private Limited
Italy	Sysdata SpA
Mexico	IAFH Globant IT Mexico S. de R.L. de C.V.
Moldova	Pentalog Chi SRL
Peru	Globant Peru S.A.C
Romania	Pentalog Romania SRL
Spain	Software Product Creation, S.L.
Spain	Sports Reinvention Entertainment Group S.L.
United Kingdom	Globant UK Limited
United States of America	Globant LLC
United States of America	Grupo Assa Corp
United States of America	Globant IT Services
Uruguay	Sistemas Globales Uruguay S.A.

The Company also has centers of software engineering talent and educational excellence, primarily across Latin America.

Most of the revenues are generated through subsidiaries located in the U.S. The Company's workforce is mainly located in Latin America and to a lesser extent in India, Europe and the U.S.

The Company's registered office address is 37A Avenue J.F. Kennedy L-1855, Luxembourg.

NOTE 2 – BASIS OF PREPARATION OF THESE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements are presented in thousands of United States dollars ("U.S. dollars") and have been prepared under the historical cost convention except as disclosed in the accounting policies below.

2.1 – Application of new and revised International Financial Reporting Standards

- **Adoption of new and revised standards**

The Company has adopted all of the new and revised standards and interpretations issued by the IASB that are relevant to its operations and that are mandatorily effective at December 31, 2023. The impact of the new and revised standards and interpretations mentioned on these consolidated financial statements is described as follows.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

The Company has adopted the following standards and interpretation that became applicable for annual periods commencing on or after January 1, 2023:

Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform — Pillar Two Model Rules*

On May 23, 2023, the IASB issued 'International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)' providing a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. This amendment provides an exception rule that temporarily exempts the recognition and disclosure of deferred taxes related to taxes arising from the taxation system on the pillar two model rules published by the Organization for Economic Co-operation and Development (OECD) (hereinafter, the “Pillar Two Income Taxes”).

The Group has applied the aforementioned exception rule retroactively from fiscal year 2023 and has not recognized and disclosed the deferred taxes related to the Pillar Two Income Taxes (see note 9.3).

On July 28, 2023, Luxembourg’s government council approved a new bill aiming to implement into Luxembourg law the “Pillar Two Directive”. It is expected that the Pillar Two Directive will be effective as from January 1, 2024. Management is currently assessing the jurisdictions that could give rise to additional taxation and potential impact as a result of the implementation of the Pillar Two Model Rules in national laws.

Those amendments did not have any material impact on the Company's accounting policies, apart from the ones already mentioned, and did not require retrospective adjustments.

- **New accounting pronouncements**

The Company has not applied the following new and revised IFRSs that have been issued but are not yet mandatorily effective:

Amendments to IAS 21	*Lack of Exchangeability*[1]

[1] Effective for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

• On August 15, 2023 IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The management of the Company is currently assessing the impacts of the application of this amendment on the Company's consolidated financial statements. This amendment is effective for annual periods beginning on or after January 1, 2025. Earlier application is permitted. The Company has not opted for early application.

The following standards and interpretation will become applicable for annual periods commencing on or after January 1, 2024:

Amendments to IAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

• On January 23, 2020, the IASB issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

The management of the Company does not anticipate that the application of this amendment will have a material impact on the Company's consolidated financial statements. This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The Company has not opted for early application.

• On September 22, 2022, IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' specifying the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The management of the Company does not anticipate that the application of this amendment will have a material impact on the Company's consolidated financial statements. This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The Company has not opted for early application.

• On October 31, 2022, IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

The management of the Company does not anticipate that the application of this amendment will have a material impact on the Company's consolidated financial statements. This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The Company has not opted for early application.

• On May 25, 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to require specific disclosure requirements about supplier finance arrangements.

The management of the Company does not anticipate that the application of this amendment will have a material impact on the Company's consolidated financial statements. This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The Company has not opted for early application.

2.2 – Basis of consolidation

These consolidated financial statements include the consolidated financial position, results of operations and cash flows of the Company and its consolidated subsidiaries. Control is achieved where the company has the power over the investee; exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns. All intercompany transactions and balances between the Company and its subsidiaries have been eliminated in the consolidation process.

Non-controlling interest in the equity of consolidated subsidiaries is identified separately. Non-controlling interest consists of the amount of that interest at the date of the original business combination and the non-controlling share of changes in equity since the date of the consolidation.

Acquired companies are accounted for under the acquisition method whereby they are included in the consolidated financial statements from their acquisition date.

NOTE 3 – SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 – Acquisitions

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred to the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related charges are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively; and

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business, and the fair value of the acquirer's previously held equity interest in the acquired business (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business and the fair value of the acquirer's previously held equity interest in the acquired business (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquired business identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 3 and IFRS 13, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Arrangements that include remuneration of former owners of the acquiree for future services are excluded of the acquisitions and will be recognized as expense during the required service period.

3.2 – Goodwill

Goodwill arising in a business combination is carried at cost as established at the acquisition date of the business less accumulated impairment losses, if any. For the purpose of impairment testing, goodwill is allocated to a unique cash generating unit (CGU).

Goodwill is not amortized and is reviewed for impairment at least annually or more frequently when there is an indication that the business may be impaired. If the recoverable amount of the business is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the business and then to the other assets of the business pro-rata on the basis of the carrying amount of each asset in the business. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognized for goodwill is not reversed in a subsequent period.

The Company has not recognized any impairment loss in the years ended December 31, 2023, 2022 and 2021.

3.3 – Revenue recognition

The Company generates revenue primarily from the provision of software development, testing, infrastructure management, application maintenance, outsourcing services, consultancy and Services over Platforms (SoP). SoP is a new concept for the services industry that aims to deliver digital journeys in more rapid manner providing specific platforms as a starting point and then customizing them to the specific need of the customers. Revenue is measured at the fair value of the consideration received or receivable.

The Company's services are performed under both time-and-material and fixed-price contracts. For revenues generated under time-and-material contracts, revenues are recognized as a single performance obligation satisfied over time, using an input method based on hours incurred. The majority of such revenues are billed on an hourly, daily or monthly basis whereby actual time is charged directly to the client.

The Company recognizes revenues from fixed-price contracts applying the input or output methods depending on the nature of the project and the agreement with the customer, recognizing revenue on the basis of the Company's efforts to the satisfaction of the performance obligation relative to the total expected inputs to the satisfaction of the performance obligation, or recognizing revenue on the basis of direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised under the contract, respectively. Each method is applied according to the characteristics of each contract and client. The inputs and outputs are selected based on how faithfully they depict the Company's performance towards complete satisfaction of the performance obligation.

These methods are followed where reasonably dependable estimates of revenues and costs can be made. Fixed-price projects generally correspond to short-term contracts. Some fixed-price contracts are recurring contracts that establish a fixed amount per month and do not require the Company to apply significant judgment in accounting for those types of contracts. In consequence, the use of estimates is only applicable for those contracts that are on-going at the year end and that are not recurring.

Reviews to these estimates may result in increases or decreases to revenues and income and are reflected in the consolidated financial statements in the periods in which they are first identified. If the estimates indicate that a contract loss will be incurred, a loss provision is recorded in the period in which the loss first becomes probable and reasonably estimable. Contract losses are determined to be the amount by which the estimated costs of the contract exceed the estimated total revenues that will be generated by the contract and are included in cost of revenues in the consolidated statement of comprehensive income. Contract losses for the periods presented in these consolidated financial statements were immaterial.

The Company provides hosted access to software applications for a license fee. The revenue from these licenses contracts is recognized at a point in time, given that the performance obligation is satisfied when the contract is signed by the customer and the Company. In some cases, as licenses resales, the Company acts as an agent because the performance obligation is to arrange for the service to be provided to the customer by another party (the owner of the software applications). Consequently, the revenue is measured as the amount of the commission, which is the net amount of consideration that the Company retains after paying the other party the consideration received in exchange for the services to be provided by that party.

3.4 – Leases

The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets (assets with a value of 5 or less when new). For these leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right–of–use asset) whenever:

1. the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
2. the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
3. a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company made adjustments related to leases that are subject to changes in the consumer price index. As of December 31, 2023 and 2022, such adjustments amounted to 2,553 and 1,762 respectively.

Right-of-use asset are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs and restoration costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. The costs are included in the related right–of–use asset.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 3.10.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets with a value of 5 or less when new.

In determining the lease term, management considers all fact and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options and periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

3.5 – Foreign currencies

The functional currency of the Company and most of its subsidiaries is the U.S. dollar, except for some subsidiaries where their functional currency is their respective local currency considering it is the primary economic environment in which the subsidiary operates.

In preparing these consolidated financial statements, transactions in currencies other than the functional currency (“foreign currencies”) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are kept at the original translated cost. Exchange differences are recognized in profit and loss in the period in which they arise.

In the case of the subsidiaries with a functional currency other than the U.S. dollar, assets and liabilities are translated at current exchange closing rates at the date of that balance sheet, while income and expense are translated at the date of the transaction rate. The resulting foreign currency translation adjustment is recorded as a separate component of accumulated other comprehensive income (loss) in equity.

Accounting standards are applied on the assumption that the value of money (the unit of measurement) is constant over time. However, when the rate of inflation is no longer negligible, a number of issues arise impacting the true and fair nature of the accounts of entities that prepare their financial statements on a historical cost basis. To address such issues, entities apply IAS 29 Financial Reporting in Hyperinflationary Economies from the beginning of the period in which the existence of hyperinflation is identified. Based on the statistics published on July 17, 2018, Argentina's economy started to be considered hyperinflationary. As of December 31, 2023 and 2022, the 3-year cumulative rate of inflation for consumer prices in Argentina is 816% and 300%, respectively. As of December 31, 2023 and 2022, the Company assessed that the effects of inflation are not material to the financial statements, since the most significant Argentine subsidiaries have the U.S. dollars as their functional currency, except for Globers S.A.

3.6 – Borrowing costs

The Company does not have borrowings attributable to the construction or production of assets. All borrowing costs are recognized in profit and loss under finance loss.

3.7 – Taxation

3.7.1 – Income taxes – current and deferred

Income tax expense represents the estimated sum of income tax payable and deferred tax.

3.7.1.1 – Current income tax

The current income tax payable is the sum of the income tax determined in each taxable jurisdiction, in accordance with their respective income tax regimes.

Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because taxable profit excludes items of income or expense that are taxable or deductible in future years and it further excludes items that are never taxable or deductible. The Company's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted as of the date of issuance. The current income tax charge is calculated on the basis of the tax laws in force in the countries in which the consolidated entities operate.

Globant S.A, is subject to a corporate income tax rate of 17.0% on taxable income exceeding EUR 200, leading to an overall tax rate of 24.9% in Luxembourg (taking into account the solidarity surtax of 7.0% on the CIT rate, and including the 6.8% municipal business tax rate applicable).

The holding companies located in Spain elected to be included in the Spanish special tax regime for entities having substantially all of their operations outside of Spain, known as "*Empresas Tenedoras de Valores en el Exterior*" ("ETVE"). Globant España S.A was registered in 2008. Under the ETVE regime, dividends distributed from its foreign subsidiaries as well as any gain resulting from disposal are subject to 95% of tax exemption effective from January 1st, 2020. In order to be entitled to the benefit, among other requirements, the main activity of the entities must be the administration and management of equity instruments from non-Spanish entities and such entities must be subject to a tax regime similar to that applicable in Spain for non-ETVEs companies. As of December 31, 2023 and 2022, the Spanish Holding companies received dividends distributions for 236,909 and 2,553, respectively. If this tax exemption would not apply partially, the applicable tax rate should be 25%. The Company´s Spanish subsidiaries are subject to a 25% corporate income tax rate.

Starting fiscal year 2021, Argentina has progressive system of corporate income tax rates ranging from 25% to 35% .

On May 22, 2019, the Argentine Congress enacted Law No. 27,506 ("Ley de Economía del Conocimiento"), which provides a promotional regime for the Knowledge Economy, which was modified by means of Law No. 27,570, published on October 26, 2020 ("Knowledge based Economy Law"). The Knowledge based Economy Law is valid from January 1, 2020 until December

31, 2029, and aims to promote economic activities that apply knowledge and digitization of information, supported by advances in science and technology, to obtain goods and services and improve processes.

The beneficiaries of the regime will enjoy the following benefits:

– Stability in the enjoyment of benefits.
– Beneficiaries who carry exports within the promoted activity, are not subject to any withholding and/or collection VAT regimes.
– A reduced corporate income tax rate applied to the promoted activities. The reduction is applied on the general tax rate as follows: (i) 60% for micro and small enterprises, (ii) 40% for medium-sized enterprises, and (iii) 20% for large enterprises.
– In addition, beneficiaries will be allowed to deduct as an expense, the withholding tax paid of foreign taxes, if the taxed income constitutes an Argentine source of income.
– A non-transferable tax credit of up to 70% of amounts paid for certain social security taxes (contributions) for the employees associated with the promoted activities. The credit may be offset against value-added tax liabilities within 24 months of its issuance. The credit will be increased to 80% to newly-onboarded employees if they comply with some specific considerations.
- The beneficiaries that export at least 70% of its annual sales originated in the promoted activities, will be allowed to transfer for one time the credit, up to an amount equivalent to the percentage of exports for each period
– A 0% rate of export duties applicable to the export of services promoted by the Law.

The entities Atix Labs S.RL., Decision Support S.A, BSF S.A , IAFH Global S.A and Sistemas Globales S.A., were approved as beneficiaries of the Knowledge Economic Law by the Subsecretary of Knowledge Economy.

The Company's Uruguayan subsidiary Sistemas Globales Uruguay S.A. is domiciled in a tax free zone and has an indefinite tax relief of 100% of the income tax rate and an exemption from VAT.

3.7.1.2 – Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets including tax loss carry forwards are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the entities are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. The Company has not recorded any current or deferred income tax in other comprehensive income or equity in any each of the years presented, except for deferred income tax arising from the share-based compensation plan, for the deferred income tax arising from hedge instruments and for the translation of deferred tax assets and liabilities arising from subsidiaries with functional currencies other than U.S. dollar.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Under IFRS, deferred income tax assets (liabilities) are classified as non-current assets (liabilities).

3.7.1.3 – Uncertain tax treatments

The Company determines the accounting for tax position when there is uncertainty over income tax treatments as follows. First, the Company determines whether uncertain tax positions are assessed separately or as a group; and then, the Company assesses whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If yes, the Company determines its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If not, the Company reflects the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method. The Company discloses in note to the consolidated financial statements certain matters related to the interpretation of income tax laws for which there is a possibility that a loss may have been incurred.

As of December 31, 2023 and 2022, there are certain matters related to the interpretation of income tax laws for which there is a possibility that a loss may have been incurred (assessed as not probable), as of the date of the financial statements in accordance with IFRIC 23 in an amount of 4,544 and 5,119, related to assessments for the fiscal years 2017 to 2023 and 2016 to 2022, respectively. No formal claim has been made for fiscal years within the statute of limitation by Tax authorities in any of the mentioned matters, however those years are still subject to audit and claims may be asserted in the future.

3.8 – Property and equipment

Fixed assets are valued at acquisition cost, net of the related accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Lands and properties under construction are carried at cost, less any recognized impairment loss. Properties under construction are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Land is not depreciated.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss. As of December 31, 2023 and 2022, the Company has derecognized property and equipment for an amount of 574 and 101, respectively.

The value of fixed assets, taken as a whole, does not exceed their recoverable value.

3.9 – Intangible assets

Intangible assets include licenses, customer relationships, customer contracts, non-compete agreements, platforms and cryptocurrencies. The accounting policies for the recognition and measurement of these intangible assets are described below.

3.9.1 – Intangible assets acquired separately

Intangible assets with finite useful life that are acquired separately (licenses) are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the intangible assets estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

3.9.1.1 - Cryptocurrencies

The Company accounts for its crypto assets as indefinite-lived intangible assets in accordance with IAS 38 "Intangible Assets". Bitcoin, Ethereum and Stable Coin are cryptocurrencies that are considered to be an indefinite lived intangible asset because they lack physical form and there is no limit to its useful life, they are not subject to amortization but they are tested for impairment.

The Company's crypto assets are initially recorded at cost. Subsequently, they are measured at cost, net of any impairment losses incurred since acquisition. The Company performs monthly analysis to identify possible impairment. If the carrying value of the crypto asset exceeds the fair value based on the quoted price in the active exchange market, the Company will recognize an impairment loss equal to the difference between the fair value and the book value in the consolidated statement of comprehensive income. Gains, if any, will not be recognized until realized upon sale in the consolidated statement of comprehensive income. Further details are disclosed in note 16. As of December 31, 2023 and 2022, the Company has recognized a gain of 822 as reversal of impairment and a loss of 1,017 as impairment, respectively.

3.9.2 – Intangible assets acquired in a business combination

Intangible assets acquired in a business combination (customer relationships, customer contracts, non-compete agreements, software and platforms) are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses if any, on the same basis as intangible assets acquired separately.

3.9.3 – Internally-generated intangible assets

Intangible assets arising from development are recognized if, and only if, all the following have been demonstrated:
- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the ability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated assets is the sum of expenditure incurred (including employee costs and an appropriate proportion of overheads) from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Capitalized intangible assets are amortized from the point at which the asset is ready for use. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Costs associated with maintaining software programs are recognized as an expense as incurred.

3.9.4 – Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized. As of December 31, 2023 and 2022, the Company has derecognized intangible assets for an amount of 560 and 1,531, respectively.

3.10 – Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit or the business, as the case may be.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income for the year.

As of December 31, 2023, 2022 and 2021 the Company did not recognize impairments related to internally-generated intangible assets.

3.11 – Contingent liabilities

The Company has existing or potential claims, lawsuits and other proceedings. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation, and the advice of the Company's legal advisors.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The amount of the recognized receivable does not exceed the amount of the provision recorded.

3.12 – Financial assets

On initial recognition, a financial asset is classified as measured at: (i) amortized cost (ii) fair value through other comprehensive income (FVOCI) or (iii) fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

3.12.1 – Amortized cost and effective interest method

A financial asset is measured at amortized cost if both of the following conditions are met, and if it is not designated as at FVPL:

- It is held within a business model whose objective is to hold financial assets to collect contractual cash flow;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.12.2 – Financial assets measured at FVOCI

A financial asset is measured at FVOCI if both of the following conditions are met, and if it is not designated as at FVPL:
- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The change in fair value of financial assets measured at FVOCI is accumulated in the investment revaluation reserve until they are derecognized. When a financial asset measured at FVOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

3.12.3 – Financial assets measured at FVPL

All financial assets not classified as measured at amortized cost or FVOCI as described above, are measured at FVPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other financial results, net’ line.

3.12.4 - Derivative financial instruments

The Company enters into foreign exchange forward contracts and swaps. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both a legally enforceable right and intention to offset. The impact of the futures and forward contracts on the Company’s financial position is disclosed in note 29. A derivative is presented as a non–current asset or a non–current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk in cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:
- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Company adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Company designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Movements in the hedging reserve in equity are detailed in note 30.3.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'Other financial results, net' line item. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

The Company discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

3.12.5 - Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate.

3.12.6 – Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets, other than those at FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime expected credit losses ("ECL") for trade receivables, using a simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment, unless the Company has reasonable and supportable information that demonstrates otherwise.

Definition of default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due, unless an entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:
a. significant financial difficulty of the issuer or the borrower;
b. a breach of contract, such as a default or past due event;
c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
e. the disappearance of an active market for that financial asset because of financial difficulties; or
f. the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
It may not be possible to identify a single discrete event-instead, the combined effect of several events may have caused financial assets to become credit-impaired.

Write-off policy

Financial assets' carrying amounts are reduced through the use of an allowance account on a case-by-case basis. When a financial asset is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit and loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data, adjusted by forward-looking information as described above. The exposure of default is represented by the asset's gross carrying amount at the reporting date.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Financial assets other than trade receivables, have been grouped at the lowest levels for which there are separately identifiable cash flows.

No significant changes to estimation techniques or assumptions were made during the reporting period.

3.12.7 – Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

As of December 31, 2022 the Company incurred in a collection in advance benefit that some clients offer with JP Morgan for a total amount of 2,594. As of December 31, 2023, the Company has no collections in advance benefits with JP Morgan. The Company considers that it has substantially transferred the risks and rewards intrinsic to these receivables to the bank and therefore they were derecognized.

3.12.8 – Convertible Notes

The Company recognizes convertible notes measured at their fair value using the market approach which consist in using price and relevant information generated by market transactions involving identical or comparable assets, liabilities or group of assets and liabilities, such as a business.

As of December 31, 2023 and 2022, the fair value of the loan agreement amounted to 3,359 and 2,491 disclosed as other financial assets current, respectively, and 5,751 and 4,193 disclosed as other financial assets non-current, respectively.

3.12.8.1 Convertible notes - Globant España

As of December 31, 2023, Globant España S.A, maintains 15 note purchase agreements with Fivvy Inc, Inipop LLC, Linked Ai, Polemix Inc, MessageLOUD, Inc., LookApp S.A.S, UALI Holding Limited, B2CHAT S.A.S, Avancargo Corp, Poderio S.A.S, Vozy, Inc and Drixit Technologies Inc. (the "startups"), pursuant to which Globant España S.A. provided financing facility for a total amount of 8,200. Interest on the entire outstanding principal balance is computed at annual rates ranging from 2% to 8%. Globant España S.A. has the right to convert all or any portion of the outstanding principal into equity interests of the startups.

3.12.8.2 Convertible notes - Sistemas Globales

As of December 31, 2023, Sistemas Globales S.A. maintains, since its merger with Globant Ventures SAS, 5 note purchase agreements with Interactive Mobile Media S.A. (CamonApp), AvanCargo Corp., TheEye S.A.S., Robin and Woolabs S.A. (the "startups"), pursuant to which Sistemas Globales S.A. provided financing facility for a total amount of 910. Interest on the entire outstanding principal balance is computed at annual rates ranging from 5% to 12%. Sistemas Globales S.A. has the right to convert all or any portion of the outstanding principal into equity interests of the startups.

3.12.9 – Equity Instruments

The Company recognizes equity instruments measured at their fair value using the market approach which consist in using price and relevant information generated by market transactions involving identical or comparable assets, liabilities or group of assets and liabilities, such as a business.

As of December 31, 2023 and 2022, the fair value of equity instruments amounted to 28,743 and 27,521 disclosed as other financial assets non-current, and 611 and 371 disclosed as other financial assets current.

3.13 – Financial liabilities and equity instruments issued by the Company

3.13.1 – Classification as debt or equity

Debt and equity instruments issued by the Company and its subsidiaries are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.13.2 – Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company’s own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

3.13.3 – Financial liabilities

Financial liabilities, including trade payables, other liabilities and borrowings, are initially measured at fair value, net of transaction costs.
Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Put option over non-controlling interest in subsidiary

On July 8, 2021 the Company entered into a put and call option agreement with the non-controlling shareholders over the remaining twenty percent (20%) over Walmeric Soluciones, S.L., which can be exercised by the non-controlling shareholders from March 1, 2022 till March 1, 2024. The Company did not recognized the call option since it was immaterial.

During 2022 the sellers of Walmeric exercised their put option for the 6% over the non-controlling interest for a total consideration of 5,166.

On March 16, 2023, Software Product Creation, S.L. (the "Majority Shareholder") with Internet Business Intelligent Insite, S.L. and Next Generation Communication Services (jointly referred to as the "the Sellers"), entered into a new agreement pursuant to which the parties agree to transfer the remaining shares (the 14% of non-controlling interest) for a cash payment equal to the value of the Put Option of the year 2023 plus a contingent consideration to be determined based on the terms of the Put Option of the year 2024, which is subject to the achievement of financial targets for the year 2023. The result for the transaction amounted to 1,589 and is disclosed in Other income and expenses, net line item.

On October 19, 2023, Globant España entered into a Put and Call option agreement (the "Option Agreement") with the equity holders of the remaining forty per cent (40%) of the issued and outstanding equity interest of GUT UK (the "Selling Shareholders" and the "Option Shares", respectively), with the purpose of setting out the terms and conditions whereby: (i) a put option over the Option Shares to be granted by Globant España in favor of the Selling Shareholders; and (ii) a call option over the Option Shares to be granted by the Selling Shareholders in favor of Globant España.

The Selling Shareholders and Globant España shall be entitled to acquire 10% of the equity interest in GUT UK upon exercise of each of the yearly (call or put, as applicable) options, under the following conditions and within the following calendar:

i. Subject to and based on the achievement of the 2023 financial targets, the 2023 put option or the 2023 call option may be exercised by the Selling Shareholders or Globant España, respectively, from March 1, 2024 to April 15, 2024 (the “2023 Yearly Option");

ii. Subject to and based on the achievement of the 2024 financial targets, the 2024 put option or the 2024 call option may be exercised by the Selling Shareholders or Globant España, respectively, from March 1, 2025 to April 15, 2025 (the “2024 Yearly Option”);

iii. Subject to and based on the achievement of the 2025 financial targets, the 2025 put option or the 2025 call option may be exercised by the Selling Shareholders or Globant España, respectively, from March 1, 2026 to April 15, 2026 (the “2025 Yearly Option”); and

iv. Subject to and based on the achievement of the 2026 Targets, the 2026 put option or the 2026 call option may be exercised by the Selling Shareholders or Globant España, respectively, from March 1, 2027 to April 15, 2027 (the “2026 Yearly Option”).

The amount that may become payable under the option on exercise is initially recognized at the present value of the redemption amount within other financial liabilities with a corresponding charge directly to equity. The charge to equity is recognized separately as written put options over non-controlling interests.

The liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

As of December 31, 2023, the Company has recognized as current and non-current other financial liabilities the written put option for an amount 13,006 and 62,807, respectively, equal to the present value of the redemption amount. As of December 31, 2022, the Company has recognized as current and non-current other financial liabilities the written put option for an amount 3,871 and 5,515, respectively, equal to the present value of the redemption amount. Changes in the measurement of the gross obligation will be recognized in the statements of changes in equity.

3.13.4 – Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.14 – Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short-term highly liquid investments (original maturity of less than 90 days). In the consolidated statements of financial position, bank overdrafts are included in borrowings within current liabilities.

Cash and cash equivalents as shown in the statement of cash flows only includes cash and bank balances and time deposits as disclosed in note 11.

3.15 – Reimbursable expenses

Out-of-pocket and travel expenses are recognized as expense in the statements of comprehensive income in the year they are incurred. Reimbursable expenses are billed to customers and presented within the line item "Revenues" in the statements of comprehensive income for the year.

3.16 - Share-based and cash-settle compensation plan

The Company has a share-based and cash-settle compensation plan for executives and employees of the Company and its subsidiaries. Equity-settled share-based and cash-settle payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based and cash-settle transactions are set forth in note 25.

The fair value determined at the grant date of the equity-settled share-based payments is recognized to spread the fair value of each award over the vesting period on a straight-line basis, based on the Company's estimate of equity instruments that will potentially vest, with a corresponding increase in equity. Cash-settle are recorded as liabilities and adjusted to fair value at the end of each reporting period.

3.17 – Components of other comprehensive income

Components of other comprehensive income are items of income and expense that are not recognized in profit or loss as required or permitted by other IFRSs. The Company included gains and losses arising from translating the financial statements of a foreign operation, the gains and losses related to the valuation of the financial assets measured at fair value through other comprehensive income and the effective portion of changes in the fair value of derivatives hedging instruments that are designated and qualify as cash flow hedges.

3.18 – Gain on transactions with bonds

During the year ended December 31, 2023, 2022 and 2021, the Company's Argentine subsidiaries, through cash received from intercompany loans and repayments of intercompany loans, acquired Argentine sovereign bonds in the U.S. market denominated in U.S. dollars.

After acquiring these bonds, the Company's Argentine subsidiaries sold those bonds in the Argentine market. The fair value of these bonds in the Argentine market (in Argentine pesos) during the year ended December 31, 2023 and 2022 was higher than its quoted price in the U.S. market (in U.S dollars) converted at the official exchange rate prevailing in Argentina, which is the rate used to convert these transactions in foreign currency into the Company's Argentine subsidiaries' functional currency, thus, as a result, the Company recognized a gain when remeasuring the fair value of the bonds in Argentine pesos into U.S. dollars at the official exchange rate prevailing in Argentina.

During the year ended December 31, 2023, 2022 and 2021, the Company recorded a gain amounting to 9,157, 13,883 and 708, respectively, due to the above mentioned transactions that were disclosed under the caption "Other financial results, net" in the consolidated statements of comprehensive income.

NOTE 4 – CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Company's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The critical accounting estimates concerning the future and other key sources of estimation uncertainty at the end of the reporting year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are the following:

1. Income taxes

   Determining the consolidated provision for income tax expenses, deferred income tax assets and liabilities requires judgment. The provision for income taxes is calculated over the net income of the company and is inclusive of federal, local and state taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences in each of the jurisdictions where the Company operates of temporary differences between the financial statement carrying amounts and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which the temporary differences are expected to be reversed. Changes to enacted tax rates would result in either increases or decreases in the provision for income taxes in the period of changes.

   The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized. This assessment requires judgments, estimates and assumptions by management. In evaluating the Company's ability to utilize its deferred tax assets, the Company considers all available positive and negative evidence, including the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are recoverable. The Company's judgments regarding future taxable income are based on expectations of market conditions and other facts and circumstances. Any adverse change to the underlying facts or the Company's estimates and assumptions could require that the Company reduces the carrying amount of its net deferred tax assets.

   The Company evaluates the uncertain tax treatment, such determination requires the use of significant judgment in evaluating the tax treatments and assessing the timing and amounts of deductible and taxable items, see note 3.7.1.3.

2. Impairment of trade receivables

   The Company measures ECL using reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As of December 31, 2023 and 2022 and 2021, the Company recorded an impairment for an amount of 18,808, 6,364 and 5,323, respectively, using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

3. Fair value measurement and valuation processes

Certain assets and liabilities of the Company are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company estimates the fair value of an asset or a liability by converting future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 29.8.

4. Contingent Liabilities

Provisions are recognized according to the following conditions: (i) the Company has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that the Company will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

5. Purchase price allocation

The acquisition method of accounting is use to account for all acquisitions. Under this method, assets acquired and liabilities assumed of the Company are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company estimates the fair value of an asset or a liability by converting future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 29.8.

Fair value is estimated by management using a multi-period excess earnings method for customer relationships. Management's cash flow projections for the intangible assets acquired included significant judgments and assumptions relating to revenue growth rates, customer attrition rates, and discount rates for customer relationships.

NOTE 5 – REVENUE

The following tables present the Company's revenues disaggregated by type of contracts, by revenue source regarding the industry vertical of the client and by currency. The Company provides technology services to enterprises in a range of industry verticals such as banks, financial services and insurance, media and entertainment, professional services, consumer, retail and manufacturing, technology and telecommunications, travel and hospitality and health care. The Company understands that disaggregating revenues into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenues may be affected by economic factors. However, this information is not considered by the chief operating decision-maker to allocate resources and in assessing financial performance of the Company. As noted in the business segment reporting information in note 27, the Company operates in a single operating and reportable segment.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

	For the year ended December 31,		
By Industry vertical	**2023**	**2022**	**2021**
Media and Entertainment	454,380	376,134	272,703
Banks, Financial Services and Insurance	385,207	359,940	308,227
Consumer, Retail & Manufacturing	351,880	254,500	197,620
Professional Services	261,233	235,553	167,997
Technology & Telecommunications	255,238	250,299	155,665
Travel & Hospitality	187,346	139,170	87,567
Health Care	167,705	128,669	96,334
Other Verticals	32,950	35,978	10,965
TOTAL	**2,095,939**	**1,780,243**	**1,297,078**

	For the year ended December 31,		
By Currency(*)	**2023**	**2022**	**2021**
United States dollar (USD)	1,514,822	1,415,226	977,349
European euro (EUR)	251,865	116,469	111,177
Argentine peso (ARS)	74,311	57,329	47,039
Mexican peso (MXN)	73,749	57,526	40,064
Brazilian real (BRL)	58,822	30,886	23,850
Pound sterling (GBP)	35,094	31,445	20,565
Chilean peso (CLP)	33,034	42,568	57,610
Colombian peso (COP)	17,392	12,971	9,803
Peruvian Sol (PEN)	13,380	13,435	9,058
Australian Dollar (AUD)	8,873	1,593	—
Saudi Riyal (SAR)	6,345	—	—
Canadian Dollar (CAD)	3,743	13	242
Indian Rupee (INR)	3,596	634	321
Others	913	148	—
TOTAL	**2,095,939**	**1,780,243**	**1,297,078**

(*) Billing currency.

	For the year ended December 31,		
By Contract Type	**2023**	**2022**	**2021**
Time and material contracts	1,654,280	1,475,848	1,062,171
Fixed-price contracts	383,867	273,344	218,846
Licenses, resales and others	57,792	31,051	16,061
TOTAL	**2,095,939**	**1,780,243**	**1,297,078**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

NOTE 6 – COST OF REVENUES AND SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

6.1 - Cost of revenues

	For the year ended December 31,		
	2023	**2022**	**2021**
Salaries, employee benefits and social security taxes	(1,158,669)	(1,014,469)	(745,307)
Professional services	(104,916)	(37,293)	(23,989)
Depreciation and amortization expense	(18,057)	(13,510)	(10,730)
Share-based compensation expense - Equity settled	(15,155)	(4,917)	(3,568)
Travel and housing	(11,669)	(11,057)	(4,950)
Depreciation expense of right-of-use assets	(10,540)	(9,802)	(3,392)
Office expenses	(7,348)	(8,817)	(6,607)
Recruiting, training and other employee expenses	(6,818)	(3,150)	(2,860)
Promotional and marketing expenses	(5,319)	(4,111)	(687)
Share-based compensation expense - Cash settled	(1,687)	(3,722)	—
TOTAL	**(1,340,178)**	**(1,110,848)**	**(802,090)**

6.2 - Selling, general and administrative expenses

	For the year ended December 31,		
	2023	**2022**	**2021**
Salaries, employee benefits and social security taxes	(212,381)	(173,472)	(139,307)
Depreciation and amortization expense	(81,822)	(59,179)	(45,723)
Share-based compensation expense - Equity settled	(57,297)	(52,144)	(38,849)
Professional services	(49,921)	(40,546)	(30,947)
Depreciation expense of right-of-use assets	(29,442)	(25,442)	(20,441)
Office expenses	(26,669)	(24,992)	(18,298)
Promotional and marketing expenses	(26,323)	(26,976)	(10,299)
Taxes	(20,023)	(17,609)	(13,260)
Travel and housing	(17,818)	(17,159)	(5,414)
Rental expenses	(9,149)	(7,448)	(6,045)
Recruiting, training and other employee expenses	(5,714)	(10,346)	(11,575)
Share-based compensation expense - Cash settled	(634)	(770)	—
Legal claims	118	(241)	(2,846)
TOTAL	**(537,075)**	**(456,324)**	**(343,004)**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

NOTE 7 – FINANCE INCOME / EXPENSE/ OTHER FINANCIAL RESULTS

	For the year ended December 31,		
	2023	**2022**	**2021**
Finance income			
Interest gain	4,777	2,832	652
TOTAL	**4,777**	**2,832**	**652**
Finance expense			
Other interest	(9,647)	(4,722)	(4,150)
Interest expense on lease liabilities	(6,319)	(6,822)	(5,415)
Interest expense on borrowings	(4,106)	(2,491)	(915)
Banking expenses	(3,423)	(2,290)	(2,085)
Other	(258)	(227)	(143)
TOTAL	**(23,753)**	**(16,552)**	**(12,708)**
Other financial results, net			
Net gain (loss) arising from financial assets measured at fair value through PL	23,564	(7,537)	(8,537)
Gain on transaction with bonds	9,157	13,883	708
Net gain arising from financial assets measured at fair value through OCI	630	500	6
Foreign exchange (loss) gain, net	(22,009)	(6,673)	3,900
TOTAL	**11,342**	**173**	**(3,923)**

NOTE 8 – OTHER INCOME AND EXPENSES, NET

	For the year ended December 31,		
	2023	**2022**	**2021**
Other Expense			
Fixed and intangibles assets derecognition and disposals	(1,134)	(1,632)	(579)
Remeasurement of call/put option over non-controlling interest	(39)	—	—
Remeasurement of contingent consideration (note 29.9.1)	—	—	(4,694)
Impairment of cryptocurrencies (note 16)	—	(1,017)	(80)
Other	(1,650)	(293)	(182)
Subtotal	**(2,823)**	**(2,942)**	**(5,535)**
Other Income			
Remeasurement of contingent consideration (note 29.9.1)	4,227	967	—
Insurance recovery (*)	2,239	—	—
Reversal Impairment of cryptocurrencies (note 16)	822	—	—
Other Remeasurements	254	—	—
Remeasurement of call/put option over non-controlling interest	—	180	—
Remeasurement at FV of investment in associates (note 12.2)	—	—	1,538
Other	1,883	1,400	628
Subtotal	**9,425**	**2,547**	**2,166**
TOTAL	**6,602**	**(395)**	**(3,369)**

(*) During the last quarter of the year the Company collected 2,239 from the insurance related to the Cybersecurity Event of 2022. See note 32.1

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

NOTE 9 – INCOME TAXES

9.1 – INCOME TAX RECOGNIZED IN PROFIT AND LOSS

	For the year ended December 31,		
	2023	**2022**	**2021**
Tax expense:			
Current tax expense	(72,549)	(44,756)	(53,319)
Deferred tax gain	33,038	1,351	24,822
TOTAL INCOME TAX EXPENSE	**(39,511)**	**(43,405)**	**(28,497)**

Most of the revenues are generated through subsidiaries located in the U.S. The Company's workforce is mainly located in Latin America and to a lesser extent in India, Europe and the U.S.

The following table provides a reconciliation of the statutory tax rate to the effective tax rate:

	For the year ended December 31,		
	2023	**2022**	**2021**
Profit before income tax	198,019	192,884	124,852
Tax calculated at the tax rate in each country	(40,240)	(33,108)	(27,757)
Argentine Knowledge Economy Law (note 3.7.1.1)	2,297	1,358	1,157
Non-deductible expenses / non-taxable gains	(1,695)	61	2,122
Tax loss carry forward not recognized	(207)	(3,096)	(2,873)
Recognition of previously unrecognized tax losses	4,993	—	—
Foreign withholding tax	(5,107)	(2,683)	—
Exchange difference	1,130	(5,937)	(1,146)
Other	(682)	—	—
INCOME TAX EXPENSE RECOGNIZED IN PROFIT AND LOSS	**(39,511)**	**(43,405)**	**(28,497)**

9.2 – DEFERRED TAX ASSETS AND LIABILITIES

	As of December 31,	
	2023	**2022**
Provision for vacation and bonus	36,134	27,747
Intercompany trade payables	15,841	17,323
Share-based compensation plan	14,827	13,048
Loss carryforward (1)	9,933	9,304
Allowance for doubtful accounts	4,656	1,937
Inflation adjustment	416	721
Contingencies	—	242
Other Assets	(191)	(2,989)
Goodwill	(8,894)	(6,100)
Property, equipment, intangibles and leases	(29,109)	(32,690)
Others	7,458	2,148
TOTAL DEFERRED TAX	**51,071**	**30,691**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

(1) As of December 31, 2023 and 2022, the detail of the loss carryforward is as follows:

	2023		2022	
Company	**Loss carryforward**	**Expiration date**	**Loss carryforward**	**Expiration date**
Dynaflows S.A.	149	2027	—	2027
IAFH Global S.A	—	2024	74	2024
IAFH Global S.A	—	2025	528	2025
IAFH Global S.A	—	2027	3,192	2027
Decision Support, S.A	—	2026	549	2026
Decision Support, S.A	—	2027	173	2027
BSF S.A.	309	2027	—	2027
Atix Labs, SRL	13	2026	57	2026
Atix Labs, SRL	19	2027	192	2027
Atix Labs, SRL	83	2028	—	2028
Gut Agency SRL	1,371	2028	—	2028
IBS Integrated Business Solutions Consultoria	1,607	does not expire	—	does not expire
Grupo Assa Corp	41	does not expire	—	does not expire
Augmented Coding US, LLC	557	does not expire	106	does not expire
Augmented Coding Spain, S.A	910	does not expire	379	does not expire
La Liga Content Protection S.L	367	does not expire	—	does not expire
Globant Portugal Unipessoal Lda	50	does not expire	—	does not expire
Globant Colombia S.A.S.	—	does not expire	385	does not expire
Globant S.A.	1,099	2038	—	2038
Globant España S.A.	328	does not expire	—	does not expire
Sports Reinvention Entertainment Group S.L	1,890	does not expire	3,669	does not expire
Gut Agency LLC	1,140	does not expire	—	does not expire
	9,933		**9,304**	

The Company has an amount of tax losses carried forward of 2,320 which has not been recognized as a Deferred Tax Asset because the relevant recognition criteria has not been met.

As of December 31, 2023 and 2022, no deferred tax liability has been recognized on investments in subsidiaries. The Company has concluded it has the ability and intention to control the timing of any distribution from its subsidiaries and it is probable that will be no reversal in the foreseeable future in a way that would result in a charge to taxable profit.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

The roll forward of the deferred tax assets/(liabilities) presented in the consolidated financial position is as follows:

2023	Opening balance	Recognized in profit or loss (*)	Recognized directly in equity	Acquisitions/ disposals	Additions from acquisitions	Closing balance
Deferred tax assets/(liabilities) in relation to:						
Share-based compensation plan	13,048	9	1,770	—	—	14,827
Provision for vacation and bonus	27,747	7,105	1,144	—	138	36,134
Intercompany trade payables	17,323	(1,482)	—	—	—	15,841
Property, equipment, intangibles and leases	(32,690)	8,957	—	—	(5,376)	(29,109)
Goodwill	(6,100)	(2,794)	—	—	—	(8,894)
Allowance for doubtful accounts	1,937	2,719	—	—	—	4,656
Contingencies	242	(242)	—	—	—	—
Inflation adjustments	721	(305)	—	—	—	416
Other assets	(2,989)	2,798	—	—	—	(191)
Others	2,148	5,508	—	—	(198)	7,458
Subtotal	21,387	22,273	2,914	—	(5,436)	41,138
Loss carryforward	9,304	330	946	(3,142)	2,495	9,933
TOTAL	**30,691**	**22,603**	**3,860**	**(3,142)**	**(2,941)**	**51,071**

(*) Includes foreign exchange loss of 10,435.

2022	Opening balance	Recognized in profit or loss (*)	Recognized directly in equity	Acquisitions/ disposals	Additions from acquisitions	Closing balance
Deferred tax assets/(liabilities) in relation to:						
Share-based compensation plan	30,788	20	(17,760)	—	—	13,048
Provision for vacation and bonus	24,621	3,205	(79)	—	—	27,747
Intercompany trade payables	18,613	(1,290)	—	—	—	17,323
Property, equipment, intangibles and leases	(20,512)	(3,170)	—	—	(9,008)	(32,690)
Goodwill	(3,681)	(2,419)	—	—	—	(6,100)
Allowance for doubtful accounts	1,604	333	—	—	—	1,937
Contingencies	356	(114)	—	—	—	242
Inflation adjustments	2,357	(1,636)	—	—	—	721
Other assets	(1,404)	(1,585)	—	—	—	(2,989)
Others	1,506	1,277	—	—	(635)	2,148
Subtotal	54,248	(5,379)	(17,839)	—	(9,643)	21,387
Loss carryforward	2,867	3,747	—	(979)	3,669	9,304
TOTAL	**57,115**	**(1,632)**	**(17,839)**	**(979)**	**(5,974)**	**30,691**

(*) Includes foreign exchange loss of 2,983.

9.3 OECD PILLAR TWO MODEL RULES

On December 22, 2023, the Luxembourg Official Gazette published Law A864 to transpose the Council Directive (EU) 2022/2523 of December 15, 2022 aimed at ensuring a minimum level of global taxation for groups of multinational companies and large-scale national groups in the Union. Globant S.A. is incorporated in Luxembourg, the Group is within the scope of the OECD Pillar Two model rules from January 1, 2024. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposure.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group is in the process of assessing its exposure to the Pillar Two legislation. This assessment indicates that the jurisdiction Uruguay, has an average effective tax rate based on accounting profit for the annual reporting period to 31 December 2023, below 15%. Other jurisdictions may also have effective tax rate below 15% (calculated in accordance with paragraph 86 of IAS 12) but the group might not be exposed to paying Pillar Two income taxes due to the application of the transitional Safe Harbours provisions and the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with paragraph 86 of IAS 12.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted legislation is not yet reasonably estimable. The group is currently engaged with tax specialists to assist it with applying the legislation.

It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023 the IASB issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules. Those amendments were endorsed by the EU Commission on 8 November 2023. The Group applied the temporary exception in the period ended December 31, 2023.

NOTE 10 – EARNINGS PER SHARE

The earnings and weighted average number of shares used in the calculation of basic and diluted earnings per share are as follows:

	For the year ended December 31,		
	2023	**2022**	**2021**
Net income for the year attributable to owners of the Company	158,538	148,891	96,065
Weighted average number of shares (in thousands) for the purpose of basic earnings per share	42,601	41,929	40,940
Weighted average number of shares (in thousands) for the purpose of diluted earnings per share	43,594	42,855	42,076
BASIC EARNINGS PER SHARE	**$3.72**	**$3.55**	**$2.35**
DILUTED EARNINGS PER SHARE	**$3.64**	**$3.47**	**$2.28**

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weight average number of ordinary shares for the purpose of diluted earnings per share:

	For the year ended December 31,		
	2023	**2022**	**2021**
Shares not-deemed to be issued in respect of employee options	67	25	30

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

NOTE 11 – CASH AND CASH EQUIVALENTS

	As of December 31,	
	2023	2022
Cash and bank balances	298,583	228,632
Time deposits	8,640	63,825
TOTAL	**307,223**	**292,457**

NOTE 12 – INVESTMENTS

12.1 – Investments

	As of December 31,	
	2023	2022
Current		
Mutual funds (1)	13,570	47,009
Commercial Papers (2)	2,500	—
Bills issued by the Treasury Department of the U.S. ("T-Bills") (2)	—	1,399
TOTAL	**16,070**	**48,408**

(1) Measured at fair value through profit or loss.
(2) Measured at fair value through other comprehensive income.

	As of December 31,	
	2023	2022
Non current		
Contribution to funds (3)	1,833	1,513
TOTAL	**1,833**	**1,513**

(3) On November 30, 2020, the Company signed a contribution agreement with Vistra ITCL and Pentathlon Ventures LLP, through which the Company committed to invest an aggregate amount approximately 2,000, as of December 31, 2023 and 2022, the Company has paid 1,833 and 1,513, respectively.

12.2 – Investments in associates

Because Energy Corp investment

During 2022 the Company paid an aggregate consideration of 500 in exchange for a 20% equity interest in Because Energy Corp. and accounted for this investment using the equity method considering that the Company has significant influence over the operating and governance decisions of Because Energy Corp., given that the Company participates and has influence in the board of director, the approval of budget and business plan, among other decisions.

As of December 31, 2023, the Company has a 20% of interest in Because Energy Corp.

As of December 31, 2023 and 2022 the amount recognized was 560 and 505, respectively.

For the years ended December 31, 2023 and 2022, the Company share on the profit or loss for the investment in Because Energy Corp. was a gain of 55 and a loss of 5, respectively.

Genexus Japan investment

Through the acquisition of Genexus on April 20, 2022, the Company acquired a 28% interest in Genexus Japan.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

As of December 31, 2023, the Company had a 28% of interest in Genexus Japan and accounted for this investment using the equity method considering that the Company has significant influence over the operating and governance decisions of Genexus Japan, as the participation in the board of director, the approval of budget and business plan, among other decisions.

As of December 31, 2023 and 2022 the amount recognized was 866 and 832, respectively.

For the years ended December 31, 2023 and 2022, the Company share on the profit or loss for the investment in Genexus Japan was a gain of 34 and a loss of 114, respectively.

Acamica investment

As of December 31, 2020, the Company had a 47.5% of participation in Acámica Tecnologías S.L. The investment is accounted using the equity method considering that the Company has significant influence over the operating and governance decisions of Acamica Tecnologías S.L., as the interest in the board of director, the approval of budget and business plan, among other decisions.

On April 22, 2021, the Company signed a subscription agreement alongside Fitory S.A., Wayra Argentina S.A., Stultum Pecunian Ventures LLC, Eun Young Hwang and Digital House Group Ltd ("Digital House"), pursuant to which the investors agree to sell their participation in Acamica to Digital House in exchange for the allotment and issuance of shares. However prior to the closing, on April 29, 2021, the Company made an additional contribution to Acamica for an amount of 1,095, increasing its participation to 51.9% obtaining temporary control of Acamica. On June 29, 2021, the subscription agreement was closed.

For the year ended December 31, 2021, the Company share on the profit or loss for the investment in Acamica a loss of 233.

NOTE 13 – TRADE RECEIVABLES

	As of December 31,	
	2023	**2022**
Current		
Accounts receivable [1]	408,166	361,883
Unbilled revenue	111,785	70,141
Subtotal	**519,951**	**432,024**
Less: Allowance for expected credit losses	(20,668)	(7,214)
TOTAL	**499,283**	**424,810**

(1) As of December 31, 2023 and 2022, the Company has 266 and 14 as outstanding balances with related parties (see note 24.1).

Allowance for expected credit losses

The following tables detail the risk profile of trade receivables based on the Company's provision matrix as of December 31, 2023 and 2022.

December 31, 2023	**Trade receivables - days past due**								
	< 30	**31 - 60**	**61 - 90**	**91-120**	**121-180**	**181 - 365**	**> 365**	**Risk clients**	**Total**
Expected credit loss rate	0.82%	2.08%	4.81%	9.02%	26.60%	84.13%	100.00%	100.00%	
Estimated total gross carrying amount at default	104,024	21,442	7,775	4,856	5,090	5,083	8,283	4,644	161,197
Lifetime ECL	**853**	**446**	**374**	**438**	**1,354**	**4,276**	**8,283**	**4,644**	**20,668**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

December 31, 2022	Trade receivables - days past due								
	< 30	31 - 60	61 - 90	91-120	121-180	181 - 365	> 365	Risk clients	Total
Expected credit loss rate	0.49%	1.47%	3.31%	8.90%	31.18%	82.05%	100.00%	100.00%	
Estimated total gross carrying amount at default	65,306	18,367	9,335	4,326	5,301	1,359	859	2,303	107,156
Lifetime ECL	**320**	**270**	**309**	**385**	**1,653**	**1,115**	**859**	**2,303**	**7,214**

The movements in the allowance are calculated based on lifetime expected credit loss model for 2023 and 2022.

The following table shows the movement in ECL that has been recognized for trade receivables in accordance with the simplified approach:

	As of December 31,		
	2023	2022	2021
Balance at beginning of year	(7,214)	(6,177)	(5,755)
Additions related to Travel and Hospitality clients	—	—	(2,228)
Additions, net (note 4.2)	(18,808)	(6,364)	(5,323)
Write-off of receivables	5,354	5,327	7,129
Balance at end of year	**(20,668)**	**(7,214)**	**(6,177)**

The average credit period on sales for 2023 and 2022 is 80 days and 73 days, respectively. No interest is charged on trade receivables, except for certain customers to which financing facilities have been given with the corresponding financing charge. The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using the provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

NOTE 14 – OTHER RECEIVABLES

	As of December 31,	
	2023	2022
Current		
Prepaid expenses	26,934	18,543
Tax credit - Knowledge Law (note 3.7.1.1)	7,354	22,564
Income tax credits	6,956	16,985
Tax credit - VAT	2,124	2,270
Advances to suppliers	2,094	3,082
Other tax credits	1,815	2,159
Guarantee deposits	61	61
Other	7,448	4,548
TOTAL	**54,786**	**70,212**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

	As of December 31,	
	2023	2022
Non-current		
Income tax credits	13,210	6,006
Guarantee deposits	7,558	5,942
Prepaid expenses	1,982	816
Tax credit - VAT	1,012	1,622
Other tax credits	306	5,184
Other	2,407	1,571
TOTAL	**26,475**	**21,141**

NOTE 15 – PROPERTY AND EQUIPMENT

The Company reviews the estimated useful lives of property and equipment at the end of each reporting period. The Company determined that the useful lives of the assets included as property and equipment are in accordance with their expected lives.

Property and equipment as of December 31, 2023 included the following:

	Computer equipment and software	Furniture and office supplies	Office fixtures	Vehicles	Buildings	Lands	Properties under construction	Total
Useful life (years)	3	5	3 - 5	5	50			
Cost								
Values at beginning of year	92,837	16,479	78,210	276	31,505	2,354	59,174	280,835
Additions related to business combinations (note 26.2)	2,213	287	83	350	280	—	169	3,382
Additions	11,415	1,142	582	33	—	—	17,454	30,626
Derecognition	(3,083)	(104)	(63)	(238)	—	—	—	(3,488)
Transfers	26	610	25,975	—	42,649	—	(69,260)	—
Translation	83	69	318	8	26	—	2	506
Values at end of year	103,491	18,483	105,105	429	74,460	2,354	7,539	311,861
Depreciation								
Accumulated at beginning of year	55,361	10,983	50,816	113	1,829	—	—	119,102
Additions	18,372	2,419	10,857	148	964	—	—	32,760
Derecognition	(2,619)	(56)	(63)	(176)	—	—	—	(2,914)
Translation	(39)	38	154	6	18	—	—	177
Accumulated at end of year	71,075	13,384	61,764	91	2,811	—	—	149,125
Carrying amount	**32,416**	**5,099**	**43,341**	**338**	**71,649**	**2,354**	**7,539**	**162,736**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Property and equipment as of December 31, 2022 included the following:

	Computer equipment and software	Furniture and office supplies	Office fixtures	Vehicles	Buildings	Lands	Properties under construction	Total
Useful life (years)	3	5	3 - 5	5	50			
Cost								
Values at beginning of year	66,602	14,207	68,302	240	13,971	2,354	62,614	228,290
Additions related to business combinations (note 26.2)	650	147	398	128	—	—	—	1,323
Additions	26,542	2,599	1,269	—	—	—	22,749	53,159
Disposals	(776)	(458)	(296)	—	—	—	—	(1,530)
Transfers	1	(9)	8,667	—	17,534	—	(26,193)	—
Translation	(182)	(7)	(130)	(92)	—	—	4	(407)
Values at end of year	92,837	16,479	78,210	276	31,505	2,354	59,174	280,835
Depreciation								
Accumulated at beginning of year	42,024	8,475	42,915	11	1,492	—	—	94,917
Additions	13,899	2,896	8,110	82	337	—	—	25,324
Disposals	(746)	(397)	(286)	—	—	—	—	(1,429)
Translation	184	9	77	20	—	—	—	290
Accumulated at end of year	55,361	10,983	50,816	113	1,829	—	—	119,102
Carrying amount	**37,476**	**5,496**	**27,394**	**163**	**29,676**	**2,354**	**59,174**	**161,733**

NOTE 16 – INTANGIBLE ASSETS

The Company reviews the estimated useful lives of intangible assets at the end of each reporting period. The Company determined that the useful lives of the assets included as intangible assets are in accordance with their expected lives.

If any impairment indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs of disposal and value in use. The discount rate use is the appropriate weighted average cost of capital.

During the year, the Company considered the recoverability of its internally generated intangible asset which are included in the consolidated financial statements as of December 31, 2023 and 2022 with a carrying amount of 74,653 and 43,170, respectively.

As of December 31, 2023 and 2022 no impairment were recognized.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Intangible assets as of December 31, 2023 included the following:

	Licenses and internal developments	Customer relationships and contracts	Platforms	Non-compete agreements	Cryptocurrencies (*)	Total
Useful life (years)	3 - 5	1 - 9	4 - 8	3		
Cost						
Values at beginning of year	145,301	127,583	33,370	2,414	2,047	310,715
Additions related to business combinations (note 26.2)	38	36,028	—	734	—	36,800
Additions from separate acquisitions	14,639	—	—	—	149	14,788
Additions from internal development	65,050	—	—	—	—	65,050
Derecognition	(3,255)	—	—	—	(288)	(3,543)
Translation	516	3,446	(273)	36	—	3,725
Values at end of year	222,289	167,057	33,097	3,184	1,908	427,535
Amortization and impairment						
Accumulated at beginning of year	85,278	39,992	419	1,357	1,097	128,143
Additions	41,218	18,360	7,044	497	—	67,119
(Reversal) Impairment loss recognized in profit or loss	—	—	—	—	(822)	(822)
Derecognition	(2,983)	—	—	—	—	(2,983)
Translation	60	620	(131)	(11)	—	538
Accumulated at end of year	123,573	58,972	7,332	1,843	275	191,995
Carrying amount	**98,716**	**108,085**	**25,765**	**1,341**	**1,633**	**235,540**

(*) As of December 31, 2023, the Company´s crypto assets are comprised by Bitcoin, Ethereum and Stable Coin.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Intangible assets as of December 31, 2022 included the following:

	Licenses and internal developments	Customer relationships and contracts	Platforms	Non-compete agreements	Cryptocurrencies (*)	Total
Useful life (years)	3 - 5	1 - 9	4 - 8	3		
Cost						
Values at beginning of year	99,036	85,807	—	1,990	1,216	188,049
Additions related to business combinations (note 26.2)	6,730	42,762	33,370	353	—	83,215
Additions from separate acquisitions	8,844	—	—	131	843	9,818
Additions from internal development	36,871	—	—	—	—	36,871
Derecognition	(6,170)	—	—	—	(12)	(6,182)
Translation	(10)	(986)	—	(60)	—	(1,056)
Values at end of year	145,301	127,583	33,370	2,414	2,047	310,715
Amortization and impairment						
Accumulated at beginning of year	56,460	28,552	—	941	80	86,033
Additions	33,521	12,945	419	480	—	47,365
Impairment loss recognized in profit or loss	—	—	—	—	1,017	1,017
Disposals	(4,651)	—	—	—	—	(4,651)
Translation	(52)	(1,505)	—	(64)	—	(1,621)
Accumulated at end of year	85,278	39,992	419	1,357	1,097	128,143
Carrying amount	**60,023**	**87,591**	**32,951**	**1,057**	**950**	**182,572**

(*) As of December 31, 2022, the Company´s crypto assets are comprised by Bitcoin, Ethereum and Stable Coin.

NOTE 17 – OTHER ASSETS

The Company has resale agreements with customers, among which some contracts consist on billing customers and receiving invoices from suppliers based on a billing schedule established in the subscription and other resales contracts. Therefore, the outstanding balance of other assets includes the right to consideration related to subscriptions and other resales that have not yet been invoiced by the Company, and trade payables includes the accrual of expenses for the cost that has not yet been invoiced by the suppliers.

The outstanding balance of other assets as of December 31, 2023 and 2022 is as follows:

	As of December 31,	
	2023	**2022**
Current		
Unbilled Subscriptions	22,685	15,197
Other resales contracts	9,068	—
TOTAL	**31,753**	**15,197**
Non-current		
Unbilled Subscriptions	4,088	10,657
TOTAL	**4,088**	**10,657**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

NOTE 18 – OTHER FINANCIAL ASSETS AND LIABILITIES

	As of December 31,	
	2023	2022
Other financial assets		
Current		
Foreign exchange forward contracts	10,408	3,509
Convertible notes	3,359	2,491
Interest rate SWAP	852	155
Equity instruments	611	371
Equity forward contract	188	—
Others	—	3
TOTAL	**15,418**	**6,529**
Non-current		
Equity instruments	28,743	27,521
Convertible notes	5,751	4,193
Equity forward contract	370	—
Interest rate SWAP	—	3,261
Others	—	3
TOTAL	**34,864**	**34,978**
Other financial liabilities		
Current		
Other financial liabilities related to business combinations (note 26) (1)	67,766	50,889
Put option on minority interest of GUT	13,006	—
Equity forward contract	393	981
Foreign exchange forward contracts	311	3,575
Put option on minority interest of Walmeric	—	3,871
Others	28	—
TOTAL	**81,504**	**59,316**
Non-current		
Other financial liabilities related to business combinations (note 26)	99,737	69,635
Put option on minority interest of GUT	62,807	—
Equity forward contract	774	2,905
Put option on minority interest of Walmeric	—	5,515
TOTAL	**163,318**	**78,055**

(1) As part of the acquisition of Grupo ASSA and Pentalog, the sellers agreed to indemnify the Company for the outcome of certain contingencies. As a result, the Company has recognized an indemnification asset for a total amount of 10,067 and 6,071, as of December 31, 2023 and 2022, respectively. The consideration for these acquisitions includes 19,664 and 9,398 as of December 31, 2023 and 2022, respectively which is subject to adjustments, deductions and withholdings related to the indemnified contingencies. Consequently, the Company has off-set the indemnification asset against the amount payable to the sellers.

18.1 Equity Instruments

Digital House investment

On December 31, 2020, Globant España S.A. entered into a share purchase agreement along side other two partners to acquire between the three of them 614,251 shares of Digital House Group Ltd, which 204,750 correspond to Globant España S.A, such amount was acquired for 9,167. On April 22, 2021, the Company entered into a subscription agreement pursuant to which the investors sell their participation in Acamica in exchange for an increase in Digital House's investment for 5,848. On September 30, 2021, the Company paid an additional 862. On July 7, 2022, the Company paid an additional 4,148, increasing it's investment to 17.2%. As of December 31, 2023, the Company has a 17.2% equity interest on Digital House, and the amount disclosed is 20,502 as other financial assets non-current.

As of December 31, 2023,and 2022 the Company recognized a loss of 2,372 and a gain 2,850, respectively, included in the line item "Net change in fair value on financial assets measured at FVOCI".

ELSA investment

On January 15, 2021, Globant España, signed a stock purchase agreement and acquired 4% of ELSA, Corp., for 2,700.On June 21, 2023, the Company paid and additional 1,130, increasing it's investment to 4.3%

As of December 31, 2023, and 2022 the Company recognized a gain of 2,640 and a loss of 2,047, respectively included in the line item "Net change in fair value on financial assets measured at FVOCI"

V.U investment

On April, 23, 2021, Globant España, signed a stock purchase agreement and acquired 3% of VU Inc., for 2,200.On September 18, 2023, the Company paid additional 618, increasing it´s investment to 3.1%.

As of December 31, 2023, the Company recognized a loss of 220 included in the line item "Net change in fair value on financial assets measured at FVOCI"

Singularity investment

On July 8, 2019 ("issuance date"), Globant España S.A. and Singularity Education Group, agreed into a note purchase agreement whereby Globant España S.A. provides financing facility for 1,250. Interest on the entire outstanding principal balance is computed at an annual rate of 5%. Singularity Education Group shall repay the loan in full within 1 year from the effective date. Globant España S.A has the right to convert any portion of the outstanding principal into Conversion Shares of Singularity Education Group.

On August 27, 2020 Globant España S.A decided to convert all the outstanding principal into shares as mentioned in the previous note purchase agreement, Singularity Education Group issued through purchase conversion 10,655,788 shares at $0.1231 per share for a total amount of 1,311, such amount is disclosed as other financial asset non-current.

As of December 31, 2022, the Company recognized a loss of 555 included in the line item "Net change in fair value on financial assets measured at FVOCI". As of December 31, 2023, the Company did not recognize any remeasurement in other comprehensive income.

Queiban investment

On September 12, 2022, Globant España S.A. signed a stock purchase agreement and acquired 3.77% of Queiban S.A. for 1,000.

As of December 31, 2023, the Company recognized a loss of 576 included in the line item "Net change in fair value on financial assets measured at FVOCI".

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Latam Airlines investment

In connection with Latam Airlines Group S.A.'s Chapter 11 reorganization plan filed before the United States Bankruptcy Court for the Southern District of New York, the Company received convertible bonds which, on December 23, 2022, were converted into less than 1% of shares of Latam Airlines Group S.A. for 371.

As of December 31, 2023, the Company recognized a gain of 249 included in the line item "Net change in fair value on financial assets measured at FVOCI".

NOTE 19 – TRADE PAYABLES

	As of December 31,	
	2023	**2022**
Current		
Expenses accrual	68,015	50,114
Suppliers [1]	48,481	35,754
Advanced payments from customers	8,049	3,529
TOTAL	**124,545**	**89,397**

[1] As of December 31, 2023 and 2022, the Company has 177 and 574 as outstanding balances with related parties (see note 24.1).

	As of December 31,	
	2023	**2022**
Non current		
Expenses accrual	2,981	5,445
TOTAL	**2,981**	**5,445**

NOTE 20 – PAYROLL AND SOCIAL SECURITY TAXES PAYABLE

	As of December 31,	
	2023	**2022**
Current		
Provision for vacation, bonus and others	170,010	148,874
Social security tax	41,763	37,716
Salaries	7,774	15,592
Cash-settled scheme	1,709	1,343
Directors fees	120	187
Other	467	107
TOTAL	**221,843**	**203,819**

	As of December 31,	
	2023	**2022**
Non current		
Provision for vacation, bonus and others	3,192	2,776
Cash-settled scheme	1,947	1,540
TOTAL	**5,139**	**4,316**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

NOTE 21 – BORROWINGS

The principal balances of outstanding borrowings under lines of credit with banks and financial institutions were as follows:

	As of December 31,	
	2023	**2022**
HSBC Bank - Syndicated loan (United States)	155,980	—
BPIfrance Financement (France)	3,079	—
Liga Nacional de Fútbol Profesional (Spain)	—	1,938
Centro para el Desarrollo Tecnológico Industrial (Spain)	—	894
BBVA (Mexico)	—	760
Banco Desio (Italia)	—	15
Others	48	92
TOTAL	**159,107**	**3,699**

Such balances were included as current and non-current borrowings in the consolidated statement of financial position as follows:

	As of December 31,	
	2023	**2022**
Current		
Bank loans	156,914	812
Other loans	2	2,026
Sub-Total	156,916	2,838
Non-current		
Bank loans	2,191	55
Other loans	—	806
Sub-Total	2,191	861
TOTAL	**159,107**	**3,699**

On November 1, 2018, Globant, LLC, the Company's U.S. subsidiary, entered into an Amended and Restated ("A&R") Credit Agreement by and among certain financial institutions, as lenders, and HSBC Bank USA, National Association, as administrative agent, issuing bank and swingline lender. The A&R Credit Agreement amended and restated the Credit Agreement dated as of August 3, 2017. Under the A&R Credit Agreement, Globant, LLC could have borrowed (i) up to 50,000 in a single borrowing on or prior to May 1, 2019 under a delayed-draw term loan facility and (ii) up to 150,000 under a revolving credit facility. In addition, Globant, LLC could have requested increases of the maximum amount available under the revolving facility in an aggregate amount not to exceed 100,000. The maturity date of the facilities was October 31, 2023. Pursuant to the terms of the A&R Credit Agreement, interest on loans extended thereunder shall accrue at a rate per annum equal to London Interbank Offered Rate ("LIBOR") plus 1.75%. Globant, LLC’s obligations under the A&R Credit Agreement were guaranteed by the Company and its subsidiary Globant España S.A., and are secured by substantially all of Globant, LLC’s now owned and after-acquired assets. The A&R Credit Agreement contained certain customary negative and affirmative covenants.

On February 6, 2020, Globant, LLC, our US subsidiary (the "Borrower"), entered into a Second Amended and Restated Credit Agreement (the “Second A&R Credit Agreement”), by and among certain financial institutions listed therein, as lenders, and HSBC Bank USA, National Association, as administrative agent, issuing bank and swingline lender. Under the Second A&R Credit Agreement, which amends and restates the existing A&R Credit Agreement dated as of November 1, 2018, the Borrower may borrow (i) up to $100 million in up to four borrowings on or prior to August 6, 2021 under a delayed-draw term loan facility and (ii) up to $250 million under a revolving credit facility. In addition, the Borrower may request increases of the maximum amount available under the revolving facility in an aggregate amount not to exceed $100 million. The maturity date of each of the facilities is February 5, 2025. Pursuant to the terms of the Second A&R Credit Agreement, interest on the loans extended thereunder shall accrue at a rate per annum equal to either (i) LIBOR plus 1.50%, or (ii) LIBOR plus 1.75%, determined based on the Borrower’s Maximum Total Leverage Ratio (as defined in the Second A&R Credit Agreement). The

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Borrower's obligations under the Second A&R Credit Agreement are guaranteed by the Company and its subsidiary Globant España S.A., and are secured by substantially all of the Borrower's now owned and after-acquired assets. The Seconds A&R Credit Agreement principally contains the following covenants: delivery of certain financial information; payment of obligations, including tax liabilities; use of proceeds only for transaction costs payments, for lawful general corporate purposes and working capital; Globant, LLC's Fixed Charge Coverage Ratio shall not be less than 1.25 to 1.00; Globant, LLC's Maximum Total Leverage Ratio shall not exceed 3.00 to 1.00; Globant, LLC or any of its subsidiaries shall not incur in any indebtedness, except for the ones detailed in the agreement; Globant, LLC or any of its subsidiaries shall not assume any Lien; advances to officers, directors and employees of the Borrower and Subsidiaries in an aggregate amount not to exceed 50 outstanding at any time; restricted payments not to exceed 10,000 per year; Globant, LLC shall not maintain intercompany payables owed to any of its Argentina Affiliates except to the extent (i) such payables are originated in transactions made in the ordinary course of business and (ii) the aggregate amount of such payables do not exceed an amount equal to five times the average monthly amount of such Affiliates' billings for the immediately preceding 12 month period; Globant, LLC's capital expenditures limited to 10% the Company's consolidated net revenue per year and Globant, LLC's annual revenue is to remain at no less than 60% of the Company's consolidated annual revenue; among others.

On June 2, 2022 the Company signed an amendment and restated the credit agreement with HSBC, pursuant to which the LIBOR rate was replaced by a Secured Overnight Financing Rate ("SOFR") plus 0.10%.

On May 31, 2023, Globant, LLC (the "Borrower"), the U.S. subsidiary of the Company, entered into a Fourth Amended and Restated Credit Agreement (the "Credit Agreement") with HSBC Bank USA, N.A. as administrative agent, issuing bank and swingline lender and certain financial institutions listed therein as lenders.Under the Credit Agreement, the Borrower may borrow up to $725 million under a revolving credit facility. In addition, the Borrower may request increases of the maximum amount available under the revolving facility, and may request term loan tranches, in an aggregate amount not to exceed $350 million plus additional amounts, so long as the Maximum Net Leverage Ratio (as defined in the Credit Agreement) does not exceed 3.00 to 1.00 after giving effect thereto. The maturity date of each loan is May 30, 2028. Interest on the loans will accrue at a rate per annum equal to either (i) SOFR plus 0.10% plus between 1.25% and 1.875%, or (ii) the Alternate Base Rate (as defined in the Credit Agreement) plus between 0.25% and 0.875%, at the option of the Borrower. Undrawn commitment under the revolving credit facility are subject to a commitment fee at a rate per annum of 0.15% to 0.25%. The applicable margin and the commitment fee rate will be determined quarterly based upon the Maximum Net Leverage Ratio. The Borrower's obligations under the Credit Agreement are guaranteed by the Company, its subsidiary, Globant España S.A., and the Borrower's subsidiary Globant IT Services Corp. (the "Subsidiary Guarantor"), and are secured by substantially all of the Borrower's and the Subsidiary Guarantor's now owned and after-acquired assets. The Credit Agreement also contains certain customary negative and affirmative covenants, which compliance may limit the flexibility of the Company in operating its business and its ability to take actions that might be advantageous to the Company and its shareholders. The Borrower is required to comply with two financial maintenance covenants, which are tested quarterly: (i) a minimum interest coverage ratio of 3.00 to 1.00 and (ii) a Maximum Net Leverage Ratio of 3.50 to 1.00.

Movements in borrowings are analyzed as follows:

	As of December 31,		
	2023	**2022**	**2021**
Balance at the beginning of year	3,699	12,240	25,968
Borrowings related to business combination (note 26.2) (1) (4)	30,695	3,010	2,538
Proceeds from new borrowings (2) (5)	395,621	—	13,500
Payment of borrowings (3) (5)	(275,889)	(10,760)	(30,216)
Accrued interest (4)	4,106	2,491	915
Foreign exchange (4)	—	(3,127)	(375)
Translation (4)	875	(155)	(90)
TOTAL	**159,107**	**3,699**	**12,240**

(1) Relates to a line of credit granted by J.P.Morgan Chase & Co in USD to Experience IT and lines of credit granted by BPIfrance Financement and BNP Paribas in EUR to Pentalog with maturities between December 2026 and May 2028; and a loan granted by Python Midco S.a.r.l on December 10, 2020. As of December 31, 2023, these borrowings do not have any covenants.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

(2) During the year ended December 31, 2023, Globant LLC borrowed 395,000, under the Amended and Restated Credit Agreement with HSBC Bank USA, this loan will mature on May 30, 2028; according to the conditions agreed in the Fourth Amended and Restated Credit Credit Agreement on May 31, 2023.

(3) During the year ended December 31, 2023, the main payments were 243,344 by Globant LLC related to the principal amount and interests of the Amended and Restated Credit Agreement with HSBC Bank USA, 18,359 by Globant España related to the principal and interests of the loan owed by Python Bidco to Python Midco S.a.r.l, 6,225 by Pentalog related to the remaining principal amount and interest of BNP Paribas, 2,588 by Experience IT related to the remaining principal amount and interest of J.P.Morgan Chase & Co and 1,969 by Sports Reinvention Entertainment Group S.L to Liga Nacional de Fútbol Profesional related to the principal amount and interests. During the year ended December 31, 2022 , the main payments were 9,030 by Sistemas Globales, S.A to Banco Santander related to the principal amount and interests, and Hybrido Worldwide S.L. paid 808 related to the remaining principal amount and interests of the Banco Santander loan between January 3rd and May 23.

(4) Non-cash transactions.

(5) Cash transactions.

NOTE 22 – TAX LIABILITIES

	As of December 31,	
	2023	**2022**
Current		
VAT payable	22,262	16,213
Supplier withholding income taxes	5,461	951
Sales taxes payable	1,645	560
Personal properties tax accrual	1,308	1,177
Wage withholding taxes	213	2,504
Taxes payable related to Argentine Knowledge Economic Law	163	730
Other	2,177	1,319
TOTAL	**33,229**	**23,454**

NOTE 23 – CONTINGENT LIABILITIES

The Company is subject to legal proceedings and claims which arise in the ordinary course of its business. The Company records a provision for labor, regulatory and commercial claims where the risk of loss is considered probable. The final resolution of these potential claims is not likely to have a material effect on the results of operations, cash flow or the financial position of the Company.

Breakdown of reserves for lawsuits claims and other disputed matters include the following:

	As of December 31,	
	2023	**2022**
Reserve for labor claims	114	185
Reserve for regulatory claims	16,334	13,430
TOTAL	**16,448**	**13,615**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Roll forward is as follows:

	As of December 31,		
Reserve for labor claims	**2023**	**2022**	**2021**
Balance at beginning of year	185	5	53
Additions	293	370	8
Recovery	(94)	(1)	(10)
Utilization of provision for contingencies	(216)	(89)	(38)
Foreign exchange	(54)	(100)	(8)
Balance at end of year	**114**	**185**	**5**

	As of December 31,		
Reserve for regulatory claims	**2023**	**2022**	**2021**
Balance at beginning of year	13,430	9,632	10,130
Additions (1)	923	4,260	863
Additions related to business combinations	4,159	569	—
Recovery	(1,987)	(270)	(258)
Utilization of provision for contingencies (2)	(1,028)	(961)	(509)
Foreign exchange	837	200	(594)
Balance at end of year	**16,334**	**13,430**	**9,632**

	As of December 31,		
Reserve for commercial claims	**2023**	**2022**	**2021**
Balance at beginning of year	—	—	2,400
Additions (3)	—	700	5,166
Utilization of provision for contingencies (4)	—	(700)	(7,566)
Balance at end of year	—	—	—

(1) Between 2010 and 2014, certain of Grupo Assa's Brazilian subsidiaries were subject to two examinations by the Ministry of Labor ("MTE") and the Brazilian Internal Revenue Service ("RFB") in relation to the potential hiring of employees as independent contractors. As a result of such examinations, Grupo Assa's Brazilian subsidiaries are subject to different administrative and judicial proceedings, seeking to collect payment of taxes and social security contributions allegedly owed by the companies, and impose certain associated fines. As of December 31, 2023, some of these administrative proceedings are still ongoing while others have resulted in judicial proceedings. The recognized liability as of December 31, 2023 and 2022 was 11,477 and 10,858, respectively. Under the Equity Purchase Agreement entered into for the acquisition of Grupo ASSA Worldwide S.A. and its affiliates (collectively "Grupo Assa"), certain of the above-mentioned proceedings are subject to indemnification provisions from the sellers for the total amount of 6,690 and 6,071 as of December 31, 2023 and 2022, respectively, accounted for in Other Financial Liabilities line, net. The effect of the increase of this regulatory claim was fully offset with the indemnification provision.

(2) In 2018, certain of our non-U.S. subsidiaries had been under examination by the U.S. Internal Revenue Service ("IRS") regarding payroll and employment taxes primarily in connection with services performed by employees of certain of our subsidiaries in the United States between 2013 and 2015. During the fourth quarter of 2021, the IRS and our subsidiaries reached a preliminary agreement on the proposed assessments which would amount to 1,300 including applicable interests and penalties. The Company paid 961 related to the principal amount on March 16, 2022, and is waiting for final confirmation on the amounts of the applicable interests and penalties to settle this matter definitely.

(3) On August 8, 2019, Certified Collectibles Group, LLC ("CCG") and its affiliates filed a complaint in the U.S. District Court for the Middle District of Florida, Tampa Division, (Civil Action No. 19-CV-1962) against Globant S.A. and Globant, LLC, arising from a dispute relating to a service contract. After several discussions, on July 30, 2021, the parties filed a notice of settlement with the court. The claim was settled in 7,250 (of which 2,700 were covered by insurance reimbursement).

(4) On September 15, 2021, the Company made the first of two installment payments related to the settlement with Certified Collectibles Group, LLC. On November 30, 2021 the second installment was paid leaving the liability fully settled.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

NOTE 24 – RELATED PARTIES BALANCES AND TRANSACTIONS

24.1 – Related parties

The Company provides software and consultancy services to certain related parties. Outstanding receivable balances as of December 31, 2023 and 2022 are as follows:

	As of December 31,	
Trade receivables	**2023**	**2022**
Enigma.art LLC	266	14
TOTAL	**266**	**14**

	As of December 31,	
Trade payables	**2023**	**2022**
Falcon Uru LLC	(177)	(574)
TOTAL	**(177)**	**(574)**

During the year ended December 31, 2023, 2022 and 2021, the Company recognized the Company recognized the following transactions:

	For the year ended December 31,		
	2023	**2022**	**2021**
Revenue			
Enigma.art LLC	429	915	—
Studio Eter LLC	—	190	—
TOTAL	**429**	**1,105**	**—**

	For the year ended December 31,		
	2023	**2022**	**2021**
Costs of revenues and Selling, general and administrative expenses			
Falcon Uru LLC	(994)	(780)	—
Enigma.art LLC	—	(75)	—
TOTAL	**(994)**	**(855)**	—

24.2 – Compensation of key management personnel

The remuneration of members of key management personnel during each of the three years are as follows:

	For the year ended December 31,		
	2023	**2022**	**2021**
Salaries and bonuses	6,972	6,768	6,709
TOTAL	**6,972**	**6,768**	**6,709**

The remuneration of directors and key executives is determined by the Board of Directors based on the performance of individuals and market trends.

During 2021, the Company granted 55,500, 5,000, 1,564, 540, 702 and 468 restricted stock units at a grant price of $298.47, $297.49, $267.19, $232.11, $213.57 and $328.96, respectively.

During 2022, the Company granted 292, 2,220, 300, 78,317 and 324,380 restricted stock units at grant prices of $226, $210, $167, $219 and $138.00, respectively.

During 2023, the Company granted 6,500, 106,950, 6, 87 and 571 restricted stock units at a grant price of $148.96, $148.97, $157.4, $173.26 and $194.54, respectively.

NOTE 25 – EMPLOYEE BENEFITS

25.1 – Share-based compensation plan

In July 2014, the Company adopted a new Equity Incentive Program, the 2014 Plan, which was amended on May 9, 2016, February 13, 2019, May 18, 2021 and June 8, 2022.

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).

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 addition, on December 1, 2021, our compensation committee, as administrator, approved the granting of awards in the form of Stock-Equivalent Units to be settled in cash or common shares ("SEUs Plan"), or a combination thereof, under the 2014 Equity Incentive Plan. The purpose of the SEUs Plan is to provide an incentive to attract, retain and reward talent in the IT industry and to prompt such persons to contribute to the growth and profitability of the Company. The SEUs Plan provides all eligible employees the opportunity of receiving a grant of SEUs with a unit value equal to the market value of one common share of the Company. The SEUs will be settled in cash or common shares of the Company, at the option of the eligible employee, and shall vest during a four years period, in four equal annual installments of 25% each, commencing on the first anniversary of the grant date, 60% of the shares will be tied to retention and 40% will be tied to performance (PSEUs). As of December 31, 2022, the Company have granted 61,072 SEUs and PSEUs, 28,059 and 57,779 were outstanding as of December 31, 2023 and 2022, respectively, net of any cancelled and/or forfeited awards. Of the stock-equivalent units granted, 50% were in the form of PSEUs and 50% were in the form of SEUs.

During the years 2023 and 2022, 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 as 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.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

The following shows the evolution of the share options for the years ended at December 31, 2023 and 2022:

	As of December 31, 2023		As of December 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of year	546,827	30.91	643,957	31.79
Forfeited during the year	(500)	32.36	(2,750)	22.20
Exercised during the year	(145,630)	28.18	(94,380)	37.17
Balance at end of year	**400,697**	**31.36**	**546,827**	**30.91**

The following shows the evolution of the RSUs for the years ended at December 31, 2023 and 2022:

	As of December 31, 2023		As of December 31, 2022	
	Number of RSU	Weighted average grant price	Number of RSU	Weighted average grant price
Balance at the beginning of year	1,089,727	166.04	579,492	164.73
RSU granted during the year	378,323	169.61	801,041	159.12
Forfeited during the year	(45,935)	201.71	(24,506)	178.34
Issued during the year	(257,079)	167.22	(266,300)	122.29
Balance at end of year	**1,165,036**	**165.42**	**1,089,727**	**166.04**

The following shows the evolution of the SEUs for the years ended at December 31, 2023 and 2022:

	As of December 31, 2023		As of December 31, 2022	
	Number of SEU	Weighted Average Fair Value	Number of SEU	Weighted Average Fair Value
Balance at the beginning of year	57,779	168.16	—	—
SEU granted during the year	—	—	61,072	168.16
Forfeited during the year	(19,796)	190.43	(3,293)	168.16
Issued during the period	(9,924)	190.43	—	—
Balance at end of year	**28,059**	**237.98**	**57,779**	**168.16**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

The following tables summarizes the RSU at the end of the year:

Grant date	Grant price ($)	Number of Restricted Stock Units	Fair value at grant date ($)	Expense as of December 31, 2023 ($) (*)
2019	from 52.10 to 103.75	1,750	—	533
2020	from 130.99 to 189.53	53,040	7,863	4,630
2021	from 200.61 to 298.47	70,580	20,150	8,886
2022	from 138.00 to 265.96	713,149	107,517	23,070
2023	from 137.78 to 233.10	317,853	54,174	13,903
Subtotal		**1,156,372**	**189,704**	**51,022**
Non employees RSU				
2020	from 130.99 to 189.53	775	123	63
2021	232.11	1,500	348	124
2022	from 186.83 to 265.96	1,350	296	370
2023	from 166.37 to 235.62	5,039	1,025	302
Subtotal		**8,664**	**1,792**	**859**
TOTAL		**1,165,036**	**191,496**	**51,881**

The following tables summarizes the share options at the end of the year:

Grant date	Exercise price ($)	Number of stock options	Number of stock options vested as of December 31, 2023	Fair value at grant date ($)	Fair value vested ($)	Expense as of December 31, 2023 ($) (*)
2014	10.00	43,921	43,921	149	149	156
2015	from 28.31 to 34.20	77,653	77,653	540	540	276
2016	from 29.01 to 32.36	201,623	201,623	1,543	1,543	708
2017	36.30	—	—	—	—	—
2018	from 44.97 to 55.07	77,500	77,500	1,570	1,570	276
2019	52.10	—	—	—	—	—
TOTAL		**400,697**	**400,697**	**3,802**	**3,802**	**1,416**

(*) Includes social security taxes.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Deferred income tax asset arising from the recognition of the share-based compensation plan amounted to 14,827 and 13,048 for the years ended December 31, 2023 and 2022, respectively.

The following tables summarizes the SEU at the end of the year:

Grant date	Grant price ($)	Number of Restricted Phantom Stock Units	Fair value at grant date ($)	Expense as of December 31, 2023 ($) (*)
2022	268.05	15,367	4,139	1,038
2022	210.07	1,362	288	94
2022	181.2	8,577	1,557	779
2022	169.78	2,753	466	411
TOTAL		**28,059**	**6,450**	**2,322**

(*) Includes social security taxes.

25.2 - Share options exercised, RSU and SEU vested during the year:

	As of December 31, 2023		As of December 31, 2022	
	Number of options exercised	Exercise price	Number of options exercised	Exercise price
Granted in 2018	2,500	55.07	2,500	55.07
Granted in 2019	2,000	52.10	—	52.10
Granted in 2018	10,000	46.00	20,750	46.00
Granted in 2018	5,000	44.97	—	44.97
Granted in 2016	—	39.37	27,000	39.37
Granted in 2017	7,500	36.30	—	36.30
Granted in 2016	45,510	32.36	33,920	32.36
Granted in 2015	256	29.34	—	29.34
Granted in 2016	834	29.01	—	29.01
Granted in 2015	48,713	28.31	8,385	28.31
Granted in 2014	23,317	10.00	1,825	10.00
Balance at end of the year	**145,630**		**94,380**	

The average market price of the share amounted to 179.89 and 209.95 for years 2023 and 2022, respectively.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

The following tables summarizes the RSU vested during the years 2023 and 2022:

	December 31, 2023		December 31, 2022	
	Number of RSUs vested	Grant price	Number of RSUs vested	Grant price
Granted in 2021	—	328.96	468	328.96
Granted in 2021	16,300	298.47	16,375	298.47
Granted in 2021	1,500	297.49	1,500	297.49
Granted in 2021	155	288.64	323	288.64
Granted in 2022	—	268.31	189	268.31
Granted in 2021	10,771	267.19	12,608	267.19
Granted in 2022	1,883	265.96	—	265.96
Granted in 2021	3,750	232.11	5,315	232.11
Granted in 2022	4,487	226.30	1,662	226.30
Granted in 2022	197	225.30	196	225.30
Granted in 2022	19,993	219.34	2,585	219.34
Granted in 2022	12	218.57	20	218.57
Granted in 2021	—	213.57	2,607	213.57
Granted in 2022	12,754	210.07	—	210.07
Granted in 2022	2,438	204.08	—	204.08
Granted in 2021	4,979	200.61	—	200.61
Granted in 2022	780	192.94	—	192.94
Granted in 2020	15,917	189.53	15,998	189.53
Granted in 2022	804	186.83	—	186.83
Granted in 2020	250	184.72	250	184.72
Granted in 2022	139	184.01	—	184.01
Granted in 2021	—	184.00	1,077	184.00
Granted in 2020	6,385	180.60	15,504	180.60
Granted in 2022	1,313	173.67	—	173.67
Granted in 2023	3,731	173.26	—	173.26
Granted in 2023	441	171.78	—	171.78
Granted in 2022	1,416	169.78	—	169.78
Granted in 2022	813	167.46	655	167.46
Granted in 2023	120	165.90	—	165.90
Granted in 2023	130	160.71	—	160.71
Granted in 2023	41,180	157.40	—	157.40
Granted in 2023	3,152	148.97	—	148.97
Granted in 2023	484	146.28	—	146.28
Granted in 2023	26	137.78	—	137.78
Granted in 2020	3,125	137.57	3,125	137.57
Granted in 2020	38,555	130.99	38,809	130.99
Granted in 2019	500	103.75	750	103.75
Granted in 2019	1,000	94.93	1,000	94.93
Granted in 2019	56,999	87.44	61,992	87.44
Granted in 2018	—	55.07	1,000	55.07
Granted in 2018	—	52.74	1,000	52.74
Granted in 2019	600	52.10	600	52.10
Granted in 2018	—	50.92	2,500	50.92
Granted in 2018	—	46.00	78,192	46.00
Balance at end of the year	**257,079**		**266,300**	

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

The following tables summarizes the SEU vested during the years 2023 and 2022:

	As of December 31, 2023	
	Number of SEU's vested	Exercise price
Granted in 2022 (*)	9,005	186.75
Granted in 2022 (*)	919	226.50
Balance at end of the year	**9,924**	

(*) In 2022 no SEU's were vested.

25.3 - Fair value of share-based compensation granted

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

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

Assumptions	Granted in 2019 for 2014 plan
Stock price	52.10
Expected option life	6 years
Volatility	40%
Risk-free interest rate	3.10%

There were no granted stock options as of December 31, 2023 and 2022.

The Company's grants under its share-based compensation plan with employees are measured based on fair value of the Company's shares at the grant date and recognized as compensation expense on a straight-line basis over the requisite service period, with a corresponding impact reflected in additional paid-in capital.

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

Fair value of the shares: For 2014 Equity Incentive Plan, the fair value of the shares is based on the quote market price of the Company's shares at the grant date.

*Expected volatility:*The expected volatility of the Company's shares is calculated by using the average share price volatility of the Company since January 1, 2016 to the date of grant.

Expected term: The expected life of options represents the period of time the granted options are expected to be outstanding.

Risk free rate: The risk-free rate for periods within the contractual life of the option is based on the U.S. Federal Treasury yield curve with maturities similar to the expected term of the options.

Dividend yield: The Company has never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, the Company used an expected dividend yield of zero.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

25.4 - Equity-settled share-based payments under 2014 Equity Incentive Plan and 2021 Employee Share Purchase Plan

During the twelve months ended December 31, 2022, the Company granted a total of 199,825 awards under the Company's 2014 Equity Incentive Plan, net of cancelled and forfeited awards. Most of these awards were comprised of 50% RSUs and 50% PRSUs. RSUs and PRSUs have generally been granted with a vesting period of four years, 25% becoming vested on or about each anniversary of the grant date. In addition, on August 1, 2022, the Company approved the grant of up to 600,000 additional awards under the Company's 2014 Equity Incentive Plan, 50% of which are PRSUs and 50% of which are RSUs. These additional awards will vest based on the achievement of a certain minimum average closing price of the Company's common shares on or prior to August 11, 2030. The threshold price for vesting will be $420 per share through August 10, 2025 and increase by $42 each year until August 11, 2030.

On June 29, 2023, the Company approved to amend the special condition awards granted in August 2022, to the effect of reducing the threshold minimum average closing price for vesting from $420 to $350 per share through (but excluding) June 29, 2026, and increasing it by $35 per share per year until August 11, 2030 and June 29, 2031 for US and non-US residents, respectively. These awards will vest in two equal tranches occurring the first one immediately after the date in which the vesting condition is satisfied and the second occurring on the first anniversary of such vesting event. As of December 31, 2022, the Company granted 597,521 of these awards. As of December 31, 2023, the Company has not granted new RSU and PRSU with these conditions.

In March 2021, the Company adopted the Globant S.A. 2021 Employee Share Purchase Plan (the "ESPP") which provides eligible employees with an opportunity to acquire a proprietary interest in the Company through the purchase of the Company's common shares.

The ESPP permits participants to purchase Common Shares through payroll deductions defined by the employee up to a maximum percentage set in each country of their eligible compensation. The ESPP will typically be implemented through consecutive six months offering periods. Amounts deducted and accumulated from participant compensation will be used to purchase Common Shares at the end of each offering period. Under the terms of the ESPP, the purchase price of the shares shall not be less than 90.0% of the lower of the fair market value of a Common Share on the first trading day of the offering period or on the purchase date. Subject to adjustment as provided by the ESPP and unless otherwise provided by the Compensation Committee, the purchase price for each offering period shall be 90% of the fair market value of a Common Share on the purchase date.

During the twelve months ended December 31, 2023, 2022 and 2021, in connection with the ESPP Plan, the Company has repurchased 42,500, 46,500 and 27,000 , respectively, and 48,130, 39,136 and 7,453 have been delivered, respectively.

Fair value of share-based compensation granted in 2022

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 the American Binomial model.

The American Binomial model requires the input of highly subjective assumptions, including the fair value of the Company's shares, expected volatility, expected term and risk-free interest rate.

Assumptions	Granted in 2022 for 2014 Plan		
	Original Assumptions	Modifications to Original Assumptions	
		Non US Employees	US Employees
Stock price	206.23	133.3	128.8
Expected life	7 years	8 years	7 years
Volatility	42.78%	—	—
Risk-free interest rate	2.63%	—	—

The share based payment was modified as detailed in the table above. The incremental fair value determined was 19.63 and 14.61 for Non US Employees and US Employees, respectively, and will be accrued in the remaining period.

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

Fair value of the shares: For the 2014 Equity Incentive Plan, the fair value of the shares is based on the quoted market price of the Company's shares at the grant date.

Expected volatility: The expected volatility of the Company's shares is calculated by using the average share price volatility of the Company since July 1, 2014 to the date of grant, excluding COVID-19 pandemic period from March 2020 to May 2020.

Expected term: The expected life of awards represents the period of time the granted awards are expected to be outstanding.

Risk free rate: The risk-free rate for periods within the contractual life of the award is based on the U.S. Federal Treasury yield curve with maturities similar to the expected term of the awards.

25.5 Cash-settled share-based payments under 2014 Equity Incentive Plan

On December 1, 2021, our Compensation Committee approved the granting of awards in the form of Stock-Equivalent Units to be settled in cash or common shares ("SEUs Plan"), or a combination thereof, under the 2014 Equity Incentive Plan. The purpose of the SEUs Plan is to provide an incentive to attract, retain and reward talent in the IT industry and to prompt such persons to contribute to the growth and profitability of the Company. The SEUs Plan provides all eligible employees the opportunity of receiving a grant of SEUs with a unit value equal to the market value of one common share of the Company, to be settled in cash or common shares of the Company.

As of December 31, 2022, the Company has granted 61,072 stock equivalent units. As of December 31, 2023 no stock equivalent unit has been granted.

NOTE 26 – BUSINESS COMBINATIONS

26.1 Business combinations 2023

On April 20, 2023, Globant, S.A. (the "Company"), through its subsidiary Globant, LLC, entered into an Equity Purchase Agreement (the "Agreement") with the equity holders of ExperienceIT LLC ("ExperienceIT"), an American limited liability company pursuant to which the Company purchased all of the outstanding interest. The transaction was simultaneously signed and closed. ExperienceIT's business consists in the provision of advisory services and training in connection with end-to-end digital transformation projects related to, among other things, customer service experience, M&A integration, IT integration and digital optimization.

On May 6, 2023, Globant, S.A. (the "Company"), through its subsidiary Globant España S.A., entered into an Equity Purchase Agreement (the "Agreement") with the equity holders of Pentalog France, société par actions simplifiée, a French corporation and its subsidiaries, Pentalog HR SASU, a French corporation, Pentalog Deutschland GmbH, a German corporation, Pentalog Vietnam Co. Ltd., a Vietnamese corporation, Pentalog Chi S.R.L., a Moldovan corporation, Pentalog Romania SRL, a Romanian corporation, Pentalog HR Romania SRL a Romanian corporation, Pentalog Mexico S. de R.L. de C.V., a Mexican corporation, Pentalog Americas LLC, an American corporation, Pentalog UK Ltd, a British corporation, and Python Bidco, a French corporation, all together referred to as "Pentalog", pursuant to which the Company purchased all of the outstanding interest. The transaction was signed on May 6, 2023 and the closing date was on July 20, 2023. Pentalog business consists on the provision of outsourced digital services to third-parties, including the design, development and scaling of custom software solutions, and the management of a digital platform designed to onboard software developers, professionally vet them and provide their services to customers.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

On August 3, 2023, Globant, S.A. (the "Company"), through its subsidiary Sysdata S.p.A, entered into an Asset and Business Purchase Agreement (the "Agreement") with the equity holders of Chili S.p.A and Chili Tech S.r.l., Italian companies pursuant to which the Company purchased all of the outstanding interest. The transaction was simultaneously signed and closed. The assets include, among others, a Technology Services and Solutions Agreement for FIFA+ entered into by and between the Sellers, as services providers, and FIFA, as client, dated March 21, 2023, as well as certain third-party agreement entered into by Wurl LLC and Chili on February 14, 2022, selected employees, certain technological assets necessary or convenient to carry out the Business, certain business and IP licenses to be granted by the Sellers to the Purchaser, and certain capped liabilities related thereto, all of which as a going-concern (the “Transferred Business”).

On October 19, 2023, the Company, jointly with its subsidiary Globant España S.A. ("Globant España"), entered into a Securities Purchase Agreement (the "SPA"), with, among others, the equity holders of GUT Agency LTD, an English and Welsh company (the "Sellers" and "GUT UK", respectively), pursuant to which (i) Globant España purchased from the Sellers sixty per cent (60%) of the issued and outstanding equity interest of GUT UK, and (ii) our Spanish subsidiary Software Product Creation S.L. ("SPC"), acquired an additional five per cent (5%) of the issued and outstanding equity interest of GUT Argentina S.R.L., an Argentine subsidiary of GUT UK ("GUT ARG"). The transaction was simultaneously signed and closed. GUT UK is a full-service advertising agency, including ideation and advertising production services, as well as brand positioning strategy, brand architecture and experience journey, creative strategy sprints, communications planning, social strategy, media planning and buying, content platform, influencer marketing, performance marketing, loyalty programs, and data and analytics services related to the foregoing.

On December 8, 2023, the Company jointly with its subsidiary Globant Brasil Consultoria Ltda., entered into an Equity Purchase Agreement (the "Agreement") with the equity holder of Iteris Holding Ltda., a company organized under the Laws of Brazil ("Iteris") and its subsidiaries Briteris LLC, an American company organized under the Laws of Delaware and Iteris Consultoria e Software Ltda., a company organized under the Laws of Brazil, pursuant to which the Company purchased all of the outstanding interest. The transaction was simultaneously signed and closed. Iteris business consists of the provision and development of services for end-to-end digital transformation projects, namely agile transformation, product design, product discovery, product management, software quality management, solution architecture, advanced analytics, big data, business intelligence, data visualization, artificial intelligence, API & microservices, cloud, devops, test automation, web & mobile development, microsoft 365 E sharepoint, mulesoft anypoint platform, cap platform and PO-RH.

The table below gives additional details related to these acquisitions:

	Fair value of the consideration transferred at the acquisition date
Down payment [(1)]	351,759
Working capital adjustment	505
Installment Payments [(2)]	39,659
Contingent consideration [(3)]	59,062
Total consideration	**450,985**

[(1)] Payment in cash 286,695 and 65,064 in G-shares (including 139,564 in cash and 32,320 in G-shares related to Pentalog acquisition).
[(2)] Contains 37,005 of liability, current and non-current, payable in a variable number of shares (including 10,066 related to Pentalog acquisition).
[(3)] Consist of 11,463 and 47,599 as Other financial liabilities current and non-current, respectively.

For contingent considerations, an estimate of the range of outcomes and the significant inputs related are disclosed in note 29.9.1

Acquisition related expenses were not material and were recognized directly as expensed.

As of the date of issuance of these consolidated financial statements, the accounting for the GUT and Iteris acquisition is incomplete; hence, pursuant the guidance in IFRS 3, the Company has included preliminary amounts and disclosures as it relates to:

• Fair value of the total consideration transferred since the Company has not completed the fair value analysis of the consideration transferred as of the date of issuance of these financial statements.

• The amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed, the total amount of goodwill (including a qualitative description of the factors that make up the goodwill recognized and the amount of goodwill that will be deducted for tax purposes) and other intangibles, as applicable.

• The gross contractual amounts of the acquired receivables, and the best estimate at the acquisition date of the contractual cash flows not expected to be collected. For each contingent liability to be recognized, if any, an estimate of its financial effect, an indication of the uncertainties relating to the amount or timing of any outflow and the possibility of any reimbursement, and the reasons why the liability cannot be measured reliably, if applicable.

• The amount of revenues and profit or loss of the acquired subsidiaries since the acquisition date, and the amount of revenues and profit or loss of the combined entity as if the acquisition has been made at the beginning of the reporting period, since the acquired subsidiaries did not have available financial information prepared under IFRS at the acquisition date. The preparation of this information under IFRS has not been completed as of the date of issuance of these financial statements.

• The amount of the non–controlling interest in the acquired companies recognized at the acquisition date.

26.1.1 Non-controlling Interest Acquisition

During 2023 the Company made some individually immaterial acquisitions which were completed primarily to expand our services and solutions offerings.

On July 8, 2021 Software Product Creation, S.L. (the "Majority Shareholder") and Globant, S.A., with Internet Business Intelligent Insite, S.L. and Next Generation Communication Services, S.L. (jointly referred to as the "Minority Shareholder") entered into a put and call option agreement over the remaining twenty percent (20%) of Walmeric Soluciones, S.L (the "Option shares"), with the purpose to set out the terms and conditions of: (i) a put option over the Option Shares to be granted by Software Product Creation, S.L. in favor of the Minority Shareholders; and (ii) a call option over the Option Shares to be granted by the Minority Shareholders in favor of Software Product Creation, S.L., which can be exercised by the non-controlling shareholders from March 1, 2022 till March 1, 2024.

On July 8, 2021 the Company recognized in equity a put option over non-controlling interest of Walmeric for 16,285.

On March 30, 2022 the company exercise the call/put option of the year 2022 of the 6% over the non-controlling interest of Walmeric, leaving a non-controlling interest for the 14%.

As of December 31, 2022, the Company has recognized as current and non-current other financial liabilities the written put option for an amount 3,871 and 5,515, respectively, equal to the present value of the redemption amount.

On March 16, 2023, Software Product Creation, S.L. (the "Majority Shareholder") with Internet Business Intelligent Insite, S.L. and Next Generation Communication Services (jointly referred to as the "the Sellers"), entered into a new agreement pursuant to which the Sellers agree to: (i) sell and transfer the remaining shares; (ii) terminate the Shareholders Agreement and the Put and Call Option Agreement, and (iii) the regulation of certain covenants undertaken by the Parties.

With such agreement, the parties agree to transfer the remaining shares (the 14% of non-controlling interest) for a cash payment equal to the value of the Put Option of the year 2023 plus a contingent consideration to be determined based on the terms of the Put Option of the year 2024, which is subject to the achievement of financial targets for the year 2023. The result for the transaction amounted to 1,589 and is disclosed in Other income and expenses, net line item.

26.2 - Purchase Price Allocation

As of December 31, 2023, the fair values of the assets acquired, liabilities assumed and goodwill amounted to 174,029, 116,195 and 401,164, respectively, from which certain acquisitions are determined on preliminary basis and amounted to 77,722, 54,261 and 195,137, respectively, determined at the date of acquisition in the business combinations.

As of December 31, 2022, the fair values of the assets acquired, liabilities assumed and goodwill amounted to 186,540, 57,679 and 184,036, respectively, determined at the date of acquisition in the business combinations.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

	As of Acquisition Date	
	2023	2022
Current assets		
Cash and cash equivalents	33,004	46,075
Investments	1,327	1,152
Trade receivables	62,692	33,539
Other receivables	24,006	8,022
Indemnification asset	4,088	—
Other assets	—	3
Non current assets		
Other receivables	2,743	372
Other financial assets	3	—
Property and equipment	3,382	1,323
Intangibles (1)	36,800	83,215
Right-of-use asset	3,740	3,624
Deferred tax	2,244	8,498
Investment in associates	—	717
Goodwill (2)	401,164	184,036
Current liabilities		
Trade and other payables	(29,422)	(23,217)
Lease liabilities	(3,883)	(716)
Tax liabilities	(13,848)	(6,101)
Payroll and social security	(28,527)	(10,772)
Other liabilities	(466)	(571)
Borrowings	(4,105)	(2,958)
Non current liabilities		
Deferred tax liabilities	(5,185)	(9,647)
Lease liabilities	(10)	(3,076)
Borrowings	(26,590)	(52)
Contingencies	(4,159)	(569)
Non-controlling interest (3)	(8,013)	(45,216)
Total consideration	**450,985**	**267,681**

(1) As of Acquisition Date in, 2023 and 2022, the amount of 35,811 and 34,250, respectively, have been allocated to customer relationships and contracts (including 22,364 related to Pentalog acquisition), 38 and 33,370 as licenses and platforms, respectively.
(2) Goodwill has arisen because the consideration paid for these acquisitions included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of acquired companies. Only the customer contracts and relationships, internally used software, platforms and non-compete agreements are recognized as intangible. The other benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. As of December 31, 2023 and 2022, 401,163 and 184,036, are not deductible for tax purposes, respectively.
(3) Non-controlling interest in acquired companies are measured at the non-controlling interests' proportionate share of the acquiree's identifiable net assets at its fair values.

The fair values of the receivables acquired do not differ from their gross contractual amount.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

26.3 Impact of acquisitions on the results of the Company

The net income for the year ended December 31, 2023 includes a gain of 7,593 attributable to the business generated by the companies acquired in 2023. Revenue for the year ended December 31, 2023 includes 90,812 related to the business of those companies.

Had the businesses combinations made in 2023 been performed on January 1, 2023, the consolidated revenue of the Company would have been 2,257,256 and the net income for the year ended December 31, 2023, would have been 159,738.

26.4 Goodwill

Goodwill is measured as the excess of the cost of an acquisition over the sum of the amounts assigned to net assets acquired less liabilities assumed.

The Company evaluates goodwill for impairment at least annually or more frequently when there is an indication that the cash generating unit ("CGU") may be impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

The Company first determines the value of the unit using the market approach. For the purposes of the calculation, the Company considers the value of the shares in the market.

In addition, the Company measures the CGU based on value-in-use calculations, which requires the use of various assumptions including revenue growth, gross margin, terminal growth rate and discount rates. The assumptions considered by the Company as of December 31, 2023 and 2022, were the following: projected cash flows for the following five years for both years, the average growth rate considered was 19.1% and 21.6%, respectively, and the rate used to discount cash flows was 10.9% and 11.2%, respectively. The long-term rate used to extrapolate cash flows beyond the projected period as of December 31, 2023 and 2022, was 4%. The recoverable amount is the higher of an asset's fair value less cost of disposals and value in use.

Very material adverse changes in key assumptions about the businesses and their prospects or an adverse change in market conditions may cause a change in the estimation of recoverable value and could result in an impairment charge. Based upon the Company's evaluation of goodwill, no impairment were recognized during 2023, 2022 and 2021.

A reconciliation of the goodwill from opening to closing balances is as follows:

	As of December 31,	
	2023	**2022**
Cost		
Balance at beginning of year	734,952	567,451
Additions related to new acquisitions (note 26.2)	401,163	184,036
Translation	25,293	(17,322)
Measurement period adjustment	2,275	787
Balance at end of year	**1,163,683**	**734,952**

26.5 Effects of offsetting on acquisition

As part of the acquisition of Pentalog, the sellers agreed to indemnify the Company for the outcome of certain contingencies. As a result, the Company has recognized an indemnification asset for a total amount of 4,088, as of December 31, 2023. The consideration for this acquisition includes 10,266 (11,139 measured at present value) as of December 31, 2023, which are subject to adjustments, deductions and withholdings related to the indemnified contingencies. Consequently, the Company has off-set the indemnification asset against the amount payable to the sellers.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

	As of December 31, 2023
Gross Amount	10,266
Gross amount set off in the balance sheet	4,088
Net amount presented in the balanced sheet	6,178

26.6 Impact of the acquisition of Adbid and Sports Reinvention Entertainment Group, S.L

The Company completed the fair value determination of the consideration for the acquisition of Adbid and Sports Reinvention Entertainment Group S.L within the measurement period, resulting in:

	December 31, 2022
Decrease Working Capital	(1,128)
Intangible Assets recognized	960
Goodwill	(4,252)
Other financial liabilities - decrease in contingent consideration	4,167
Non-controlling interest	253

NOTE 27 – SEGMENT INFORMATION

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker (“CODM”) in deciding on how to allocate resources and in assessing performance. The Company’s CODM is considered to be the Company’s chief executive officer (“CEO”). The CEO reviews operating profit presented on an entity level basis for purposes of making operating decisions and assessing financial performance. Therefore, the Company has determined that it operates in a single operating and reportable segment.

The Company provides services related to technology consultancy and digital solutions, and from a broad array of AI-based solutions to world-class enterprise systems.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

The following table summarizes revenues by geography, based on the customers' location:

	For the year ended December 31,		
	2023	2022	2021
North America			
United States of America	1,210,981	1,095,895	803,934
Canada	32,735	38,895	26,970
Puerto Rico	2,256	358	396
Subtotal North America	1,245,972	1,135,148	831,300
Europe, Middle East & Africa			
Spain	148,465	86,410	94,459
United Kingdom	55,746	45,017	27,156
Italy	28,384	9,320	507
France	25,854	6,593	2,600
Switzerland	16,932	8,859	5,710
Saudi Arabia	12,731	4,187	—
Germany	6,613	5,840	1,424
Netherlands	5,666	4,975	3,604
Belgium	5,245	5,577	8,705
Ireland	3,688	1,104	1,435
Sweden	3,506	897	53
Romania	2,350	—	—
Austria	2,250	131	—
Malta	1,887	899	386
Luxembourg	1,790	3,676	4,777
Denmark	668	2,246	411
Others	1,771	992	107
Subtotal Europe, Middle East & Africa	323,546	186,723	151,334
Asia & Oceania			
India	20,060	21,191	10,442
Japan	18,031	11,739	8,514
Australia	11,566	3,010	5,223
Hong Kong	9,261	1,350	—
Singapore	2,696	2,600	906
United Arab Emirates	1,051	8,938	401
Others	533	1,190	643
Subtotal Asia & Oceania	63,198	50,018	26,129
Latin America			
Argentina	137,207	120,578	87,756
Chile	97,049	115,494	86,809
Mexico	96,075	75,442	53,455
Brazil	58,061	31,060	20,821
Peru	27,091	25,131	15,695
Colombia	25,122	19,206	14,357
Dominican Republic	7,068	5,706	3,788
Panama	5,609	2,698	744
Uruguay	3,774	2,993	755
Ecuador	2,572	5,175	1,061
Paraguay	988	3,088	2,823
Others	2,607	1,783	251
Subtotal Latin America	463,223	408,354	288,315
TOTAL	**2,095,939**	**1,780,243**	**1,297,078**

One largest customer accounted for 8.7%, 10.7% and 10.9% of revenues for the years ended December 31, 2023, 2022 and 2021.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

The following table summarizes non-current assets other than deferred taxes as stated in IFRS 8, paragraph 33.b, by jurisdiction:

	As of December 31,	
	2023	**2022**
Spain	625,152	587,354
United States of America	156,132	83,666
Brazil	151,599	28,649
United Kingdom	133,975	51,746
Argentina	129,978	156,594
France	114,079	44
Colombia	61,447	64,666
Mexico	54,160	51,965
Uruguay	54,109	47,903
Italy	52,111	27,844
Denmark	32,124	32,469
Germany	24,973	1,112
Australia	24,776	24,779
Hong Kong	15,931	15,577
Chile	12,341	13,395
India	12,269	26,814
Canada	11,762	103
Romania	7,173	1,492
Peru	6,656	8,393
Costa Rica	5,067	821
Luxembourg	4,226	4,226
Belarus	3,216	5,461
Ukraine	1,484	—
Poland	769	42
Ecuador	754	690
Moldova	594	—
Vietnam	219	—
Other countries	237	87
TOTAL	**1,697,313**	**1,235,892**

NOTE 28 – LEASES

The Company is obligated under various leases for office spaces and office equipment.

Movements in right-of-use assets and lease liabilities as of December 31, 2023 and 2022 were as follows:

	Office spaces	Office equipments	Computers	Total
Right-of-use assets				
January 1, 2023	**108,610**	**19,243**	**19,458**	**147,311**
Additions	6,735	206	3,383	10,324
Additions from business combinations (note 26.2)	3,740	—	—	3,740
Disposals	(2,543)	—	—	(2,543)
Depreciation (note 6)	(25,680)	(3,265)	(11,037)	(39,982)
Foreign currency translation	550	—	—	550
December 31, 2023	**91,412**	**16,184**	**11,804**	**119,400**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

	Office spaces	Office equipments	Computers	Total
Right-of-use assets				
January 1, 2022	**104,565**	**22,104**	**17,912**	**144,581**
Additions	22,403	320	11,809	34,532
Additions from business combinations (note 26.2)	3,624	—	—	3,624
Depreciation (note 6)	(21,800)	(3,181)	(10,263)	(35,244)
Foreign currency translation	(182)	—	—	(182)
December 31, 2022	**108,610**	**19,243**	**19,458**	**147,311**

Lease liabilities

	As of December 31,	
	2023	2022
Balance at beginning of year	**135,138**	**134,485**
Additions [1]	10,324	36,090
Additions from business combinations (note 26.2)	3,893	3,792
Foreign exchange difference [1]	8,256	(7,976)
Foreign currency translation [2]	351	(689)
Interest expense [1]	6,319	6,822
Payments [2]	(44,833)	(37,386)
Disposals	(712)	—
Balance at end of year	**118,736**	**135,138**

(1) Non-cash transactions.
(2) Cash transactions.

The Company has some lease contracts that have not yet commenced as of December 31, 2023 and 2022 . The future lease payments for these lease contracts are disclosed as follows:

As of December 31, 2023

Year	Amount
2024	1,968
2025	1,968
2026	1,968
2027	1,968
2028	1,968

As of December 31, 2022

Year	Amount
2023	207
2024	311
2025	311
2026	311
2027	311
2028	104

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

The outstanding balance of the lease liabilities as of December 31, 2023 and 2022 is as follows:

	As of December 31,	
	2023	2022
Lease liabilities		
Current	47,852	37,681
Non-current	70,884	97,457
TOTAL	**118,736**	**135,138**

The maturity analysis of lease liabilities is presented in note 29.5.

The expense related to short-term and low-value leases was not material.

NOTE 29 – FINANCIAL INSTRUMENTS

29.1 - Categories of financial instruments

	As of December 31, 2023		
	FVTPL	FVTOCI	Amortized cost
Financial assets			
Cash and cash equivalents	—	—	307,223
Investments			
Mutual funds	13,570	—	—
Commercial Papers	2,500	—	—
Contribution to funds	—	—	1,833
Trade receivables	—	—	499,283
Other assets	—	—	35,841
Other receivables	—	—	17,474
Other financial assets			
Convertible notes	9,110	—	—
Foreign exchange forward contracts	2,330	8,078	—
Equity instruments	—	29,354	—
Interest rate SWAP	852	—	—
Equity forward contract	—	558	—

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

	As of December 31, 2023		
	FVTPL	**FVTOCI**	**Amortized cost**
Financial liabilities			
Trade payables	—	—	119,477
Borrowings	—	—	159,107
Other financial liabilities [1]			
Other financial liabilities related to business combinations	95,216	—	72,287
Foreign exchange forward contracts	308	3	—
Equity forward contract	—	1,167	—
Others	—	—	28
Lease liabilities	—	—	118,736
Other liabilities	—	—	896

[1] The Company recognized a put option liability for 75,813 (see note 3.13.3) related to the minority interest of GUT. Changes in the measurement of the redemption amount are recognized in the statements of changes in equity.

	As of December 31, 2022		
	FVTPL	**FVTOCI**	**Amortized cost**
Financial assets			
Cash and cash equivalents	—	—	292,457
Investments			
Mutual funds	47,009	—	—
Contribution to funds	—	—	1,513
Bills issued by the Treasury Department of the U.S. ("T-Bills")	—	1,399	—
Trade receivables	—	—	424,810
Other assets	—	—	25,854
Other receivables	—	—	12,122
Other financial assets			
Convertible notes	6,684	—	—
Foreign exchange forward contracts	552	2,957	—
Equity instruments	—	27,892	—
Interest rate SWAP	3,416	—	—
Others	—	—	6
Financial liabilities			
Trade payables	—	—	91,313
Borrowings	—	—	3,699
Other financial liabilities			
Foreign exchange forward contracts	2,004	1,571	—
Other financial liabilities related to business combinations	54,667	—	65,857
Put option on minority interest of Walmeric	—		9,386
Equity forward contract	—	3,886	—
Lease liabilities	—	—	135,138
Other liabilities	—	—	808

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

29.2 - Market risk

The Company is exposed to a variety of risks: market risk, including the effects of changes in foreign currency exchange rates and interest rates, and liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company does not use derivative instruments to hedge its exposure to risks, apart from those mentioned in note 29.10 and 29.11.

29.3 - Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

Except for the subsidiaries that have its local currency as functional currency, the functional currency of the Company and its subsidiaries is the U.S. dollar. In 2023, 72.27% of the Company's revenues are denominated in U.S. dollars. Because the majority of its personnel are located in Latin America, the Company incurs the majority of its operating expenses and capital expenditures in non-U.S. dollar currencies, primarily the Colombian peso, Mexican peso, Chilean peso, Peruvian sol, Uruguayan peso and Brazilian real. Operating expenses are also significantly incurred in Indian Rupee, Great Britain Pound and European Union Euros.

Foreign exchange sensitivity analysis

The Company is mainly exposed to Argentine pesos, Australian Dollar, Chilean pesos, Colombian pesos, Danish Krone, Indian rupees, European Union euros, Mexican pesos, Pounds sterling and Uruguayan pesos.

The following tables illustrate the Company's sensitivity to increases and decreases in the U.S. dollar against the relevant foreign currency. The following sensitivity analysis includes outstanding foreign currency denominated monetary items at December 31, 2023 and adjusts their translation at the year-end for changes in U.S. dollars against the relevant foreign currency.

			Gain/(loss)			
Account	**Currency**	**Amount**	**% Increase**	**Amount**	**% Decrease**	**Amount**
Net balances	Argentine pesos	6,573	30 %	(1,517)	10 %	730
	Australian Dollar	(16,018)	10 %	1,456	10 %	(1,780)
	Chilean pesos	(191)	10 %	17	10 %	(21)
	Colombian pesos	(49,959)	10 %	4,542	10 %	(5,551)
	Danish Krone	(11,052)	10 %	1,005	10 %	(1,228)
	Indian Rupees	(21,514)	10 %	1,956	10 %	(2,390)
	European Union euros	6,705	10 %	(610)	10 %	745
	Mexican pesos	(4,403)	10 %	400	10 %	(489)
	Pound sterling	(4,662)	10 %	424	10 %	(518)
	Uruguayan pesos	(10,131)	10 %	921	10 %	(1,126)
	TOTAL	**(104,652)**		**8,594**		**(11,628)**

As explained in note 29.10, the subsidiaries in Argentina, Colombia, United States, Mexico, Chile and Uruguay entered into foreign exchange forward and future contracts in order to mitigate the risk of fluctuations in the foreign exchange rate and reduce the impact in the financial statements.

The effect in equity of the U.S. dollar fluctuation against the relevant foreign currency as of December 31, 2023, is not material.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Depreciation of the Argentine Peso

During 2023, the Argentine peso experienced a 355.7% devaluation from 177.06 Argentine peso per U.S dollar to 806.95 Argentine peso per U.S dollar.

During 2022, the Argentine peso experienced a 72.5% devaluation from 102.62 Argentine peso per U.S dollar to 177.06 Argentine peso per U.S dollar.

29.4 - Interest rate risk management

The Company's exposure to market risk for changes in interest rates relates primarily to its cash and bank balances and its credit facilities. The Company's credit line in the U.S. bear interest at a fixed rate between 1.25% or 1.88% depending on the amount borrowed. During the beginning of 2021 the Company chose to discontinue the hedge accounting of the remaining interest rate swap acquired during 2020, since the hedged future cash flows were no longer expected to occur. As of December 31, 2022 and 2021, the Company has recognized a loss of 255 and a gain of 132 included in the line item "Other comprehensive income", respectively. As of December 31, 2023, 2022 and 2021 the Company has recognized a net gain of 356, 3,701 and 837, respectively, through results of profit and loss.

Interest rate swap assets and liabilities are presented in the line item "Other financial assets" and "Other financial liabilities" within the statements of financial position, respectively.

Interest rate swap contracts outstanding as of December 31, 2023 and 2022:

Maturity Date	Notional	Floating rate receivable	Fixed rate payable	Fair value assets / (liabilities)
Instruments for which hedge accounting has been discontinued				
Current				
March 11, 2024	15,000	SOFR	0.647 %	181
March 12, 2024	20,000	SOFR	0.566 %	245
April 30, 2024	25,000	SOFR	0.355 %	426
Fair value as of December 31, 2023				**852**
Instruments for which hedge accounting has been discontinued				
March 31, 2023	15,000	1month LIBOR	0.511 %	155
March 11, 2024	15,000	1month LIBOR	0.647 %	771
March 12, 2024	20,000	1month LIBOR	0.566 %	1,045
April 30, 2024	25,000	1month LIBOR	0.355 %	1,445
Fair value as of December 31, 2022				**3,416**

29.5 – Liquidity risk management

The Company's primary sources of liquidity are cash flows from operating activities and borrowings under credit facilities. See note 21.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flow.

The table below analyzes financial liabilities into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

	Expected Maturity Date				
	2024	2025	2026	Thereafter	Total
Trade payables	124,545	1,585	686	710	127,526
Borrowings	157,654	738	715	—	159,107
Lease liabilities	48,389	35,102	24,037	66,392	173,920
Other financial liabilities(*)	80,170	90,383	42,051	30,411	243,015
TOTAL	**410,758**	**127,808**	**67,489**	**97,513**	**703,568**

(*) The amounts disclosed in the line of other financial liabilities do not include foreign exchange forward contracts, equity forward contracts and 57,849 related to business combinations payments through subscription agreements.

29.6 - Concentration of credit risk

The Company derives revenues from clients in the U.S. (approximately 58%) and clients related from diverse industries. For the years ended December 31, 2023, 2022 and 2021, the Company's top five clients accounted for 22.9%, 25.6% and 26.7% of its revenues, respectively. One single customer accounted for 8.7%, 10.7% and 10.9% of revenues for the years ended December 31, 2023, 2022 and 2021. Credit risk from trade receivables is considered to be low because the Company minimize the risk by setting credit limits for its customers, which are mainly large and renowned companies. Cash and cash equivalents and derivative financial instruments are considered to have low credit risk because these assets are held with widely renowned financial institutions (see note 13) .

29.7 - Fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, the carrying amounts of financial assets and liabilities included in the consolidated statement of financial position as of December 31, 2023 and 2022, are a reasonable approximation of fair value due to the short time of realization.

	As of December 31, 2023		As of December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets				
Other receivables				
Guarantee deposits	7,558	6,447	5,942	5,686
Other assets	4,088	3,486	10,657	9,780
Non-current liabilities				
Trade payables	2,981	2,779	5,445	5,053
Borrowings	2,191	1,907	861	645

29.8 - Fair value measurements recognized in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into a three-level fair value hierarchy as mandated by IFRS 13, as follows:

Level 1 fair value measurements are those derived from quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 fair value measurements are those derived from unobservable inputs for the assets or liabilities.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds [1]	—	13,570	—	13,570
Commercial Papers	2,500	—	—	2,500
Foreign exchange forward contracts	—	10,408	—	10,408
Convertibles notes	—	—	9,110	9,110
Equity instrument	—	—	29,354	29,354
Interest rate SWAP	—	852	—	852
Equity forward contract	—	558	—	558
Financial liabilities				
Contingent consideration	—	—	95,216	95,216
Foreign exchange forward contracts	—	311	—	311
Equity forward contract	—	1,167	—	1,167

	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds [1]	—	47,009	—	47,009
Bills issued by the Treasury Department of the U.S. ("T-Bills")	1,399	—	—	1,399
Foreign exchange forward contracts	—	3,509	—	3,509
Convertibles notes	—	—	6,684	6,684
Equity instrument	—	—	27,892	27,892
Interest rate SWAP	—	3,416	—	3,416
Financial liabilities				
Contingent consideration	—	—	54,667	54,667
Foreign exchange forward contracts	—	3,575	—	3,575
Equity forward contract	—	3,886	—	3,886

[1] Mutual funds are measured at fair value through profit or loss, based on the changes of the fund's net asset value.

There were no transfers of financial assets and liabilities between Level 1, Level 2 and Level 3 during the period.

The Company has applied the market approach technique in order to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities.

When the inputs required by the market approach are not available, the Company applies the income approach technique. The income approach technique estimates the fair value of an asset or a liability by converting future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

29.9 Level 3

29.9.1 Contingent consideration

As described in note 26.1, certain acquisitions included contingent consideration agreements which are payable on a deferred basis and which will be subject to the occurrence of certain events relating to the acquired company's financial performance like revenue, gross margin and operating margin.

The actual amounts to be paid under the contingent consideration arrangements may be increased proportionally to the target's achievements and are not subject to any maximum amount.

The fair values of the contingent consideration arrangements are estimated by using a probabilistic framework such as Montecarlo simulation where each iteration was discounted to present value using a discount rate. In other cases the contingent consideration was estimated by discounting to present value using a risk-adjusted discount rate.

The Company also performed an estimation of the potential minimum amount of all future payments that could be required to be made under the agreements.

As of December 31, 2023 the nominal value, minimum amount and fair value amounted to 107,920, 64,083, and 95,216, respectively.

As of December 31, 2022 the nominal value, minimum amount and fair value amounted to 69,005, 61,683, and 54,667, respectively.

During 2023 the Company paid the aggregate consideration of 24,086 related to the target achievements during the year 2022.

As of December 31, 2023, 2022, and 2021 the results from remeasurement of the contingent considerations resulted in a net gain of 4,227, 967, and a net loss of 4,322, respectively. During 2023 it mainly includes a loss of 5,555 related to eWave and Genexus acquisition, and a gain of 9,665 related to Experience IT, Walmeric and KTBO acquisition.

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair Value at December 31, 2023	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to Fair Value
Contingent consideration	95,216	Risk adjusted discount rate	Between 3.70% and 13.3%	An increase in the discount rates by 1% would increase the fair value by $3,298 and a decrease in the discount rates by 1% would increase the fair value by $3,689
Contingent consideration	95,216	Expected revenues	Between 9,559 and 51,671	An increase in the expected revenues by 10% would increase the fair value by $13,134 and a decrease in the expected revenues by 10% would decrease the fair value by $8,754
Contingent consideration	95,216	Expected operating margin	Between 27.90% and 63.00%	An increase in the expected operating margin by 10% would increase the fair value by $2,825 and a increase in the expected operating margin by 10% would decrease the fair value by $1,879

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

29.9.2 Convertible notes

As described in note 3.12.8, the Company entered into several convertible notes that include the right to convert the outstanding amount into equity shares of the invested companies. The fair value of such convertible notes was estimated using unobservable inputs. The amounts of gains and losses for the period related to changes in the fair value of the convertible notes were not material.

29.9.3. Reconciliation of recurring fair value measurements categorized within Level 3

The following table shows the reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy:

	Financial Assets		Financial liabilities
	Convertible notes	Equity instrument	Contingent consideration
December 31, 2021	3,875	22,088	58,180
Fair value remeasurement (1)	—	285	(967)
Acquisition of business (1)	—	—	32,992
Acquisition of investment (3)	2,667	5,519	—
Payments (2)	—	—	(28,717)
Interests (1)	146	—	1,484
Reclassifications (1)	—	—	(5,060)
Foreign exchange difference (1)	(4)	—	(1,528)
Translation (1)	—	—	(890)
Others (1)	—	—	(827)
December 31, 2022	**6,684**	**27,892**	**54,667**

	Financial Assets		Financial liabilities
	Convertible notes	Equity instrument	Contingent consideration
December 31, 2022	6,684	27,892	54,667
Fair value remeasurement (1)	—	(286)	(4,227)
Acquisition of business (1)	—	—	59,062
Acquisition of investment (3)	2,367	1,748	—
Payments (2)	—	—	(24,086)
Interests (1)	59	—	3,641
Reclassifications (1)	—	—	5,736
Foreign exchange difference (1)	—	—	1,153
Translation (1)	—	—	823
Others (1)	—	—	(1,553)
December 31, 2023	**9,110**	**29,354**	**95,216**

(1) Non-cash transactions.
(2) Cash transactions included in investing activities, except for remeasurement of contingent considerations which are in operating activities, in the Consolidated Statement of Cash Flows.
(3) As of December 31, 2023 and 2022 the amount of 1,748 and 5,148, respectively were Cash transactions included in investing activities in the consolidated statement of cash flows.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

29.10 Foreign exchange futures and forward contracts

During 2023 and 2022, certain subsidiaries from Argentina, Uruguay, Chile, Colombia and Mexico acquired foreign exchange forward contracts with certain banks in U.S. dollars, with the purpose of hedging the possible decrease of assets' value held in the local currencies from each country, due to the risk of exposure to fluctuations in those foreign currencies and a subsidiary in the United States of America has also acquired foreign exchange forward contracts with certain banks, with the purpose of hedging the exposure in currencies different than U.S dollar. Those contracts were recognized, according to IFRS 9, as financial assets at fair value through profit or loss. For the years ended December 31, 2023 and 2022, the Company recognized a net gain of 13,045 and a net loss of 13,727, respectively. As of December 31, 2023 and 2022, the foreign exchange forward contracts that were recognized as financial assets and liabilities at fair value through profit or loss were as follows:

Settlement date	Currency from contracts	Foreign currency rate from contracts	Notional foreign currency rate	Fair value assets / (liabilities)
January 31, 2024	Australian Dollar	1.54	1.46	789
January 31, 2024	Danish Krone	6.82	6.71	172
January 31, 2024	Pound Sterling	0.82	0.78	63
January 31, 2024	Pound Sterling	0.79	0.78	14
January 31, 2024	Uruguayan Peso	39.46	39.21	29
January 31, 2024	Indian Rupee	83.51	83.31	19
January 31, 2024	Indian Rupee	83.44	83.25	17
January 31, 2024	Euro	0.91	0.90	8
January 31, 2024	Colombian Peso	4,006.50	3,846.04	336
January 31, 2024	Colombian Peso	4,005.08	3,846.03	333
January 31, 2024	Colombian Peso	4,004.07	3,846.02	331
February 29, 2024	Colombian Peso	3,898.50	3,868.41	62
February 29, 2024	Colombian Peso	3,907.00	3,866.64	83
February 29, 2024	Colombian Peso	3,901.80	3,865.84	74
Fair value as of December 31, 2023				**2,330**
January 31, 2023	Argentinian Peso	191.95	192.57	17
January 31, 2023	Mexican Peso	19.87	19.59	71
January 31, 2023	Colombian Peso	4,847.49	4,834.53	21
January 31, 2023	Colombian Peso	4,858.43	4,834.53	38
January 31, 2023	Colombian Peso	4,856.25	4,834.53	35
February 28, 2023	Indian Rupee	83.05	82.98	7
February 28, 2023	Pound Sterling	1.21	1.21	33
February 28, 2023	Chilean Peso	856.55	861.90	76
April 28, 2023	Danish Krone	6.93	6.89	58
April 28, 2023	Australian Dollar	0.67	0.68	196
Fair value as of December 31, 2022				**552**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Settlement date	Currency from contracts	Foreign currency rate from contracts	Notional foreign currency rate	Fair value assets / (liabilities)
January 31, 2024	Chilean Peso	876.95	875.93	(10)
February 29, 2024	Chilean Peso	890.85	877.33	(120)
February 29, 2024	Uruguayan Peso	39.36	39.37	(1)
February 29, 2024	Australian Dollar	1.46	1.46	(89)
April 3, 2024	Danish Krone	6.67	6.72	(88)
Fair value as of December 31, 2023				**(308)**
January 31, 2023	Chilean Peso	920.50	858.02	(557)
January 31, 2023	Chilean Peso	919.60	858.02	(550)
January 31, 2023	Chilean Peso	920.20	858.02	(555)
January 31, 2023	Colombian Peso	4,774.65	4,831.78	(111)
January 31, 2023	Indian Rupee	81.92	82.85	(111)
February 28, 2023	Colombian Peso	4,810.50	4,860.91	(97)
February 28, 2023	Mexican Peso	19.63	19.69	(23)
Fair value as of December 31, 2022				**(2,004)**

The most frequently applied valuation techniques include forward pricing models. The models incorporate various inputs including: foreign exchange spot, interest rates curves of the respective currencies and the term of the contract.

29.11 Hedge accounting

During the year ended December 31, 2023, the Argentine subsidiary, Sistemas Globales S.A. acquired foreign exchange futures contracts through SBS Sociedad de Bolsa S.A. (SBS) in U.S. dollars, with the purpose of hedging the possible decrease of revenues' expected in Argentine Pesos. The Company designated those futures as hedging instruments in respect of foreign currency risk in cash flow hedges.

These futures contracts have daily settlements, in which the futures value changes daily. Sistemas Globales S.A. recognize daily variations in SBS primary accounts, and the gains or losses generated by each daily position through other comprehensive income. Thus, at the closing of each day, according to the future price of the exchange rate U.S. Dollar – Argentine peso, the companies perceive a gain or loss for the difference. As of December 31, 2023, the accrued valuation of the last day of the month will be settled with the bank in the first day of the next month, so the value recognize in the financial statements is the amount pending to settle with the bank for the last day valuation. As of December 31, 2023 the Company maintained one foreign exchange futures contracts with a maturity date of December 29, 2023 and 1 recognized as Other financial liabilities in the balance sheet.

As of December 31, 2023, the Company has recognized a net loss 38 included in Revenues.

Pursuant to these contracts, Sistemas Globales S.A. is required to maintain collaterals in an amount equal to a percentage of the notional amounts purchased until settlement of the contracts. Sistemas Globales maintained collaterals in Mutual funds in SBS primary account. This ensures minimal funding, in case SBS has to transfer funds to "Mercado a Término de Rosario S.A" (ROFEX) if losses are generated by daily settlements. This amount must also remain restricted during the term of the contracts. As of December 31, 2023, collaterals regarding the transactions are restricted assets for an amount of 218 in Mutual funds included as investments. As of December 31, 2022, the Company did not maintain any futures contracts.

During 2022, certain subsidiaries from Chile, Colombia, India, Brazil, Peru and the United States of America entered into foreign exchange forward and future contracts to manage the foreign currency risk associated with the salaries payable in the local currency of each country. During 2023 the subsidiaries from Chile, Colombia, India, Brazil, Uruguay, United States of America and Mexico entered into foreign exchange forward contracts to manage the foreign currency risk associated with the salaries payable in the local currency of each country The Company designated those derivatives as hedging instruments in respect of foreign currency risk in cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges are recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'finance income' or 'finance expense' line items. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item (i.e. Salaries, employee benefits and social security taxes).

As of December 31, 2023, the Company has recognized a net gain of 21,997 and during the years ended December 31, 2022 and 2021, the Company has recognized a net loss of 2,332 and 136, respectively, included in Salaries, employee benefits and social security taxes and a net gain of 6,604, gain of 1,305 and a net loss of 131, respectively, included in other comprehensive income.

During 2020, Globant, LLC entered into four interest rate swap transactions with the purpose of hedging the exposure to variable interest rate related to the Amended and Restated Credit Agreement with certain financial institutions. By the end of that year the Company chose to discontinue three of the four interest rate swap transaction. During the year ended December 31, 2021, the Company chose to discontinue the remaining interest rate swap since the hedged future cash flows were no longer expected to occur. As of December 31, 2022 and 2021, the Company recognized a loss of 255 and a gain of 132, respectively, included in the line item "Other comprehensive income". The Company designated those derivatives as hedging instruments in respect of interest rate risk in cash flow hedges. Hedges of interest rate risk on recognized liabilities are accounted for as cash flow hedges.

Foreign currency forward contract and interest rate swap assets and liabilities are presented in the line 'Other financial assets' and 'Other financial liabilities' within the statement of financial position.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

The following table detail the foreign currency forward contracts outstanding as of December 31, 2023:

Hedging instruments - Outstanding contracts

Settlement date	Currency from contracts	Foreign currency rate from contracts	Notional foreign currency rate	Fair value assets / (liabilities)
January 25, 2024	Indian Rupee	83.53	83.29	9
January 25, 2024	Indian Rupee	83.53	83.29	6
January 31, 2024	Uruguayan Peso	40.55	39.22	127
January 31, 2024	Mexican Peso	18.30	17.05	504
January 31, 2024	Colombian Peso	4,314.50	3,849.10	1,129
January 31, 2024	Colombian Peso	4,445.50	3,850.40	1,366
January 31, 2024	Chilean Peso	923.00	876.27	263
January 31, 2024	Brazilian Real	5.18	4.87	187
February 27, 2024	Indian Rupee	83.64	83.39	9
February 27, 2024	Indian Rupee	83.64	83.39	6
February 29, 2024	Uruguayan Peso	40.30	39.61	87
February 29, 2024	Mexican Peso	18.78	17.16	639
February 29, 2024	Colombian Peso	4,415.71	3,875.77	800
February 29, 2024	Chilean Peso	924.70	877.77	264
February 29, 2024	Colombian Peso	4,074.90	3,869.88	263
February 29, 2024	Colombian Peso	4,177.65	3,871.87	479
February 29, 2024	Brazilian Real	5.21	4.89	197
March 26, 2024	Indian Rupee	83.55	83.47	3
March 26, 2024	Indian Rupee	83.54	83.47	2
March 27, 2024	Mexican Peso	18.83	17.24	625
March 27, 2024	Colombian Peso	4,440.00	3,901.25	794
March 27, 2024	Chilean Peso	935.50	879.35	312
April 25, 2024	Indian Rupee	83.70	83.62	3
April 25, 2024	Indian Rupee	83.70	83.62	2
April 25, 2024	Indian Rupee	83.72	83.62	2
Fair value as of December 31, 2023				**8,078**
January 31, 2023	Brazilian Real	5.36	5.25	55
January 31, 2023	Chilean Peso	995.20	858.02	789
March 31, 2023	Chilean Peso	994.25	866.45	685
April 28, 2023	Colombian Peso	5,161.25	4,919.18	283
April 28, 2023	Colombian Peso	5,160.00	4,918.15	388
February 28, 2023	Chilean Peso	992.20	861.47	708
January 31, 2023	Indian Rupee	83.66	83.15	42
February 23, 2023	Indian Rupee	83.15	82.98	6
February 23, 2023	Indian Rupee	83.01	82.98	1
Fair value as of December 31, 2022				**2,957**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Settlement date	Currency from contracts	Foreign currency rate from contracts	Notional foreign currency rate	Fair value assets / (liabilities)
January 25, 2024	Argentine Peso	560.00	808.48	(1)
January 25, 2024	Indian Rupee	83.21	83.28	(2)
Fair value as of December 31, 2023				**(3)**

Settlement date	Currency from contracts	Foreign currency rate from contracts	Notional foreign currency rate	Fair value assets / (liabilities)
January 31, 2023	Colombian Peso	4,667.50	4,834.53	(486)
January 31, 2023	Indian Rupee	82.54	82.85	(26)
February 23, 2023	Indian Rupee	82.03	82.98	(11)
February 28, 2023	Colombian Peso	4,659.50	4,860.91	(580)
March 30, 2023	Colombian Peso	4,729.00	4,888.69	(452)
April 26, 2023	Indian Rupee	83.04	83.30	(9)
April 26, 2023	Indian Rupee	83.01	83.30	(7)
Fair value as of December 31, 2022				**(1,571)**

During the year ended December 31, 2022, Globant LLC entered into equity forward contracts to manage the risk associated with the volatility of the Company's market share price use to determine the cash-settled shared based plan. The Company designated those derivatives as hedging instruments in respect of market share price risk in cash flow hedges. Hedges of cash-settled share base payment risk on firm commitments are accounted for as cash flow hedges.

Since the Company separates the forward element and the spot element of the forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract, the effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge, except for the portion that affects comprehensive income for the granted shares in which the rendering of services over time lapse has already occur to the date of report. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the "other financial results, net" line item. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item (i.e., Sharebased compensation expense).

As of December 31, 2023 and 2022, the Company recognized a gain of 575 and a loss of 1,341, respectively, included in the line item "Share-based compensation expense - Cash settle", a gain of 2,362 and a loss of 2,528, respectively, included in the line item "Gains and losses on cash flow hedges", from other comprehensive income and as of December 31, 2023 and 2022 a financial loss of 492 and 17, respectively, included in the line item "Net loss arising from financial assets measured at fair value through OCI".

Settlement date	Currency from contracts	Forward Price	Fair value assets / (liabilities)
June 3, 2024	US dollars	198.85	188
June 2, 2025	US dollars	208.72	189
June 1, 2026	US dollars	219.34	181
Fair value as of December 31, 2023			**558**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

Settlement date	Currency from contracts	Forward Price	Fair value assets / (liabilities)
June 3, 2024	US dollars	289.90	(393)
June 2, 2025	US dollars	302.36	(383)
June 1, 2026	US dollars	315.09	(391)
Fair value as of December 31, 2023			**(1,167)**

Settlement date	Currency from contracts	Forward Price	Fair value assets / (liabilities)
June 1, 2023	US dollars	278.24	(910)
June 1, 2023	US dollars	188.83	(71)
June 3, 2024	US dollars	289.9	(886)
June 3, 2024	US dollars	198.85	(70)
June 2, 2025	US dollars	302.36	(890)
June 2, 2025	US dollars	208.72	(75)
June 1, 2026	US dollars	315.09	(901)
June 1, 2026	US dollars	219.34	(83)
Fair value as of December 31, 2022			**(3,886)**

NOTE 30 — CAPITAL AND RESERVES

30.1 Issuance of common shares

During the year ended December 31, 2023, 145,630 common shares were issued after vested options arising from the 2012 and 2014 share-based compensation plan were exercised by some employees. Options were exercised at an average price of 28.18 per share amounting to a total of 4,103.

During the year ended December 31, 2023, 378,323 Restricted Stock Units (RSU) were granted to certain employees and directors of the Company and 257,079 RSU's were vested at an average price of 167.22 per share amounting to a total of 42,989 (non-cash transactions).

During the year ended December 31, 2023, no Stock-Equivalent Units (SEU) were granted to employees and directors of the Company and 4,524 SEU's were vested at an average price 191.76 per share amounting to a total of 868 (non-cash transactions).

During the year ended December 31, 2023 the Company's common shares issues in connection with subscriptions agreements related to acquisitions were as follows:

Date	Acquired company	Common shares	Amount
January 13, 2023	Cloudshift	17,443	3,068
March 30, 2023	Navint	9,087	1,492
April 1, 2023	Navint	416	68
April 20, 2023	Experience IT	29,120	4,521
May 15, 2023	Xappia	6,242	1,000
July 21, 2023	Walmeric	6,730	1,119
July 25, 2023	Pentalog	177,505	32,320
October 5, 2023	Atix	4,601	850
October 20, 2023	GUT	152,617	28,223
TOTAL		**403,761**	**72,661**

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

During the year ended December 31, 2022, 94,380 common shares were issued after vested options arising from the 2012 and 2014 share-based compensation plan were exercised by certain employees. Options were exercised at an average price of 37.17 per share amounting to a total of 3,508.

During the year ended December 31, 2022, 801,041 RSUs were granted to certain employees and directors of the Company and 266,300 RSUs were vested at an average price of 122.29 per share amounting to a total of 32,566 (non-cash transaction).

During the year ended December 31, 2022 the Company's common shares issues in connection with subscriptions agreements related to acquisitions were as follows:

Date	Acquired company	Common shares	Amount
April 29, 2022	Cloudshift	8,761	2,251
June 7, 2022	Genexus	21,328	4,947
August 5, 2022	Atix	4,534	850
September 16, 2022	Grupo Assa	34,754	7,224
September 23, 2022	Sysdata	19,640	4,052
November 7, 2022	KTBO	9,624	1,540
November 16, 2022	eWave	32,524	5,859
November 18, 2022	Vertic	41,252	7,312
December 21, 2022	Adbid	10,728	1,821
TOTAL		**183,145**	**35,856**

During the year ended December 31, 2021, 213,686 common shares were issued after vested options arising from the 2012 and 2014 share-based compensation plan were exercised by some employees. Options were exercised at an average price of 30.93 per share amounting to a total of 6,612.

During the year ended December 31, 2021, 168,669 RSUs were granted to certain employees and directors of the Company and, 235,392 RSUs were vested at an average price of 89.18 per share amounting to a total of 20,992 (non-cash transaction).

During the year ended December 31, 2021 the Company's common shares issues in connection with subscriptions agreements related to acquisitions were as follows:

Date	Acquired company	Common shares	Amount
March 15, 2021	Xappia	8,415	1,750
May 11, 2021	Hybrido (*)	10,088	2,149
July 8, 2021	Walmeric	10,842	2,372
November 17, 2021	Xappia	2,502	750
November 30, 2021	Navint	7,032	2,100
TOTAL		**38,879**	**9,121**

(*) As part of the subscription agreement the Company recognized 2,152 as equity settled agreement, related to common shares that the Company will issue in the future.

30.2 Public offerings and agreements

On May 28 2021, 1,380,000 common shares were issued and sold at a price of 214 for a net proceeds of 286,207, which were listed on the New York Stock Exchange. Cost associated with the proceed consisted of agents commissions, legal and professional fees and listing fees.

As of December 31, 2023, 41,393,201 common shares of the Company's share capital are registered with the SEC and quoted in the New York Stock Exchange.

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

30.3 Cash flow hedge reserve

The movements in the cash flow hedge reserve were as follows:

	Foreign currency risk	
	2023	**2022**
Balance at beginning of the year	**(3,171)**	**11**
Gain (Loss) arising on changes in fair value of hedging instruments during the period	13,740	(2,682)
Loss reclassified to profit or loss – hedged item has affected profit or loss	(1,242)	(500)
Balance at end of the year	**9,327**	**(3,171)**

NOTE 31 — APPROPRIATION OF RETAINED EARNINGS UNDER PRINCIPAL OPERATING SUBSIDIARIES´ LOCAL LAWS AND RESTRICTIONS ON DISTRIBUTION OF DIVIDENDS

Under local laws, the subsidiaries of the Company located in the following countries must appropriate at least the percentage of net income of each year described below to a legal reserve, until such reserve equals the cap percentage of its share capital described in each case.

Country	% of yearly net income	% of capital
Luxembourg, Moldova and France	5%	10%
Argentina, Uruguay, Mexico, Italy, Portugal and Romania	5%	20%
Spain and Peru	10%	20%
China	10%	50%

The Company's Belorussian subsidiaries must allocate an amount of up to 25% of the annual payroll to a reserve fund for salaries.

As at December 31, 2023, the statutory reserves of the following entities are not yet fully integrated: IAFH Globant Mexico IT S. de R.L. de C.V., Globant Peru S.A.C., Software Product Creation S.L. and Sport Reinvention Entertainment Group S.L.

Pursuant to its pertaining by-laws, Sistemas Colombia S.A.S. and Procesalab S.A.S. must allocate at least 10% of the net income of the year to a special reserve until such reserve equals 50% of its share capital; Globant Arabia Ltd. must allocate at least 10% of the net profits of the year to a special reserve until such reserve equals 30% of its share capital; and Pentalog Vietnam Company Ltd. must allocate the following percentages of its annual profits after payment of its financial obligations with relevant authorities, to the following special reserves: 5% until reaching 10% of its share capital to a supplemental charter capital; 5% to a business development special reserve, and 5% to a bonus and welfare special reserve.

NOTE 32 – OTHER EVENTS

32.1 Cybersecurity Event

On March 28th, 2022, the Company detected an unauthorized access to certain source code and project-related documentation for certain clients, as well as certain data files. As soon as such access was detected, the Company activated its security protocols and began conducting an exhaustive investigation. While we do not anticipate a significant adverse economic impact resulting from the incident, as of the date of issuance of these consolidated financial statements, there is still some level of uncertainty.

NOTE 33 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events until February 29, 2024, date of approval of these consolidated financial statements, to assess the need for potential adjustments or disclosures in these consolidated financial statements in accordance with IAS 10 "Events after the reporting period". The Company doesn't have any subsequent events to report.

NOTE 34 – APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements were approved by the Board of Directors on February 29, 2024.

Martín Migoya
President