

Globant S.A.
Société Anonyme

Audited Annual accounts for the financial year ended
December 31, 2023 and report of the réviseur d'entreprises agréé

37A, avenue J-F Kennedy,
L-1855 Luxembourg
RCS Luxembourg: B 173727

Table of contents

	Pages
Management Report	3-6
Report of the réviseur d'entreprises agréé	7-9
Balance sheet	10-14
Profit and loss account	15-16
Notes to the annual accounts	17-40

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

**Management report to the general meeting of shareholders on the
annual stand-alone accounts of Globant S.A. dated 31st December 2023.**

Dear Shareholders,

We hereby wish to submit to you the annual accounts of the Company for the financial year ended on 31 December 2023.

I.- PURPOSE AND RELEVANT ACTIVITY

The main purpose of the Company is the creation, holding, development and realization of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created. Currently, the Company has direct participation in five entities being the ultimate beneficial parent company of a worldwide IT services.

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

On 3 July 2014, our Board of Directors and shareholders approved and adopted our 2014 Equity Incentive Plan, which was amended on 9 May 2016, 13 February 2019, 18 May 2021 and 8 June 2022. Pursuant to the 8 June 2022 amendment adopted by our board of directors, we may issue stock awards up to an aggregate amount of 5,666,667 common shares under the 2014 Equity Incentive Plan. As of 31 December 2023, the number of common shares available for issuance pursuant to existing un-exercised and/or un-vested and future Stock Awards is 2,365,114. Since adoption of its 2014 Equity Incentive Plan, the Company has granted options to purchase common shares, restricted stock units ("**RSUs**"), performance-based restricted stock units ("**PRSUs**"), and stock-equivalent units ("**SEUs**") and performance-based stock-equivalent units ("**PSEUs**") to be settled in cash or common shares, or a combination thereof. Until 31 December 2023, the Company

has granted 30,000 stock awards, options to purchase 2,248,122 common shares, 2,575,253 RSUs and PRSUs, and 37,983 SEUs and PSEUs, net of any cancelled and/or forfeited awards. As of 31 December 2023 and 2022 there were 1,561,746 and 1,632,637 stock options and RSUs and/or PRSUs outstanding, respectively. And as of 31 December 2023, and 2022 there were 28,059 and 57,258 SEUs and PSEUs outstanding, respectively.

On 31 May 2023, the Company entered into a Fifth Reaffirmation of Guaranty Agreement with HSBC Bank USA, N.A., as administrative agent (the “Administrative Agent”) under the Fourth Amended and Restated Credit Agreement entered into among Globant, LLC, the Administrative Agent and certain financial institutions on 31 May 2023, pursuant to which, Globant, LLC may borrow up to USD725 million under a revolving credit facility, and 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.

We believe that the Company is subject to the following main risks and uncertainties:

- The price of the Company’s shares may be highly volatile.
- The Company may be classified by the Internal Revenue Service as a "passive foreign investment company", which may result in adverse tax consequences for U.S. investors.
- The Company business and results of operations may be adversely affected by the increased strain on our resources from complying with the reporting, disclosure, and other requirements applicable to public companies in the United States.

II.- ALLOCATION OF RESULTS

During the financial year ended on 31 December 2023 the Company has made a net profit of USD 719,763.75. This profit is primarily related to the reimbursement for the economic cost related to the options exercised and awards vested in connection with the Company’s 2014 Equity Incentive Plan and an insurance payment received for a cybersecurity incident occurred in March 2022.

The Board of Directors of the Company (the “**Board of Directors**”) will recommend to the general meeting of shareholders the following allocation of the result:

Result of the financial year	USD	719,763.75
Allocation to the legal reserve	USD	0.00
Distribution of dividends	USD	0.00
Result to be carried forward to the following year	USD	719,763.75

III.- STATEMENTS

Pursuant to article 68 of the law governing the trade and companies’ register as well as accountancy and the annual accounts of companies and modifying other legal provisions dated 19 December 2022, as amended, the Board of Directors hereby declares:

1. To the best of our knowledge, we are not aware of any material events which would have a material bearing on the annual accounts since the end of the financial year 31 December 2023.
2. The Company’s likely foreseeable future development is stable.
3. With respect to the research and development activities performed by the Company, there is nothing out of the ordinary to inform.
4. The Company does not have any branches.
5. The Company will continue developing its activities for the foreseeable future.
6. During 2023, the Company repurchased 42,500 of its own shares for a total purchase price of USD 7,794,462.75 in connection with the Company’s Employee Share Purchase Plan and, as of 31 December 2023 it held 154,910 own shares.
7. During 2023, under the Company’s 2014 Equity Incentive Plan, the Company granted a total of 378,323 awards in the form of RSUs and PRSUs, to certain employees, executive officers and directors. During the same period, the Company delivered 52,653 of its common shares under its Employee Share Purchase Plan and the SEUs and PSEUs.

IV- APPROVAL OF MANDATE AND DISCHARGE

We kindly ask you to grant discharge to the directors who were members of the Board of Directors during the financial year ended 31 December 2023 for the exercise of their mandates during the financial year ended 31 December 2023.

So done on 26 March 2024

For the Board of Directors:

A handwritten signature in black ink, appearing to read 'Migoya', is written over a horizontal line. The signature is stylized and somewhat cursive.

Name: Martín Migoya

Title: Chairman of the Board of Directors



Audit report

To the Shareholders of
GLOBANT S.A.

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of GLOBANT S.A. (the "Company") as at 31 December 2023, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2023;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

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

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report but does not include the annual accounts and our audit report thereon.

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



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

Responsibilities of the Board of Directors and those charged with governance for the annual accounts

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

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

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 26 March 2024

Electronically signed by:
Julien Melotte



Julien Melotte

RCSL Nr. : **B173727**Matricule : **2012 2223 796****BALANCE SHEET****Financial year from 01/01/2023 to 31/12/2023 (in USD)**

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

ASSETS

	References	Current year	Previous year
A. Subscribed capital unpaid	1101	101	102
I. Subscribed capital not called	1103	103	104
II. Subscribed capital called but unpaid	1105	105	106
B. Formation expenses	1107	107	108
C. Fixed assets	1109	109	110
I. Intangible assets	1111	111	112
1. Costs of development	1113	113	114
2. Concessions, patents, licences trade marks and similar rights and assets, if they were	1115	115	116
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117	118
b) created by the undertaking itself	1119	119	120
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	121	122
4. Payments on account and intangible assets under development	1123	123	124
II. Tangible assets	1125	125	126
1. Land and buildings	1127	127	128
2. Plant and machinery	1129	129	130

RCSL Nr. : B173727	Matricule : 2012 2223 796
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	References		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131	131		132	
4. Payments on account and tangible assets in the course of construction	1133	133		134	
III. Financial assets	1135	135	908.703.544,20	136	828.721.812,20
1. Shares in affiliated undertakings	1137	Note 3.1	908.703.544,20	138	828.721.812,20
2. Loans to affiliated undertakings	1139	139		140	
3. Participating interests	1141	141		142	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143		144	
5. Investments held as fixed assets	1145	145		146	
6. Other loans	1147	147		148	
D. Current assets	1151	151	11.476.818,94	152	19.389.413,92
I. Stocks	1153	153		154	
1. Raw materials and consumables	1155	155		156	
2. Work in progress	1157	157		158	
3. Finished goods and goods for resale	1159	159		160	
4. Payments on account	1161	161		162	
II. Debtors	1163	163	2.728.934,33	164	3.678.347,49
1. Trade debtors	1165	165		166	
a) becoming due and payable within one year	1167	167		168	
b) becoming due and payable after more than one year	1169	169		170	
2. Amounts owed by affiliated undertakings	1171	Note 4.1	2.626.538,27	172	3.141.573,23
a) becoming due and payable within one year	1173	173	2.626.538,27	174	3.141.573,23
b) becoming due and payable after more than one year	1175	175		176	
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177		178	
a) becoming due and payable within one year	1179	179		180	
b) becoming due and payable after more than one year	1181	181		182	
4. Other debtors	1183	183	102.396,06	184	536.774,26
a) becoming due and payable within one year	1185	185	102.396,06	186	536.774,26
b) becoming due and payable after more than one year	1187	187		188	

RCSL Nr. : B173727	Matricule : 2012 2223 796
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	References	Current year	Previous year
III. Investments	1189	189 5.444.427,63	190 7.325.792,27
1. Shares in affiliated undertakings	1191	191	192
2. Own shares	1209 Note 5.1	209 5.281.001,02	210 7.325.792,27
3. Other investments	1195	195 163.426,61	196
IV. Cash at bank and in hand	1197 Note 6	197 3.303.456,98	198 8.385.274,16
E. Prepayments	1199	199 1.284.780,37	200 1.275.997,57
TOTAL (ASSETS)		201 921.465.143,51	202 849.387.223,69

RCSL Nr. : B173727

Matricule : 2012 2223 796

CAPITAL, RESERVES AND LIABILITIES

	References		Current year		Previous year
A. Capital and reserves	1301	301	919.047.988,18	302	842.834.367,90
I. Subscribed capital	1303	Note 7.1	51.889.430,40	304	50.921.666,40
II. Share premium account	1305	Note 7.2	875.350.122,87	306	798.779.239,09
III. Revaluation reserve	1307			308	
IV. Reserves	1309		6.218.316,77	310	8.263.108,02
1. Legal reserve	1311	Note 7.6	937.315,75	312	937.315,75
2. Reserve for own shares	1313	Note 7.7	5.281.001,02	314	7.325.792,27
3. Reserves provided for by the articles of association	1315			316	
4. Other reserves, including the fair value reserve	1429			430	
a) other available reserves	1431			432	
b) other non available reserves	1433			434	
V. Profit or loss brought forward	1319	Note 7	(15.129.645,61)	320	(30.212.086,84)
VI. Profit or loss for the financial year	1321	Note 7	719.763,75	322	15.082.441,23
VII. Interim dividends	1323			324	
VIII. Capital investment subsidies	1325			326	
B. Provisions	1331			332	
1. Provisions for pensions and similar obligations	1333			334	
2. Provisions for taxation	1335			336	
3. Other provisions	1337			338	
C. Creditors	1435		2.417.155,33	436	6.552.855,79
1. Debenture loans	1437			438	
a) Convertible loans	1439			440	
i) becoming due and payable within one year	1441			442	
ii) becoming due and payable after more than one year	1443			444	
b) Non convertible loans	1445			446	
i) becoming due and payable within one year	1447			448	
ii) becoming due and payable after more than one year	1449			450	
2. Amounts owed to credit institutions	1355			356	
a) becoming due and payable within one year	1357			358	
b) becoming due and payable after more than one year	1359			360	

RCSL Nr. : B173727	Matricule : 2012 2223 796
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	References		Current year		Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361		362	
a) becoming due and payable within one year	1363	363		364	
b) becoming due and payable after more than one year	1365	365		366	
4. Trade creditors	1367	367	271.820,26	368	788.796,68
a) becoming due and payable within one year	1369	369	271.820,26	370	788.796,68
b) becoming due and payable after more than one year	1371	371		372	
5. Bills of exchange payable	1373	373		374	
a) becoming due and payable within one year	1375	375		376	
b) becoming due and payable after more than one year	1377	377		378	
6. Amounts owed to affiliated undertakings	1379	Note 8.1	1.970.238,89	380	3.237.807,47
a) becoming due and payable within one year	1381	381	1.970.238,89	382	3.237.807,47
b) becoming due and payable after more than one year	1383	383		384	
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385		386	
a) becoming due and payable within one year	1387	387		388	
b) becoming due and payable after more than one year	1389	389		390	
8. Other creditors	1451	451	175.096,18	452	2.526.251,64
a) Tax authorities	1393	Note 9.1	49.030,32	394	2.378.855,37
b) Social security authorities	1395	Note 9.2	4.375,00	396	3.069,49
c) Other creditors	1397	397	121.690,86	398	144.326,78
i) becoming due and payable within one year	1399	Note 9.3	121.690,86	400	144.326,78
ii) becoming due and payable after more than one year	1401	401		402	
D. Deferred income	1403	403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	921.465.143,51	406	849.387.223,69

RCSL Nr. : B173727

Matricule : 2012 2223 796

PROFIT AND LOSS ACCOUNT**Financial year from 01/01/2023 to 31/12/2023 (in USD)**

Globant S.A.

37A, avenue J.F. Kennedy

L-1855 Luxembourg

	References		Current year		Previous year	
1. Net turnover	1701	701		702		
2. Variation in stocks of finished goods and in work in progress	1703	703		704		
3. Work performed by the undertaking for its own purposes and capitalised	1705	705		706		
4. Other operating income	1713	Note 10	713	2.239.220,23	714	
5. Raw materials and consumables and other external expenses	1671	671	(2.416.829,83)	672	(3.357.149,83)	
a) Raw materials and consumables	1601	601		602		
b) Other external expenses	1603	Note 11	603	(2.416.829,83)	604	(3.357.149,83)
6. Staff costs	1605	605	(208.248,77)	606	(918.119,55)	
a) Wages and salaries	1607	Note 12.1	607	(199.198,75)	608	(910.400,81)
b) Social security costs	1609		609	(9.050,02)	610	(7.718,74)
i) relating to pensions	1653		653		654	
ii) other social security costs	1655		655	(9.050,02)	656	(7.718,74)
c) Other staff costs	1613		613		614	
7. Value adjustments	1657	657		658		
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659		660		
b) in respect of current assets	1661	661		662		
8. Other operating expenses	1621	Note 13	621	(656.545,38)	622	(707.386,26)

RCSL Nr. : B173727	Matricule : 2012 2223 796
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	References		Current year		Previous year	
9. Income from participating interests	1715		715		716	
a) derived from affiliated undertakings	1717		717		718	
b) other income from participating interests	1719		719		720	
10. Income from other investments and loans forming part of the fixed assets	1721		721		722	
a) derived from affiliated undertakings	1723		723		724	
b) other income not included under a)	1725		725		726	
11. Other interest receivable and similar income	1727	Note 14.1	727	3.654.226,37	728	31.592.394,54
a) derived from affiliated undertakings	1729		729	984.971,74	730	22.586.394,64
b) other interest and similar income	1731		731	2.669.254,63	732	9.005.999,90
12. Share of profit or loss of undertakings accounted for under the equity method	1663		663		664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665		665		666	
14. Interest payable and similar expenses	1627		627	(3.872.889,21)	628	(9.451.123,57)
a) concerning affiliated undertakings	1629	Note 15.1	629	(1.900,00)	630	(3.508,67)
b) other interest and similar expenses	1631	Note 15.2	631	(3.870.989,21)	632	(9.447.614,90)
15. Tax on profit or loss	1635	Note 16	635	2.025.669,00	636	(2.027.492,09)
16. Profit or loss after taxation	1667		667	764.602,41	668	15.131.123,24
17. Other taxes not shown under items 1 to 16	1637	Note 17	637	(44.838,66)	638	(48.682,01)
18. Profit or loss for the financial year	1669		669	719.763,75	670	15.082.441,23

Globant S.A.
Notes to the annual accounts as at December 31, 2023

1. General information

Globant S.A. (hereafter the "Company") was incorporated on December 10, 2012 and is organised under the laws of Luxembourg as a Société Anonyme for an unlimited period. The company is listed on the New York Stock Exchange since July 18, 2014.

The registered office of the Company is established at 37A Avenue J-F Kennedy, L-1855 Luxembourg.

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

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

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

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

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

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

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

2. Summary of significant accounting policies and valuation methods

2.1. General principles

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

Accounting policies and valuation rules are, besides the ones laid down by the Law of December 19, 2002, determined and applied by the Board of directors in all cases.

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

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2. Significant accounting and valuation policies

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

2.2.1. Financial assets

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

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

In some instances, where the Board of Directors believes that it is more appropriate under the circumstances and better reflects the substance of the activity, the interdependency of cash flows between Globant's subsidiaries, and their level of integration, have been considered in assessing the carrying value of the financial assets.

2.2.1. Financial assets - continued

In those instances, investments in certain undertakings have been grouped together for the purposes of testing them for impairment - similarly to cash generating units ('CGUs') as defined in IAS 36 "Impairment of Assets" under IFRS.

2.2.2. Debtors

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

2.2.3. Foreign currency translation

The Company maintains its books and records in ("USD").

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

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

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

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

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

2.2.4. Prepayments

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

2.2.5. Creditors

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

2.2.5.1. Other creditors – Tax Authorities

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

2.2.6. Own shares

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

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

Own shares are valued at purchase price. A value adjustment is recorded were the market value is lower than the purchase price. These value adjustments are not continued if the reason for which the value adjustments were made have ceased to apply.

2.2.7. Stock Options

The Company has a share-based compensation plan for executives and employees of the Company and its subsidiaries. Equity-settled share-based payments to employees are measured at the strike price. Once options are exercised, the Company at times either grants own shares or issues own shares to satisfy their obligations. In the second case, the difference between exercise price and the nominal value of shares is recorded in share premium.

2.2.8. Restricted Stock Units ("RSUs")

As part of the share-based compensation plan the Company grants 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. Once RSU are exercised, the Company measures the issuance of the shares at par value and records a decrease in share premium.

Globant S.A.
Notes to the annual accounts as at December 31, 2023

3. Financial assets

3.1. Shares in affiliated undertakings

As at December 31, 2023, the shares in affiliated undertakings or in which the Company is a general partner are as follows:

Name of company	Presentation Currency of the annual accounts.	Registered office	Main activity	Percentage of ownership	Closing date of last financial year	Unaudited net equity at the balance sheet date (USD)	Unaudited result of last financial year (USD)	Net investment amount (USD)
Globant España S.A.U.	EUR	Cristobal Bourdiu, 13 - BUZON B 28003, Madrid	Holding, investment, software development and consultancy	100%	31.12.2023	635,929,254.35	215,017,070.11	789,103,897.00
Software Product Creation S.L.	EUR	Claudio Coello, 46 28001, Madrid	Holding, investment, software development and consultancy	51.94%	31.12.2023	314,685,500.99	(16,144,427.87)	112,343,043.92
Globant France SAS.	EUR	9, rue du Quatre Septembre 75002, Paris, France	Software development and consultancy	100%	31.12.2023	405,989.47	713,988.74	113,295.53
Globant Germany GmbH.	EUR	Lützowplatz 10, Berlin, Germany	Software development and consultancy	100%	31.12.2023	628,918.49	160,969.40	179,607.75
Augmented Coding Spain S.A.	EUR	Claudio Coello, 46 28001, Madrid	Software development and consultancy	100%	31.12.2023	3,445,397.93	47,295.38	6,963,700.00
							Total	908,703,544.20

Globant S.A.
Notes to the annual accounts as at December 31, 2023

3.1. Shares in affiliated undertakings - continued

As at December 31, 2022, the shares in affiliated undertakings or in which the Company is a general partner are as follows:

Name of company	Presentation Currency of the annual accounts.	Registered office	Main activity	Percentage of ownership	Closing date of last financial year	Unaudited net equity at the balance sheet date (USD)	Unaudited result of last financial year (USD)	Net investment amount (USD)
Globant España S.A.U.	EUR	Serrano 51, 2 "D", 28006, Madrid, Spain	Holding, investment, software development and consultancy	100%	31.12.2022	582,718,393.19	13,740,609.08	716,103,897.00
Software Product Creation S.L.	EUR	Serrano 51, 2 "D", 28006, Madrid, Spain	Holding, investment, software development and consultancy	51.24%	31.12.2022	204,291,542.22	5,493,844.87	105,861,311.92
Globant France SAS.	EUR	9, rue du Quatre Septembre 75002, Paris, France	Software development and consultancy	100%	31.12.2022	63,368.27	305,257.99	113,295.53
Globant Germany GmbH.	EUR	Lützowplatz 10, Berlin, Germany	Software development and consultancy	100%	31.12.2022	319,174.01	441,605.42	179,607.75
Augmented Coding Spain S.A.	EUR	Serrano 51, 2 "D", 28006, Madrid, Spain	Software development and consultancy	100%	31.12.2022	5,065,104.31	(2,522,759.85)	6,463,700.00
							Total	828,721,812.20

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

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

If the equity value is higher than the investment book value, then there's no indication of impairment. No durable impairment over the investments was identified by the Management. No historical value adjustments have taken place with regards to the investments held by the Company.

The Board of Directors of the Company considered the valuation of the subsidiaries and decided that no value adjustment is to be recorded on those financial assets in the accounts of the Company. The Directors of the Company has the knowledge and the capacity to assess that no impairments need to be booked as of December 31, 2023 and 2022.

Globant S.A.
Notes to the annual accounts as at December 31, 2023

3.1. Shares in affiliated undertakings - continued

The movements on the shares in affiliated undertakings during 2023 are detailed as follows:

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

As of December 31, 2023 the company's investment in Globant España S.A. amounted to USD 789,103,387.00 (2022: USD 716,103,897.00).

	USD
Net investment amount as at January 1, 2023	716,103,897.00
Capital increase	73,000,000.00
Net investment amount as at December 31, 2023	789,103,897.00

On December 11, 2023, there was a capital contribution amounting to USD 73,000,000.00 (EUR 67,170,100.18).

Software Product Creation S.L.

As of December 31, 2023 the company's investment in Software Product Creation S.L. amounted to USD 112,343,043.92 (2022: USD 105,861,311.92).

	USD
Net investment amount as at January 1, 2023	105,861,311.92
Capital increase	6,481,732.00
Net investment amount as at December 31, 2023	112,343,043.92

On April 12, 2023 there was an increase of the investment amounting to USD 6,481,732.00 (EUR 5,893,279.00) in shares in affiliated undertakings.

Augmented Coding Spain S.A.

As of December 31, 2023 the company's investment in Software Product Creation S.L. amounted to USD 6,693,700.00 (2022: USD 6,463,700.00).

	USD
Net investment amount as at January 1, 2023	6,463,700.00
Capital increase	500,000.00
Net investment amount as at December 31, 2023	6,963,700.00

On December 18, 2023 there was an increase of the investment amounting to USD 500,000.00 (EUR 457,959.33) in shares in affiliated undertakings.

Globant S.A.
Notes to the annual accounts as at December 31, 2023

3.1. Shares in affiliated undertakings – continued

Globant Germany GmbH

No movement was noted during the year.

Globant France SAS

No movement was noted during the year.

4. Debtors

4.1. Amounts owed by affiliated undertakings

As of December 31, 2023 this item is composed of short-term receivables from group companies for an amount of USD 2,626,538.27 (2022: USD 3,141,573.23) detailed as follows:

Name of the Company	Amount as at	Amount as at
	December 31, 2023	December 31, 2022
	USD	USD
Globant India Private Limited	762,693.62	355,231.25
Software Product Creation S.L	736,236.61	1,891,112.98
Sistemas Globales S.A	616,352.04	383,973.00
Globant LLC	472,955.00	472,955.00
Sistemas Uk Ltda	38,301.00	38,301.00
Total	2,626,538.27	3,141,573.23

See note 18.1

These receivables are not bearing interests.

No value adjustments were recorded under debtors as of December 31, 2023 and 2022.

Globant S.A.
Notes to the annual accounts as at December 31, 2023

5. Investments

5.1. Own shares

	<u>USD</u>
Own shares amount as at January 1, 2023	7,325,792.27
Increase - purchase of own shares	7,794,462.75
Decrease - release of own shares	(9,839,254.00)
Own shares amount as at December 31, 2023 (*)	5,281,001.02

(*) See note 7.7

6. Cash at Bank and Cash equivalents

As at December 31, 2023 the cash at bank and cash equivalents is composed as follows:

Bank name	Amount as at December 31, 2023	Amount as at December 31, 2022
	USD	USD
Citibank New York Branch – Current account (USD)	2,896,860.50	8,050,521.75
HSBC Luxembourg Branch – Current account (USD)	216,527.98	254,761.39
HSBC Luxembourg Branch – Current account (EUR)	190,068.49	79,991.01
Morgan Stanley – Active Assets Account (USD)	0.01	0.01
Total	3,303,456.98	8,385,274.16

As at December 31, 2023 and 2022 there is no restriction over the cash at bank and cash equivalents disclosed.

Globant S.A.
Notes to the annual accounts as at December 31, 2023

7. Capital and reserves

	Subscribed Capital (USD)	Share Premium Account (USD)	Legal Reserve (USD)	Reserve for own shares (USD)	Result brought forward (USD)	Result of the financial year (USD)
As at 31.12.2022	50,921,666.40	798,779,239.09	937,315.75	7,325,792.27	(30,212,086.84)	15,082,441.23
Capital increases	967,764.00	76,570,883.78	-	-	-	-
Purchase of own shares	-	-	-	7,794,462.75	-	-
Release of own shares	-	-	-	(9,839,254.00)	-	-
Result allocation	-	-	-	-	15,082,441.23	(15,082,441.23)
Result of the financial year	-	-	-	-	-	719,763.75
As at 31.12.2023	51,889,430.40	875,350,122.87	937,315.75	5,281,001.02	(15,129,645.61)	719,763.75

7.1. Subscribed capital

The movements on the “Subscribed capital” item during the year are as follows:

	Number of shares	Number of shares listed on NYSE	Amount (USD)
Subscribed capital – 01/01/2023	42,434,722	40,813,484	50,921,666.40
Subscription for the year	806,470	579,717	967,764.00
Subscribed capital – 31/12/2023	43,241,192	41,393,201	51,889,430.40

The increase of common shares listed on the NYSE was due to exercises of stock options and RSU, issuance of shares under follow on offering.

The additional authorised capital excluding the current share capital is set at USD 967,764.00 consisting in 806,470 common shares having a nominal value of USD 1.20 per common share.

As at December 31, 2023, the subscribed capital includes USD 185,892.00 of own shares, allocated to the reserve for own shares (please refer to note 7.7).

7.2. Share premium account

During the year 2023 the Company issued 806,470 common shares, which has led to an increase of the share premium to USD 875,350,122.87 (2022: USD 798,779,239.09).

As at December 31, 2023, the share premium includes USD 5,095,109.43 of own shares, allocated to the reverse for own shares (please refer to note 7.7).

Globant S.A.
Notes to the annual accounts as at December 31, 2023

7.3. 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 28.23 per share amounting to a total of USD 4,111,134.90.

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	3,068,000
March 30, 2023	Navint	9,087	1,492,000
April 01, 2023	Navint	416	68,000
April 20, 2023	Experience IT	29,120	4,521,000
May 15, 2023	Xappia	6,242	1,000,000
July 21, 2023	Walmeric	6,730	1,119,000
July 25, 2023	Pentalog	177,505	32,320,000
October 5, 2023	Atix	4,601	850,000
October 20, 2023	GUT	152,617	28,223,000
	Total	403,761	72,661,000

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 USD 3,508,104.60.

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	2,251,000
June 7, 2022	Genexus	21,328	4,947,000
August 5, 2022	Atix	4,534	850,000
September 16, 2022	Grupo Assa	34,754	7,224,000
September 23, 2022	Sysdata	19,640	4,052,000
November 7, 2022	KTBO	9,624	1,540,000
November 16, 2022	eWave	32,524	5,859,000
November 18, 2022	Vertic	41,252	7,312,000
December 21, 2022	Adbid	10,728	1,821,000
	Total	183,145	35,856,000

7.4. Issuance of Restricted Stock Units

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 USD 42,988,750.40 (non-cash transactions).

During the year ended December 31, 2022, 801,041 Restricted Stock Units (RSU) were granted to certain employees and directors of the Company and 266,300 RSU's were vested at an average price of 122,29 per share amounting to a total of USD 32,565,827.00 (non-cash transactions).

7.5. Public offerings and agreements

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 (2022: 40,813,484).

7.6. Legal reserve

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

As at December 31, 2023 the Company has a legal reserve of USD 937,315.75 (2022: USD 937,315.75).

7.7. Reserve for own shares

In accordance with the law, the Company has created a non-distributable reserve included in the account "reserve for own share" for an amount of USD 5,281,001.02 as at December 31, 2023 (2022: USD 7,325,792.27).

Globant S.A.
Notes to the annual accounts as at December 31, 2023

8. Creditors

8.1. Amounts owed to affiliated undertakings

As of December 31, 2023, this item is composed of short-term payables from group companies for an amount of USD 1,970,238.89 (2022: USD 3,237,807.47) detailed as follows:

	December 31, 2023	December 31, 2022
	USD	USD
Globant España S.A.U.	1,172,926.08	2,440,994.66
Sistemas Globales S.A.	547,639.43	547,639.43
Globant LLC	192,265.01	192,265.01
Globant UK Ltda.	26,316.97	26,316.97
Sistemas Globales Chile A.L.	21,535.90	21,535.90
Sistemas Globales Uruguay S.A.	8,918.51	8,918.51
Globers S.A.	500.00	0.00
Software Product Creation S.L	136.99	136.99
Total	1,970,238.89	3,237,807.47

These receivables are not bearing interests.

9. Other Creditors

9.1. Tax authorities

This item is composed of the following balances, payable to the Tax authorities.

- NWT tax payable, amounting to USD 42,860.50 (2022: USD 107,535.01).

The management of the Company recognizes based on the last filed tax return that the Company has USD 5,563,760.77 (EUR 5,216,351.74) of carried forward tax losses available as at 31 December 2022 and estimates approximately USD 157,166.00 (EUR 142,231.67) of additional tax losses for the current period (FY2023). This amount of tax losses is subject to review by the Luxembourg tax authorities.

Regarding the portion of the aforementioned losses that have been generated as from tax year 2017 (approximately USD 5,720,926.77 (EUR 5,358,583.41)), that amount can be carried forward for the seventeen years following the tax year in which the losses arose.

9.2. Social security authorities

This item is composed of an amount payable to the social security authorities on the staff payroll for a total amount of USD 4,375.00 (2022: USD 3,069.49).

Globant S.A.
Notes to the annual accounts as at December 31, 2023

9.3. Other creditors

This item is composed of Directors fees payable amounting to USD 121,690.86 (2022: USD 144,326.78).

10. Other operating income

The other operating income for the financial year 2023 amounting to USD 2,239,220.23 (2022: USD nil), is composed of the revenue related to the insurance compensation received for the event reported by the Group in the Form 6-K filed with the US Securities and Exchange Commission on March 30th, 2022.

11. Other external expenses

This item is composed of:

	December 31, 2023	December 31, 2022
	USD	USD
Insurance fees	1,591,685.15	2,543,105.01
Legal fees	287,349.71	444,661.89
Auditor fees	176,988.00	160,269.96
Other fees	229,687.47	158,056.33
Fees related to FPO (*)	131,119.50	51,056.64
Total	2,416,829.83	3,357,149.83

(*) Costs associated with the proceed consisted of agents commissions, professional and listing fees.

12. Staff costs

12.1. Wages and salaries

This item, amounting to USD 199,198.75 (2022: USD 910,400.81), is composed of salaries and other benefits paid to the employee.

As at December 31, 2023 and December 31, 2022 the average of full time equivalent employees is 2.

13. Other operating expenses

This item is composed mainly of the director fees to some directors of the Company for a total amount of USD 656,545.38 (2022: USD 707,386.26).

14. Other interest receivable and similar income

14.1. Other interest and similar income

This item is composed of realised exchange gain and other income, amounting to USD 2,669,254.63 (2022: USD 9,005,999.90).

As at December 31, 2023 other income amounting to USD 984,971.74 (2022: USD 22,586,394.64).

The amount of USD 22,358,753.63 as at December 31, 2022 corresponded to the gain that arose from the agreements entered into between the Company and Sistemas Globales S.A. and IAFH Global S.A. ("Argentine Subsidiaries"), pursuant to which the Argentine Subsidiaries reimbursed the Company for the economic cost related to the options exercised by certain employees of these subsidiaries in connection with the share-based compensation plan during 2022 (see note 18.1). The amount due was determined as the difference between the fair market value of the Company's common shares on the date that each vested option was exercised, and the strike price paid by each employee in connection with such vested option.

15. Interest payable and similar expenses

15.1. Concerning affiliated undertakings

This item is composed of other financial charges for an amount of USD 1,900.00 (2022: USD 3,508.67).

15.2. Other interest and similar expenses

This item is composed of exchange losses and other financial charges for an amount of USD 3,870,989.21 (2022: USD 9,447,614.90).

16. Tax on profit or loss

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

USD	2023	2022
Corporate Income Tax	(2,025,669.00)	2,027,492.09
Total	(2,025,669.00)	2,027,492.09

Globant S.A.
Notes to the annual accounts as at December 31, 2023

17. Other taxes

USD	2023	2022
Net Wealth Tax	49,885.62	44,764.96
Other Tax	(5,046.96)	3,917.05
Total	44,838.66	48,682.01

18. Off-balance sheet commitments

On November 1, 2018, Globant, LLC, a subsidiary of Globant España S.A.U., 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 this credit facility, Globant LLC could have borrowed (i) up to USD 50 million in a single borrowing on or prior to May 1, 2019, under a delayed-draw term loan facility and (ii) up to USD150 million 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 USD 100 million. The maturity date of the facilities was October 31, 2023. Interest on the loans extended thereunder shall accrue at a rate per annum equal LIBOR plus 1.75%. In the event of a Reference Transition Event, the parties may modify the Agreement to replace LIBOR with a Benchmark Replacement similar. The credit facilities are guaranteed by the Company and Globant España S.A.U. and are secured by Globant LLC's now owned and after-acquired assets.

On February 6, 2020, Globant, LLC, entered into a Second Amended and Restated Credit Agreement (the "Second A&R Credit Agreement"). Under the Second A&R Credit Agreement, the Borrower may borrow (i) up to USD100 million in up to four borrowings on or prior to August 6, 2021, under a delayed-draw term loan facility and (ii) up to USD 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 USD 100 million. The maturity date of each of the facilities is February 5, 2025. 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%.

The Second A&R Credit Agreement also contains certain customary negative and affirmative covenants, which compliance may limit our flexibility in operating our business and our ability to take actions that might be advantageous to us and our shareholders.

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%.

18. Off-balance sheet commitments - continued

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 is 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.

19. Employee Benefits

19.1. Share-based compensation plan

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

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

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

19.1. Share-based compensation plan - continued

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-year 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 right 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.

The Company recognized an intercompany receivable from Sistemas Globales S.A. and IAFH Global S.A. for a total amount of USD 536,609.71 as at December 31, 2023, (2022: USD 22,358,753.63), relating to the stock option exercise.

Globant S.A.
Notes to the annual accounts as at December 31, 2023

19.1. Share-based compensation plan - continued

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
Issued during the year	(9,924)	From 168.75 to 226.50	—	—
Forfeited during the year	(19,796)	237.98	(3,293)	168.16
Balance at end of the year	28,059	237.98	57,779	168.16

Globant S.A.
Notes to the annual accounts as at December 31, 2023

19.1. Share-based compensation plan - continued

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

Grant date	Grant price (\$)	Number of Restricted Stock Units	Fair value at grant date (\$)	Expense as of December 31, 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

Grant date	Grant price (\$)	Number of Restricted Stock Units	Fair value at grant date (\$)	Expense as of December 31, 2023 (\$)
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 (the following amounts are expressed in thousands of U.S. dollars):

Grant date	Exercise price (\$)	Number of stock options	Number of stock options vested as of December 31, 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

Globant S.A.
Notes to the annual accounts as at December 31, 2023

19.1. Share-based compensation plan - continued

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

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	181.20	8,577	1,557	779
2022	169.78	2,753	466	411
Total		28,059	6,450	2,322

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

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

Globant S.A.
Notes to the annual accounts as at December 31, 2023

**19.2. Share options exercised and RSU vested during the year –
continued**

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

19.3. Fair value of share-based compensation granted

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 (USD)	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.

19.4. 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 USD 420 per share through August 10, 2025 and increase by USD 42 each year until August 11, 2030. 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.

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-month 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.

19.4. Equity-settled share-based payments under 2014 Equity Incentive Plan and 2021 Employee Share Purchase Plan – continued

During the twelve months ended December 31, 2023, and the year ended December 31, 2022, in connection with the ESPP, the Company has repurchased 42,500 and 46,500, respectively, and 48,129 and 39,136 have been delivered.

Fair value of share-based compensation granted

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
Stock price	206.23
Expected life	7 years
Volatility	42.78%
Risk-free interest rate	2.63%

19.5. 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 award was granted.

20. Subsequent events

No material event occurred after the balance sheet date ending December 31, 2023.