



Grid Dynamics **Investor Presentation**

NASDAQ: GDYN | William Blair Growth Stock Conference (June 7, 2023)

Disclaimer

Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that are not historical facts, and involve risks and uncertainties that could cause actual results of Grid Dynamics to differ materially from those expected and projected. These forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes,” “estimates,” “anticipates,” “expects,” “intends,” “plans,” “may,” “will,” “potential,” “projects,” “predicts,” “continue,” or “should,” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include, without limitation, statements concerning Grid Dynamics’ expectations with respect to future performance, market size and industry trends, particularly in light of the macroeconomic environment and the Russian invasion of Ukraine. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside Grid Dynamics’ control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (i) Grid Dynamics has a relatively short operating history and operates in a rapidly evolving industry, which makes it difficult to evaluate future prospects and may increase the risk that it will not continue to be successful and may adversely impact our stock price; (ii) Grid Dynamics may be unable to effectively manage its growth or achieve anticipated growth, particularly as it expands into new geographies, which could place significant strain on Grid Dynamics’ management personnel, systems and resources; (iii) Grid Dynamics’ revenues are highly dependent on a limited number of clients and industries that are affected by seasonal trends, and any decrease in demand for outsourced services in these industries may reduce Grid Dynamics’ revenues and adversely affect Grid Dynamics’ business, financial condition and results of operations; (iv) macroeconomic conditions, inflationary pressures, and the geopolitical climate, including the Russian invasion of Ukraine, have and may continue to materially adversely affect our stock price, business operations, overall financial performance and growth prospects; (v) Grid Dynamics’ revenues are highly dependent on clients primarily located in the United States, and any economic downturn in the United States or in other parts of the world, including Europe or disruptions in the credit markets may have a material adverse effect on Grid Dynamics’ business, financial condition and results of operations; (vi) Grid Dynamics faces intense and increasing competition; (vii) Grid Dynamics’ failure to successfully attract, hire, develop, motivate and retain highly skilled personnel could materially adversely affect Grid Dynamics’ business, financial condition and results of operations; (viii) failure to adapt to rapidly changing technologies, methodologies and evolving industry standards may have a material adverse effect on Grid Dynamics’ business, financial condition and results of operations; (ix) failure to successfully deliver contracted services or causing disruptions to clients’ businesses may have a material adverse effect on Grid Dynamics’ reputation, business, financial condition and results of operations; (x) risks and costs related to acquiring and integrating other companies; and (xi) other risks and uncertainties indicated in Grid Dynamics filings with the SEC. Grid Dynamics cautions that the foregoing list of factors is not exclusive. Grid Dynamics cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Grid Dynamics does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

Use of Projections

This presentation contains projections for Grid Dynamics, including with respect to its revenue. Grid Dynamics’ auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, have not expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only and should not be relied upon as necessarily indicative of future results. In this presentation, certain of the above-mentioned projection information has been repeated for purposes of providing comparisons with historical data. The assumptions and estimates underlying the projected information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projected information. Accordingly, there can be no assurance that the projected results will be indicative of the future performance of Grid Dynamics or that actual results will not differ materially from those presented in the projected information.

Industry and Market Data

This presentation includes market data and other statistical information for sources believed by Grid Dynamics to be reliable, including independent industry publications and other published independent sources. Some data are also based on the good faith estimates of Grid Dynamics, which are derived from their review of internal sources as well as the independent sources described above. Although Grid Dynamics believe these sources are reliable, they have not independently verified the information and cannot guarantee its accuracy and completeness.

Non-GAAP Financial Measures

In this presentation, Grid Dynamics supplements results reported in accordance with United States generally accepted accounting principles, referred to as GAAP, with non-GAAP financial measures, including Adjusted EBITDA, non-GAAP Net Income, Non-GAAP Gross Profit, and non-GAAP Earnings Per Share. Management believes these measures help illustrate underlying trends in Grid Dynamics’ business and uses the measures to establish budgets and operational goals, communicate internally and externally, for managing its business and evaluating its performance, including in comparison to prior periods. Adjusted EBITDA is defined as Earnings Before Interest, Taxes, Depreciation and Amortization, and excludes transaction and transformation-related expenses, stock-based compensation expenses, retention bonuses, restructuring charges, and geographic reorganization expenses. Adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered as an alternative to, or more meaningful than, income from operations as a measure of operating performance or to cash flows from operating, investing or financing activities or as a measure of liquidity. Reconciliations of the differences between the non-GAAP measures to the comparable GAAP financial measures are included in this presentation. Grid Dynamics anticipates that it will continue to report certain non-GAAP financial measures in its financial results, including non-GAAP results that exclude stock-based compensation expense, acquisition-related charges, impairment of goodwill, amortization of certain intangible assets, retention bonuses, restructuring charges, Russia-Ukraine expenses items related to one-time charges and benefits, gains and losses related to foreign exchange, and the tax impact of any such pre-tax adjustments. Because these non-GAAP financial measures are not calculated in accordance with GAAP, these measures are not comparable to GAAP and may not be comparable to similarly described non-GAAP measures reported by other companies within Grid Dynamics’ industry. Consequently, Grid Dynamics’ non-GAAP financial measures should not be evaluated in isolation or supplant comparable GAAP measures, but should be considered together with the information in Grid Dynamics’ consolidated financial statements, which are prepared in accordance with GAAP.

Who We Are - Grid Dynamics at a Glance

We are a leading provider of technology consulting, agile software engineering, and advanced analytics for global enterprises undergoing digital transformation.

Market Leading Expertise

**CLOUD
DATA
AI
EXPERIENCE**

+ **Proprietary Accelerators**
(e.g., Microservices Platform,
Analytical Data Platform,
AI Use Cases)

Leading Fortune 1,000 Clients

220

CUSTOMERS

Q1 2023 REVENUE (M)

\$80.1M

Q2 2023 REVENUE EXPECTATIONS/(M)

\$76.0M to \$78.0M

Q1 2023 GAAP/non-GAAP EPS

\$(0.11) / \$0.08

Strategic M&A

DAXX

DECEMBER 2020

mutualmobile

DECEMBER 2022

TACIT
KNOWLEDGE

MAY 2021

NextSphere
technologies

April 2023

Global Scale

18 Countries across
North America, Europe and Asia

HEADQUARTER

SAN RAMON CA
USA

Partnership

aws partner
network

Google Cloud
Partner

Microsoft
Partner

commercetools

CONTENTSTACK

Lucidworks

dataiku

APOLLO

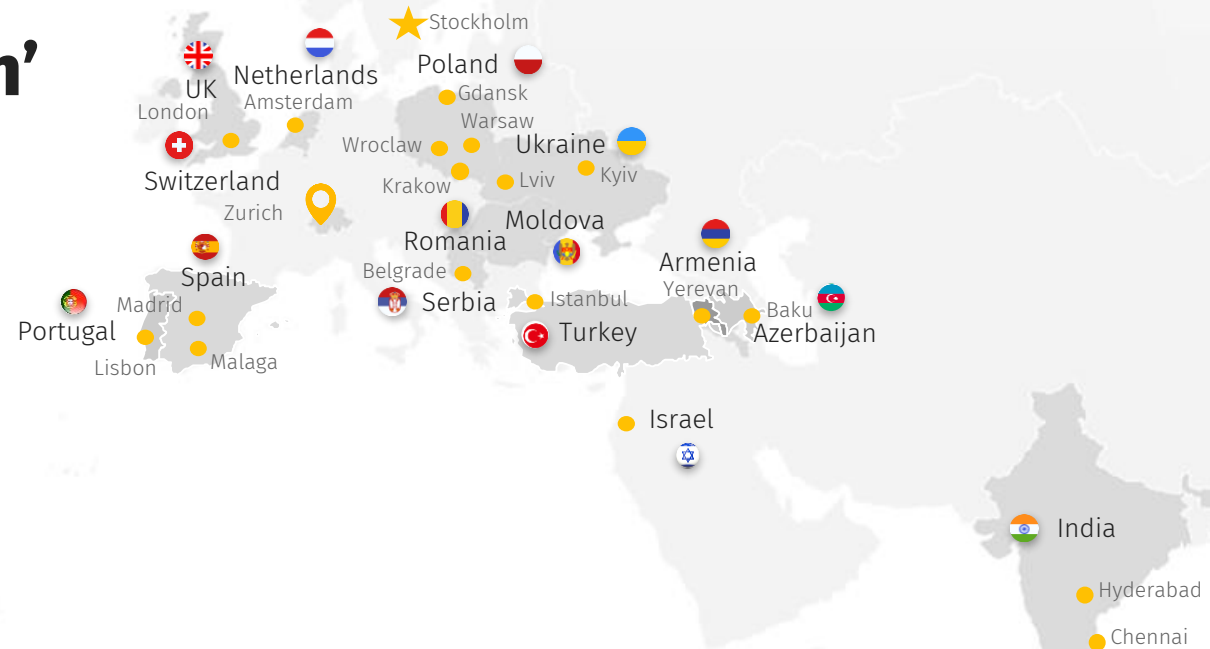
Skilled Technical Talent

3,744 Employees in
Q1 2023

+2% YoY
growth⁽¹⁾

(1) Compared to 3,671 employees in Q1 2022

Global Delivery: 'Follow-The-Sun'

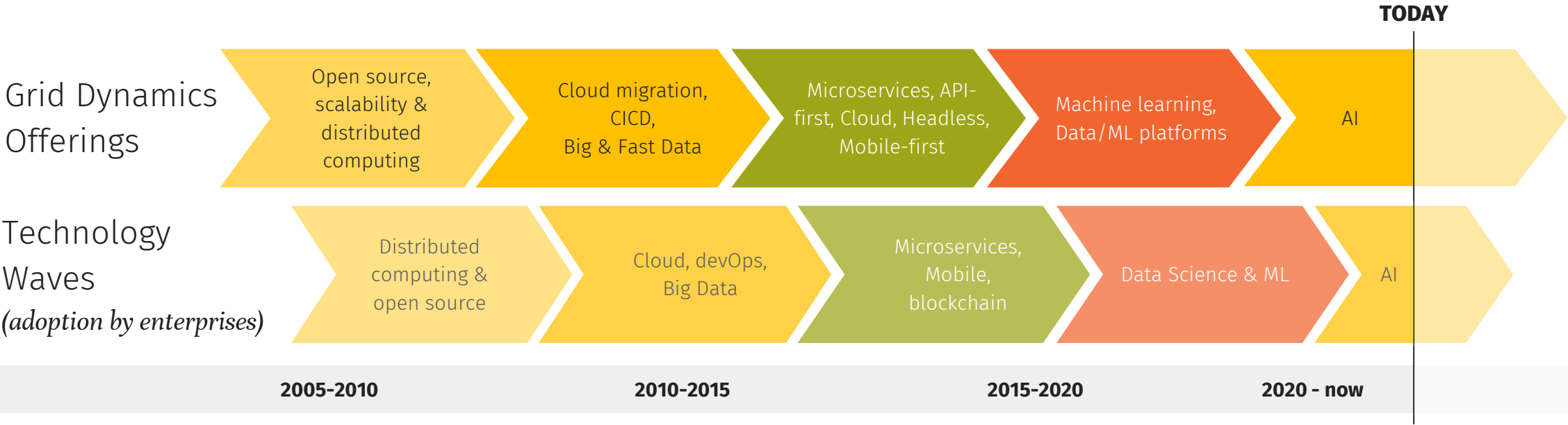


Global Delivery Capabilities with focus on Talents from Central Europe, India, Mexico, and US

- Top global engineering talent
- Ability to grow with the client using “follow-the-sun” model
- Majority of employees have advanced degrees and several years of tenure
- Partnered with top universities and established internship programs
- Continuous education at our Grid University for upskilling and cross-skilling

Our DNA is Centered Around Technology and Innovation

- Our unique DNA elevates Grid Dynamics as a strategic partner at Global Enterprises across industry verticals
 - Deep understanding of innovative technologies to solve complex business challenges
 - Accelerate client growth and market share by building next-generation solutions
 - Partner to provide high performance innovative engineering
- Always ahead of the Technology Curve
 - Since inception, Grid Dynamics has identified, invested, and enabled adoption of the next wave of technology innovation before enterprises have adopted
 - Examples include - Public Cloud in the early 2010s, open source in the early 2000s, and AI in 2015



Our Core Expertise and Key Practice Areas

Cloud



Cloud Migration
& DevSecOps



Microservices
API-first
Cloud
Headless



Quality Automation
& CI/CD

Data



Data platforms



ML platforms



Customer 360

Analytics



Search and
Recommendations



Supply chain,
revenue & price
Optimization



Smart
manufacturing

Experience



UX & design



Composable
commerce



Mobile App



Artificial Intelligence (AI)

Generative AI

Optimization

Search

ML (Statistical
Modeling)

Deep Learning
(Neural Networks)

Reinforcement
Learning

Why clients choose Us

Leading automotive manufacturer



What we did?

Modernization of global vehicle commerce platform on Google Cloud

Why client chose us?

- Digital commerce domain expertise
- Premier Google partner status
- GDYN proprietary accelerator



Cloud, devOps, secOps, microservices

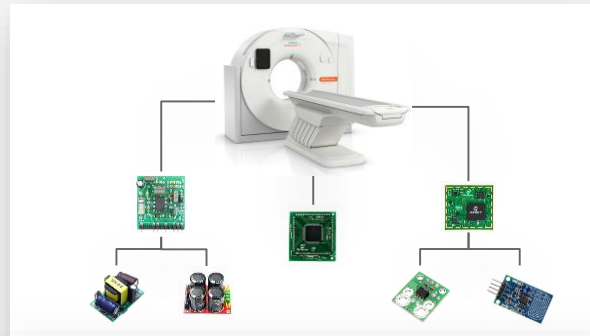
Global manufacturing solutions provider

What we did?

Created a AI-based platform to manage supply chain bottlenecks and risks. The platform supported 100K+ SKUs across multiple product lines

Why client chose us?

- Deep AI capabilities
- Supply chain expertise



AI, Data
Cloud, UI/UX

Global sportswear brand

What we did?

Modernizing customer facing global content management system across 4 regions, 9 languages, and 25 markets

Why client chose us?

- Strong expertise and proven track record with global ecommerce solutions
- Deep domain expertise in content management



Composable commerce,
Cloud, UI/UX

Enterprise AI in Grid Dynamics

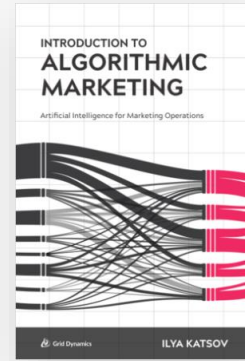
7+ years in
delivering AI solutions for World-Leading Enterprises

Recent GenAI articles on Grid Dynamics Tech blog:

[Applications of Generative AI in Digital Commerce](#)

[Revolutionizing product visualization with Generative AI](#)

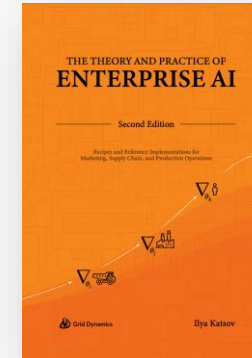
[Transform your product design processes and personalization services with generative AI](#)



Introduction to Algorithmic Marketing AI for Marketing OPS (2017)

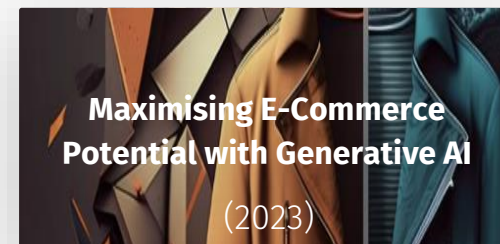


Driving business success with generative AI



The Theory and Practice of Enterprise AI (2022)

- <https://www.enterprise-ai-book.com/>
- <https://www.amazon.com/dp/B0C54H6C3R>

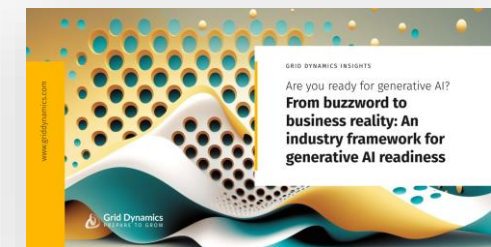


TensorHouse

An open sourced collection of reference ML and optimization models for enterprise operations





























- [GitHub repo](#)
- 40+ models
- 900+ stars on GitHub

Generative AI Industry readiness framework e-Book (2023)



Our Enterprise AI Experiences Spans Across Industry Verticals

Proven successful implementations across core industries and practice areas.

Customer Intelligence		Pricing and Supply Chain		IoT	Product Discovery	Risk Management
 Offer targeting platform	 Churn Prevention	 Promotion optimization	 Price & promo optimization	 Visual quality control	 Visual product search	 Ad fraud protection
 Next best action	 Complaint prevention	 Price Engine	 Inventory optimization	 Quality control	 Semantic vector search	 Fraud detection
 Offer targeting	 Product recommendations	 In-store replenishment	 Fuel distribution control	 Anomaly detection	 Semantic search & merchandising	 IT anomaly detection
 Recommendation, LTV models	 UI Personalization	 Inventory Management	 Manufacturing risk modeling	 Tire type recognition	 Fashion AI: recommendations & visual attribution	 Fraud detection

 Retail
  Manufacturing
  Fin Services
  TMT
  Pharma
  Hospitality

Enterprise AI - Success Across Industries

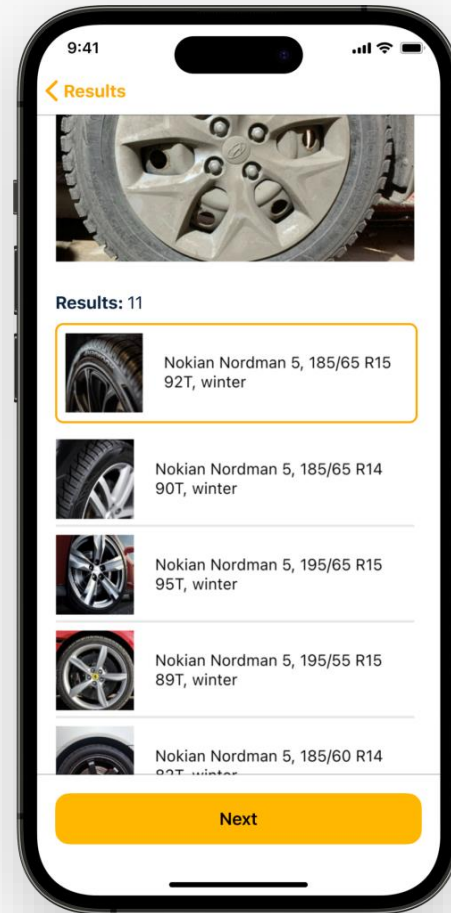
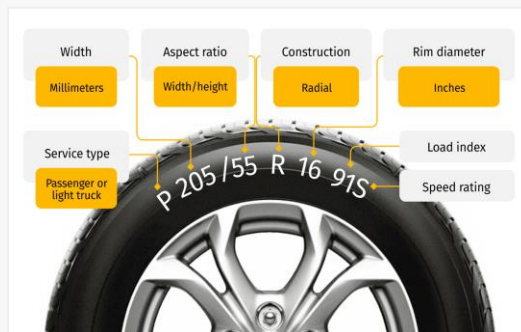
AI & computer vision at a Global Tire Manufacturer

Problem statement

Improve efficiency at dealerships with tire sales and maintenance.

What we did

We created an AI-based platform for tire recognition, health evaluation, and predictive maintenance. Platform is based on deep learning and was delivered as a cloud-based solution to dealers.



AI at a Global Pharma Company

Problem statement

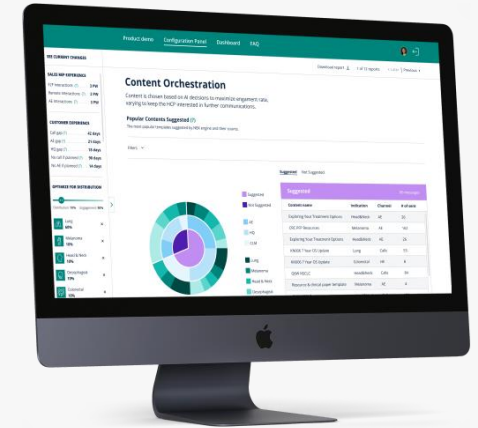
At global pharma company, siloed sales and marketing teams struggled with low customer engagement despite high frequency of outreach.

What we did

Implemented AI-based solution to consolidate and optimize marketing worldwide.

Outcome

Higher customer engagement across channels.

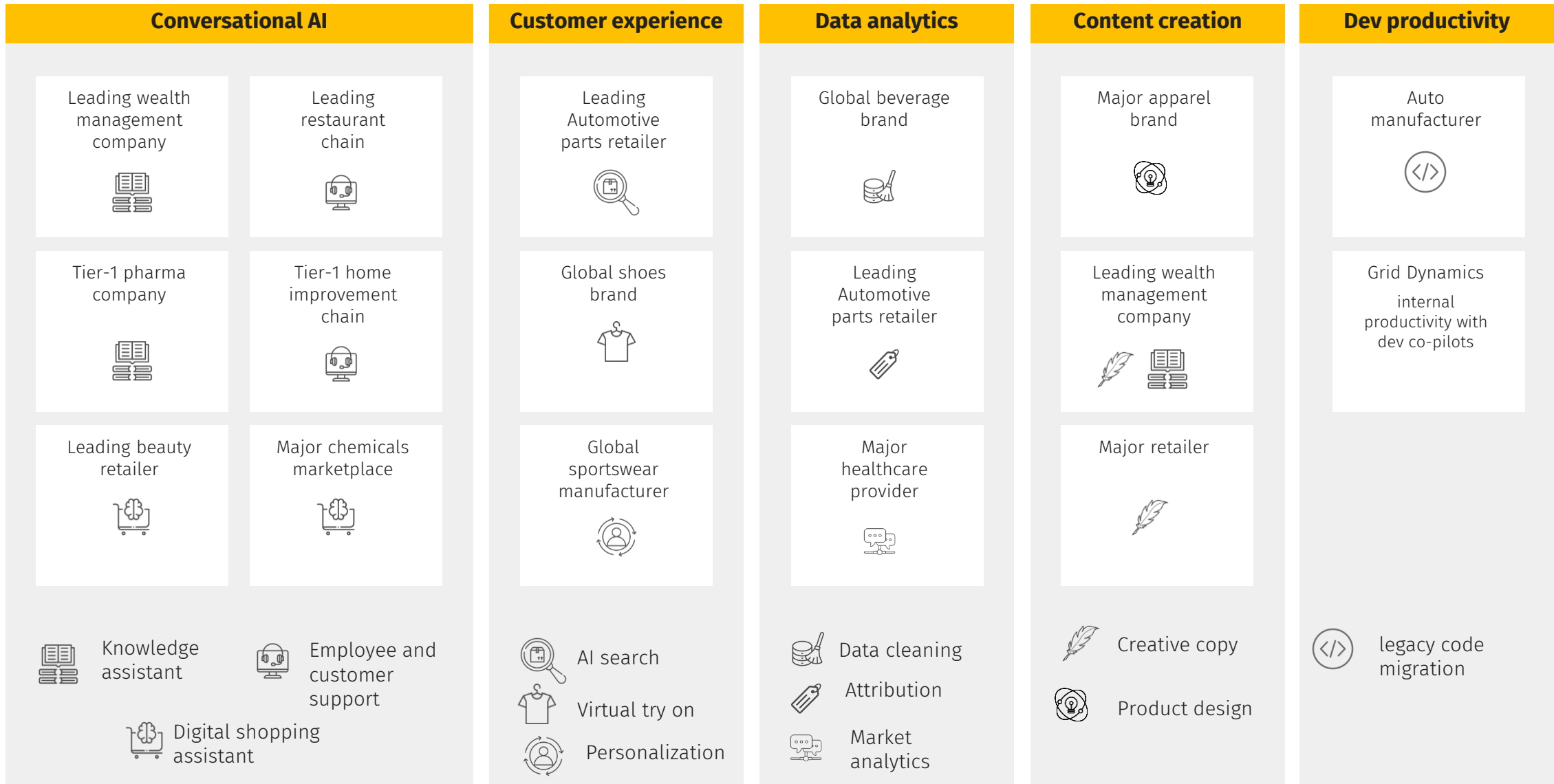


“ It keeps me on track and in touch with my customers

“ Having a suggestion pop up promotes my critical thinking

“ It comes up with suggestions you may have never thought of

Generative AI: actively engaged with customers across industries



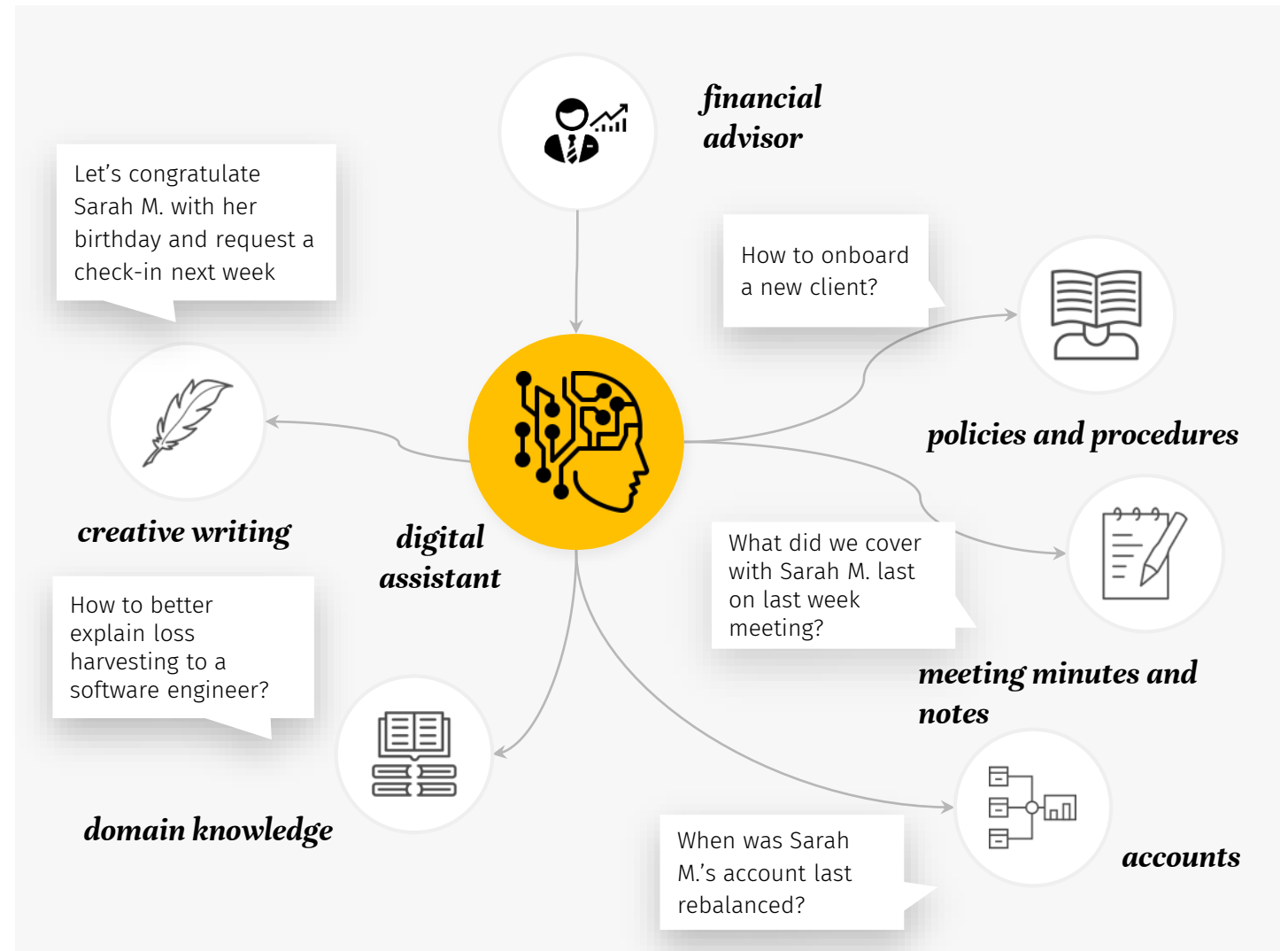
Generative AI for Wealth Management

Problem statement

A major wealth management institution is planning to introduce conversational digital assistant (based on AI) to improve Financial Advisors productivity

Out solution will offer to financial advisors:

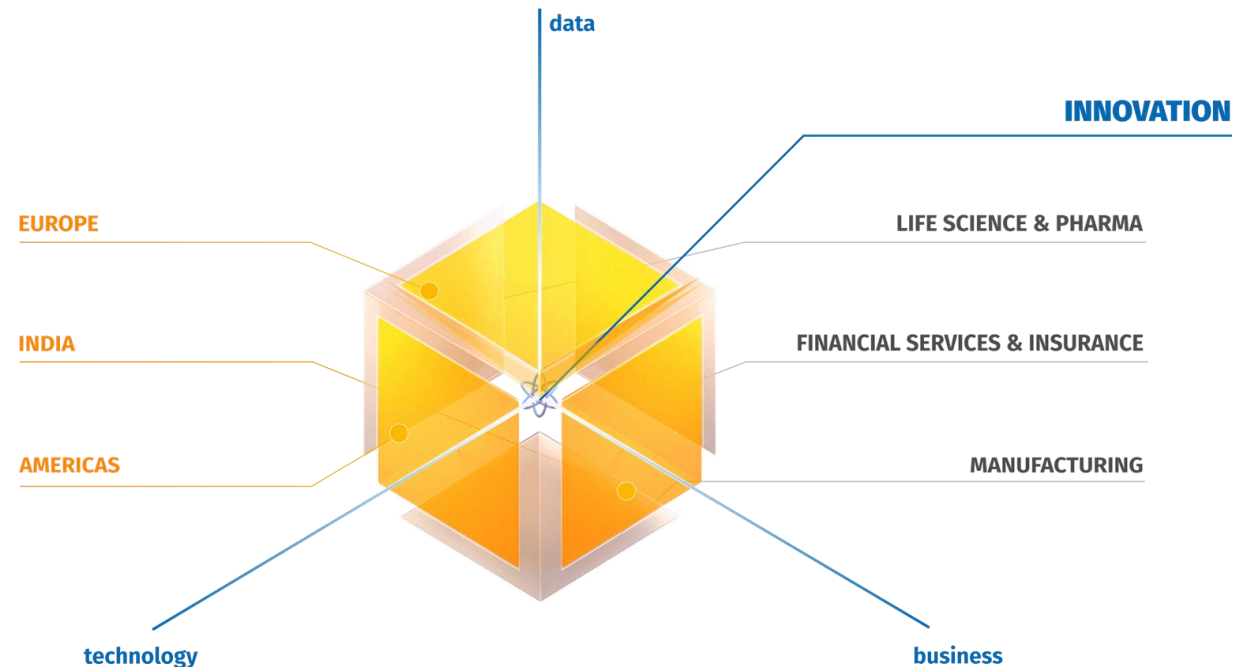
- AI-based conversational platform to address any queries
- Ability to create and personalize offerings to customers more efficiently
- Ability to access company-wide knowledge base in natural language



GigaCube - Our Strategic Initiative to Reach \$1B in Annual Revenue

GigaCube growth framework will enable us to:

- Institutionalize and scale our service offerings
- Diversify and grow across new industry verticals such as lifesciences, financial services, and manufacturing
- Focus on scaling across Europe, India, and Americas
- Drive clients' growth and efficiency by leveraging our expertise across business, technology, and data



Geo Scalability

Innovation

Industry Expansion

GigaCube Initiative Updates



Partnership is a Force Multiplier to Scale Our Business

- **Over the last 3 years, we have built a strong ecosystem of partners**
 - Hyperscalers and specialized SaaS companies
- This has accelerated the deal pipeline creation and business acquisition
- **Benefits:** New logos, Industry Penetration, Large deals

Enablers

Marketing

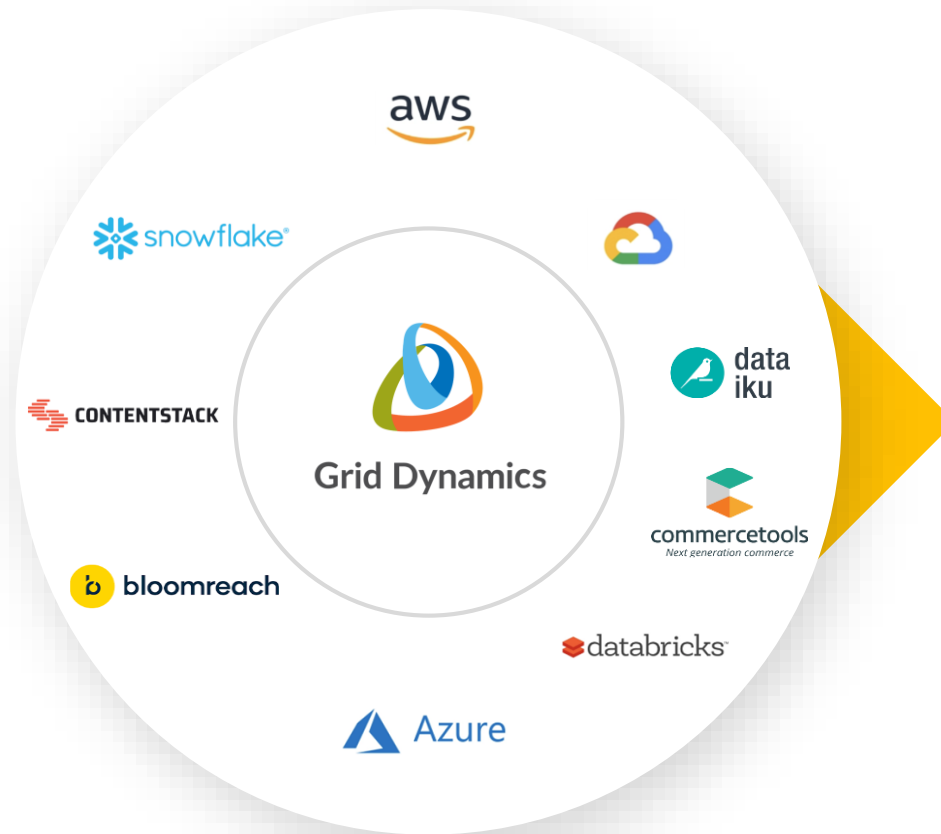
- Joint PR & marketing campaigns
- Market development funds

Sales

- Lead sharing
- Joint pursuits
- Partner Sales funds
- Migration acceleration funds

Technology

- Early access to new releases
- Joint development of accelerators
- Marketplace listings



Industries

Life Sciences & Pharma

Manufacturing & CPG

Financial Services & Insurance

TMT

Retail

Key Investment Highlights



1

Large and Fast-Growing Digital Transformation Market

2

Deep Technology Expertise and Proprietary Accelerators

3

Impressive Blue-Chip Client Base with High Client Retention

4

Global Delivery Capabilities with Focus on Central European, India, Mexico, and US talent

5

High-Performance, Co-Innovation Culture that Values Predictability, Transparency and Collaboration

6

Strong Financial Profile with a Platform Built for Sustained Growth



Grid Dynamics

Trusted engineering partner for digital transformation

Thank you!

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