



Grid Dynamics **Investor Presentation**

NASDAQ: GDYN | Q1 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’s 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 is a leading provider of technology consulting, agile custom software development, and data analytics for Fortune 1000 corporations undergoing digital transformation.



Grid Dynamics at a Glance

Digital-native technology services provider that accelerates growth and bolsters competitive advantage for Fortune 1000 companies.

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



DECEMBER 2020



DECEMBER 2022



MAY 2021



April, 2023

Global Scale

13 Countries across
North America, Europe and Asia

HEADQUARTER

SAN RAMON CA
USA

Partnership



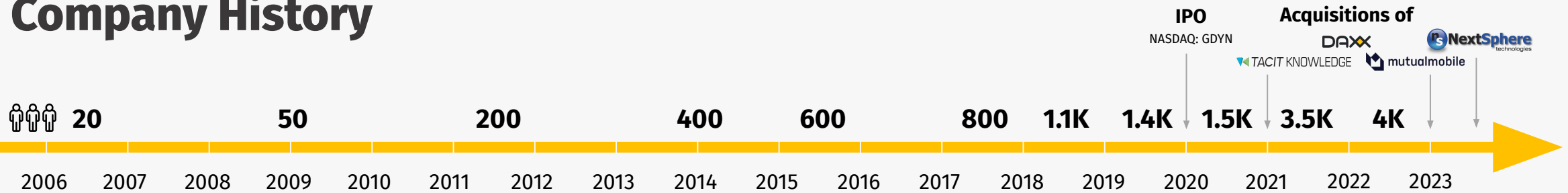
Skilled Technical Talent

3,744 Employees in
Q1 2023

+2% YoY
growth⁽¹⁾

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

Company History



Inception

Grid Dynamics was founded in 2006 in the Bay Area to enable cloud computing for enterprises

- Established in 2006 with the reputation of solving clients' toughest algorithmic challenges utilizing distributed computing and fast data.
- Refine and expand its service portfolio with help from Silicon Valley technology leaders.
- Opened its first offices in Central and Eastern Europe.

Traction

Grid Dynamics' growth was fueled by enterprises, as commerce shifted online / mobile

- Enabling consumer shifts to online / mobile spending accelerated Grid Dynamics' traction with enterprises.
- Grid Dynamics became widely known for its expertise in emerging cloud technology, big, and fast data.
- Grid Dynamics was selected as digital partner of choice for top U.S. retailers.

Growth

Grid Dynamics is well-positioned for strong multi-year growth in digital transformation

- **Grid Dynamics' NASDAQ public listing on Mar. 5, 2020.**
- Broader traction across multiple industries, becoming a trusted tier-1 supplier.
- Presence in 13 countries and industry-leading per capita revenues.
- European expansion fueled by acquisition of Netherlands-based Daxx on Dec. 14, 2020 and UK-based Tacit Knowledge on May 29, 2021.

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

Recognition by market research companies and alliances

- Forrester named Grid Dynamics a **Leader among midsize agile development service providers**, Q2 2019⁽¹⁾
- Forrester included GD into the list of **leading Computer Vision Consultancies**, Q4 2020⁽²⁾
- Forrester named Grid Dynamics **Strong Performer in Modern Application Development services**, Q2 2022⁽³⁾
- MACH alliance awarded Grid Dynamics for Best Health/Pharma project⁽⁴⁾, Q2 2022
- Forrester Included GD into the **list of leading AI Service Provides**, Q3 2022⁽⁵⁾.

(1) The Forrester Wave™ — Midsize Agile Software Development Service Providers, Q2 2019

(2) The Forrester New Wave™: Computer Vision Consultancies, Q4 2020

(3) The Forrester Wave™ — Modern Application Development Services, Q2 2022

(4) <https://machalliance.org/machalliance-awards>, selfologi

(5) Forrester - The AI Service Provider Landscape, Q3 2022



Leader
among mid-size agile developers

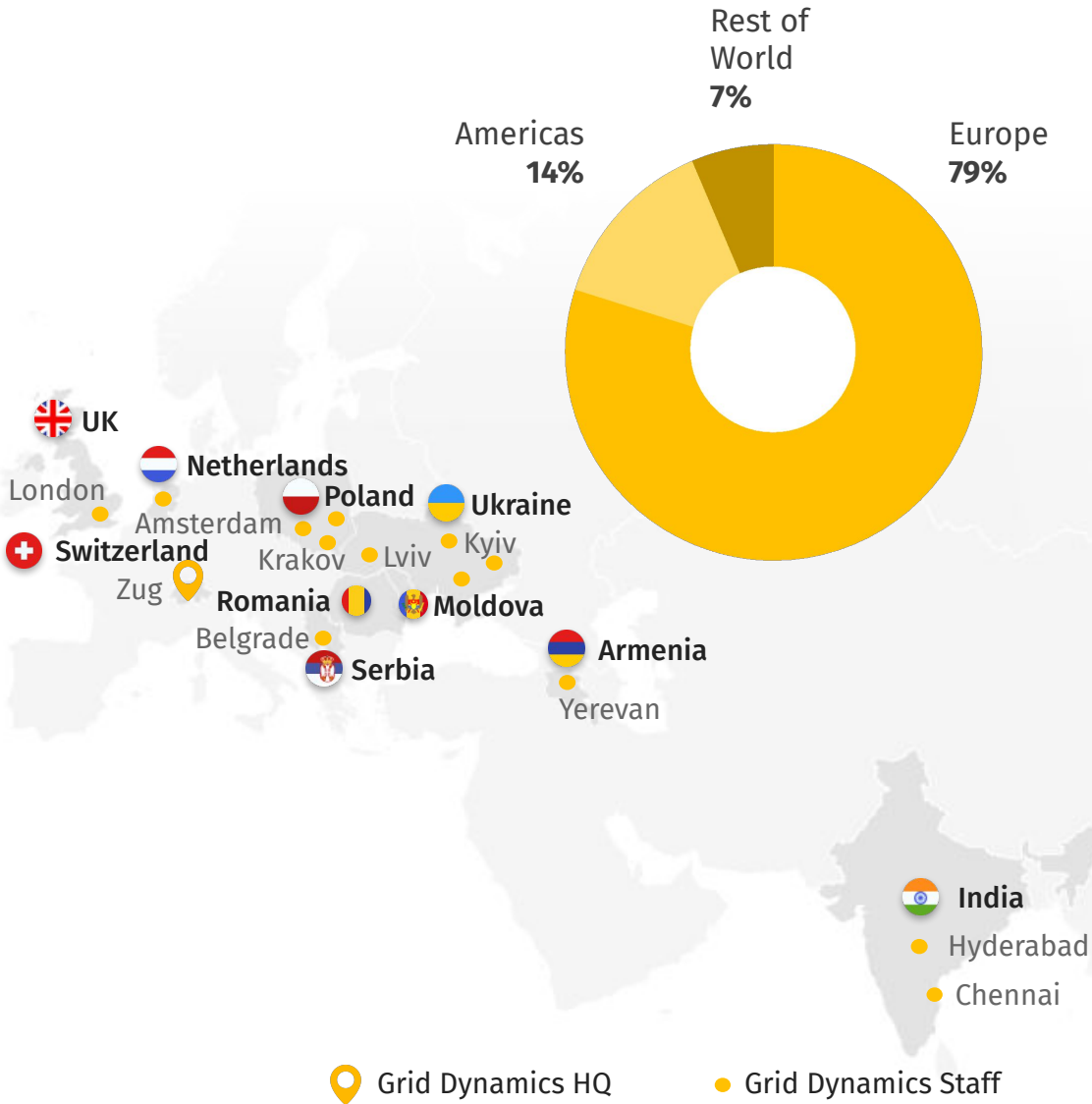
FORRESTER®

Global Delivery Capabilities with focus on Central European, India, Mexico, and US Talent

- Top global engineering talent
- Majority of employees have advanced degrees and several years of tenure
- Established presence in top global talent pools
- Ability to grow with the client using hybrid onshore / nearshore teams
- Globally distributed teams staffed by expertise
- Tried and tested internal recruiting processes



Headcount Distribution



Why Clients Choose Grid Dynamics

We make **disruptive** technologies **accessible**.

- ✓ Our ability to solve enterprises' most complex problems
- ✓ Technology consulting with a deep understanding of business practices
- ✓ Data science and agile software development practices are in our DNA
- ✓ Quality and speed of delivery are enhanced by proprietary accelerators
- ✓ High-performance culture that values predictability, transparency and collaboration

Digital Innovation Partner for Fortune 1000

Tech

CPG & Manufacturing



Google

exabeam

align

JABIL

VONTIER

Finance

Retail

Other

RAYMOND JAMES

fiserv.



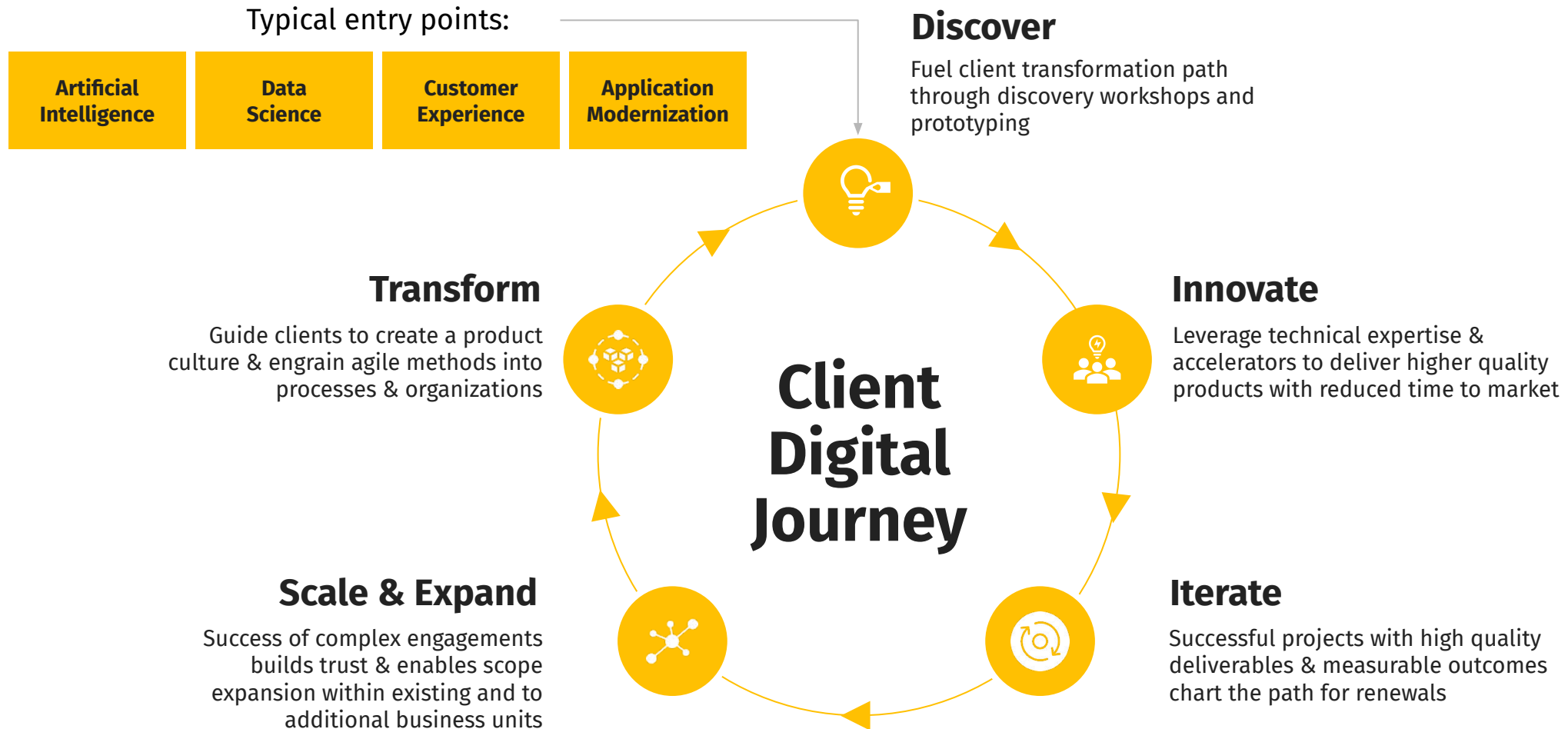
★ macy's

INSPIRE

MERCK

and many more...

Proven Land and Expand Strategy That Enables Our Clients' Digital Journeys



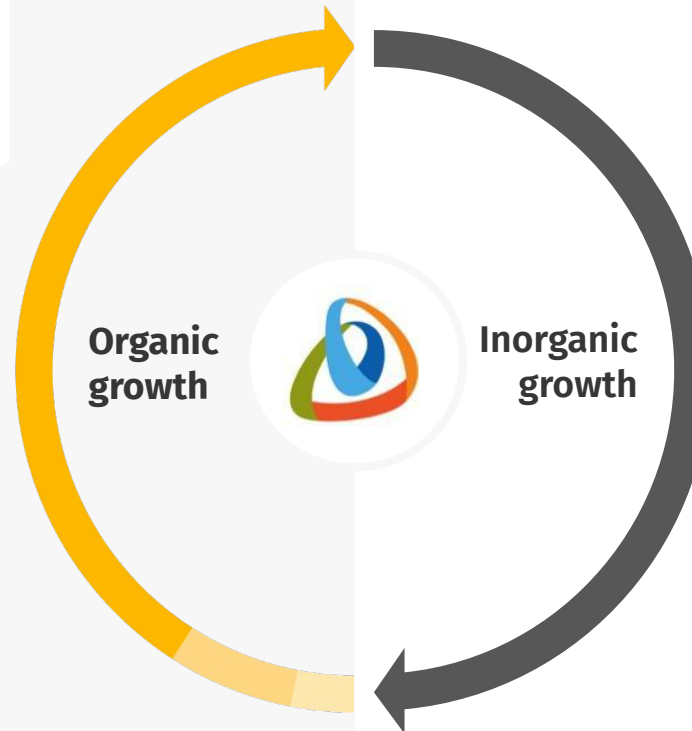
Platform built for sustained growth

Proven framework for organic growth...

85–10–5 approach to revenue growth

- 85%** Revenue growth attributable to mature Grid Dynamics clients (*relationship length >2 years*)
- 10%** Revenue growth attributable to emerging Grid Dynamics clients (*relationship length 1-2 years*)
- 5%** Revenue growth attributable to new logos (*relationship length <1 year*)

...bolstered by actionable M&A pipeline



Thoughtful “barbell” approach to acquisitions

Highly fragmented market provides a steady volume of high-quality targets at highly accretive valuations

Globally distributed delivery model provides expertise necessary to successfully execute transformational acquisitions at the right time

GigaCube – Strategic Initiative

GigaCube is our strategic growth framework to:

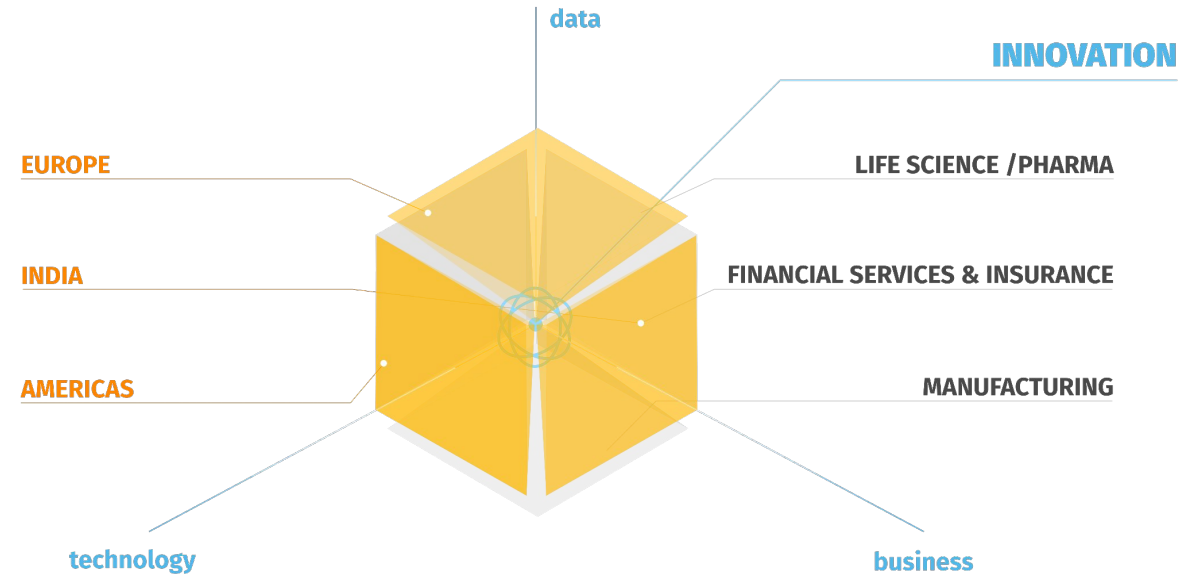
- compete more effectively against global firms
- create more business value for our clients
- continue attracting and developing top talent
- help to drive our “follow the sun” engineering model
- achieve an important revenue milestone (\$1B Revenue)

The GigaCube framework comprises three foundational pillars:

Geo Scalability

Innovation

Industry Expansion



Spotlight on Recent Acquisitions



DECEMBER 2022

Design and digital platform engineering services company based in US & India



Mobile and UI/UX Capabilities

Specialized in front-end mobile, experience design, augmented /virtual/mixed reality, and cloud edge practices



Established experience with large logos

Decades of experiences bringing technical innovation to Fortune 500 clients



Accelerated India Expansion

Highly skilled engineering team based in India immediately expanded our global delivery capabilities.



APRIL 2023

Full-service custom application development company based in the Tampa, FL and India



Strategic Industry Focus

Strong capabilities in Healthcare, Fintech and CPG/Manufacturing, strategic alignment with our GigaCube Initiatives



Strong US and India Engineering Team

Large group of talents in Chennai in addition to strong presence in Hyderabad



Deep Relationship with Customers and Logos

18 years of experience in serving clients across industries with good reputation and proven track record

End-to-end capabilities to drive digital transformations at scale

16+ years

of distributed collaboration
culture

over 1,000

digital transformation
projects

Engineering Capabilities



Experience engineering

Web

Mobile

AR/VR



Platform engineering

Microservices

MACH

Supply chain



Data Science and AI

Search

Personalization

Supply chain

IoT



Data engineering

Big data

Streaming

MLOps



Cloud and DevOps

CICD

AIOps

SRE

QE

Accelerators

Composable
commerce



Retail
search



Churn
analytics



Price
optimization



Visual quality
control



Inventory
allocation
optimization



Analytics
platform



ML
platform



Microservices
platform



Our Core Expertise and Key Practice Areas

Cloud

Grid Dynamics enables enterprises to embrace cloud architectures & platforms.



Cloud Migration & DevSecOps



Microservices
API-first
Cloud
Headless



Quality
Automation &
CI/CD

Data

Grid Dynamics arms clients with actionable insights for business decision making.



Data platforms



ML platforms



Customer 360

AI

Grid Dynamics brings cutting-edge AI/ML capabilities to clients



Search and
Recommendations



Supply chain,
revenue & price
Optimization



Smart
manufacturing

Experience

Engaging digital experiences through product thinking and superior engineering.



UX & design



Composable
commerce



Mobile App

Client Digital Innovation Driven through Agile Delivery

Cloud

Cloud-native since inception, Grid Dynamics is helping enterprises embrace, implement, optimize and scale cloud architectures.

Grid Dynamics Practice Areas

Custom Application Development

Microservices Platform

Monolith Replatforming

MACH

DevSecOps

CI/CD Platform

Site Reliability Engineering

Cloud Migration

Test Automation

Test Data Management

Continuous Performance Testing

Chaos Engineering

Cyber Security

Secure Architecture

Vulnerability Analysis

Observability

Client Digital Innovation Driven through Agile Delivery (Cont'd)

Data

Grid Dynamics build enterprise-grade data and ML platforms, vertically oriented solutions for marketing and IoT domains.

Grid Dynamics Practice Areas

Data Platforms	ML Platforms	Customer 360 Platforms	IoT Platforms
Data Quality	Development tools	Profile data management	IoT Data Collection
Data Governance	MLOps and Observability	MarTech Architectures	Edge Deployment
Stream Processing	Experimentation	Channel Integrations	Hardware Integrations

Client Digital Innovation Driven through Agile Delivery (Cont'd)

AI

Grid Dynamics experts enable clients to digest petabytes of data into actionable insights through machine learning and state-of-the-art models.

Grid Dynamics Practice Areas

Marketing and Personalization	Supply Chain Optimization	Revenue & Price Optimization	Smart Manufacturing
Semantic Search & Recos	Inventory Optimization	Trade Promotion Optimization	Predictive Maintenance
Visual Search	Sourcing Optimization	Price Optimization	Visual Quality Control
Marketing Spend Optimization	Storage Optimization	Dynamic Pricing	Anomaly Detection
Conversational AI	Supplier Risk Analytics	Offer Targeting	Factory Compliance

Client Digital Innovation Driven through Agile Delivery (Cont'd)

Experience

Grid Dynamics experts drive cutting-edge commerce with a deep understanding of the modern consumer and the help of artificial intelligence.

Grid Dynamics Practice Areas

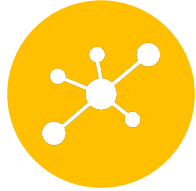
Composable Commerce Platforms	UX and design thinking	Web UI Development	Mobile App Development
Composable Solutions for B2C	Customer journeys	Responsive UI	Mobile Testing
Composable Solutions for B2B	Visual/3D design	Progressive Web Apps	Cross-platform mobile apps
Ecommerce modernization	Customer facing & back office apps	Micro Frontends	Augmented Reality

Grid Dynamics' Proprietary Accelerators Enhance the Quality and Speed of Delivery



Microservices Platform

Integrated microservices platform with continuous integration and delivery tooling.



Analytical Data Platform

Integrated, cloud-native analytics platform that supports end-to-end data lifecycle.



Semantic Search

Consumer tailored search by context / meaning powered by AI. Showed 20% conversion boost in Fortune 500 retailers.



Recommendations

Tailored product recommendations based on consumer clickstream, product descriptions and visuals.



Data Quality

Increase trust in data with pre-defined business rules, comparison to systems of records, and anomaly detection.



AI Use Cases

A set of AI / ML use cases including anomaly detection, price and promotion optimization, consumer intelligence, etc.



Visual Search

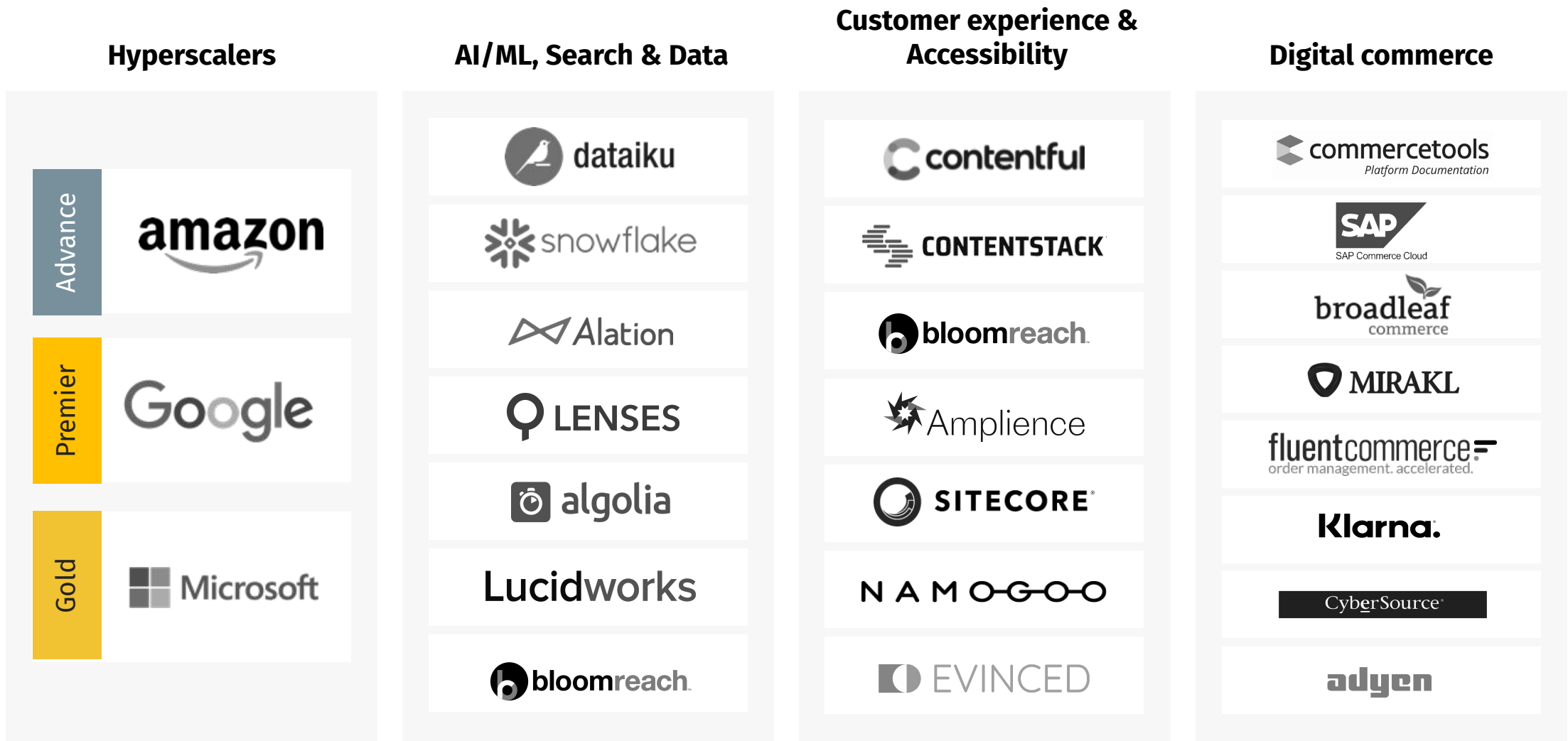
Ability to search products by images or find similar products on website by comparing images.



Test Automation Kit

Test suite for common retail functions, designed to run continuously in staging and production environments.

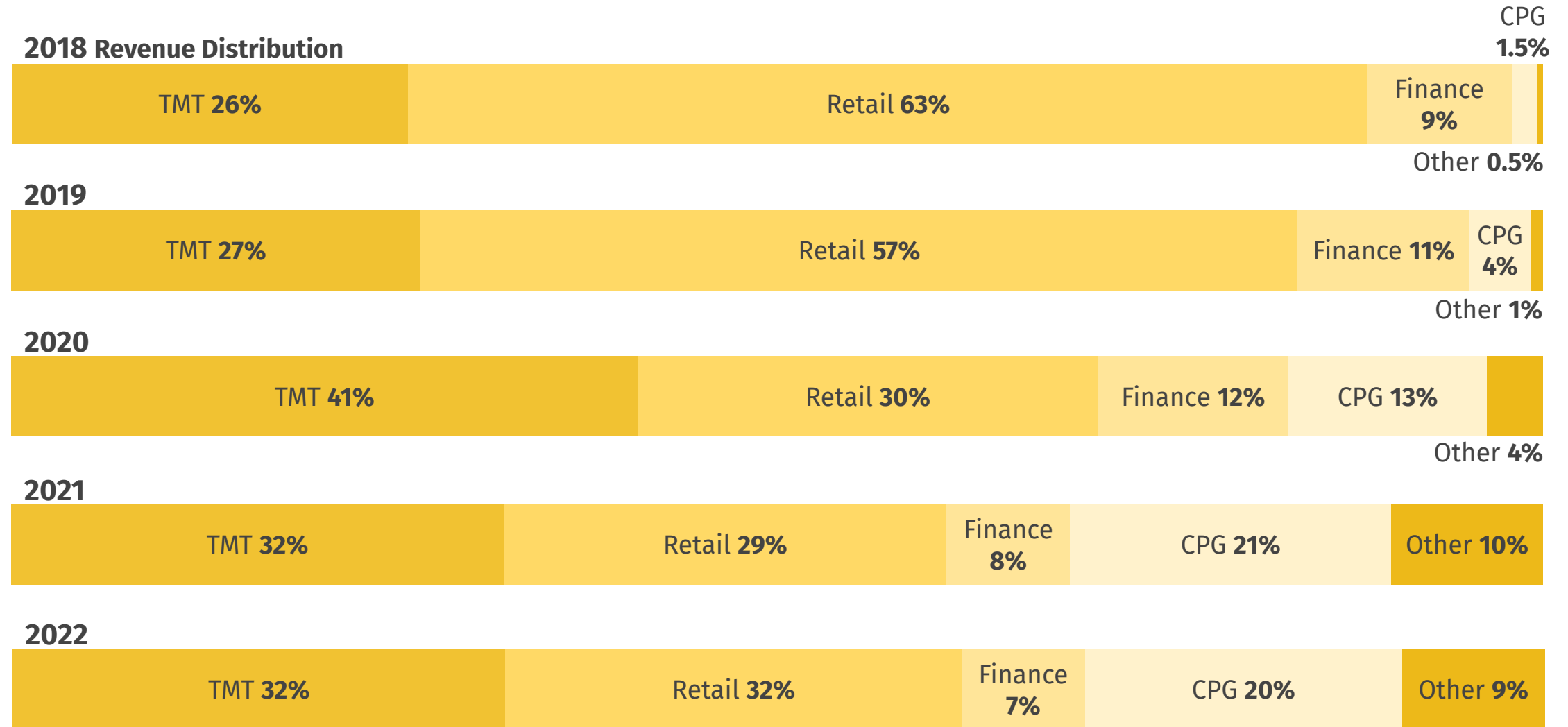
Technical partnerships that support our clients





Financial Overview

Grid Dynamics has Become Increasingly Diversified



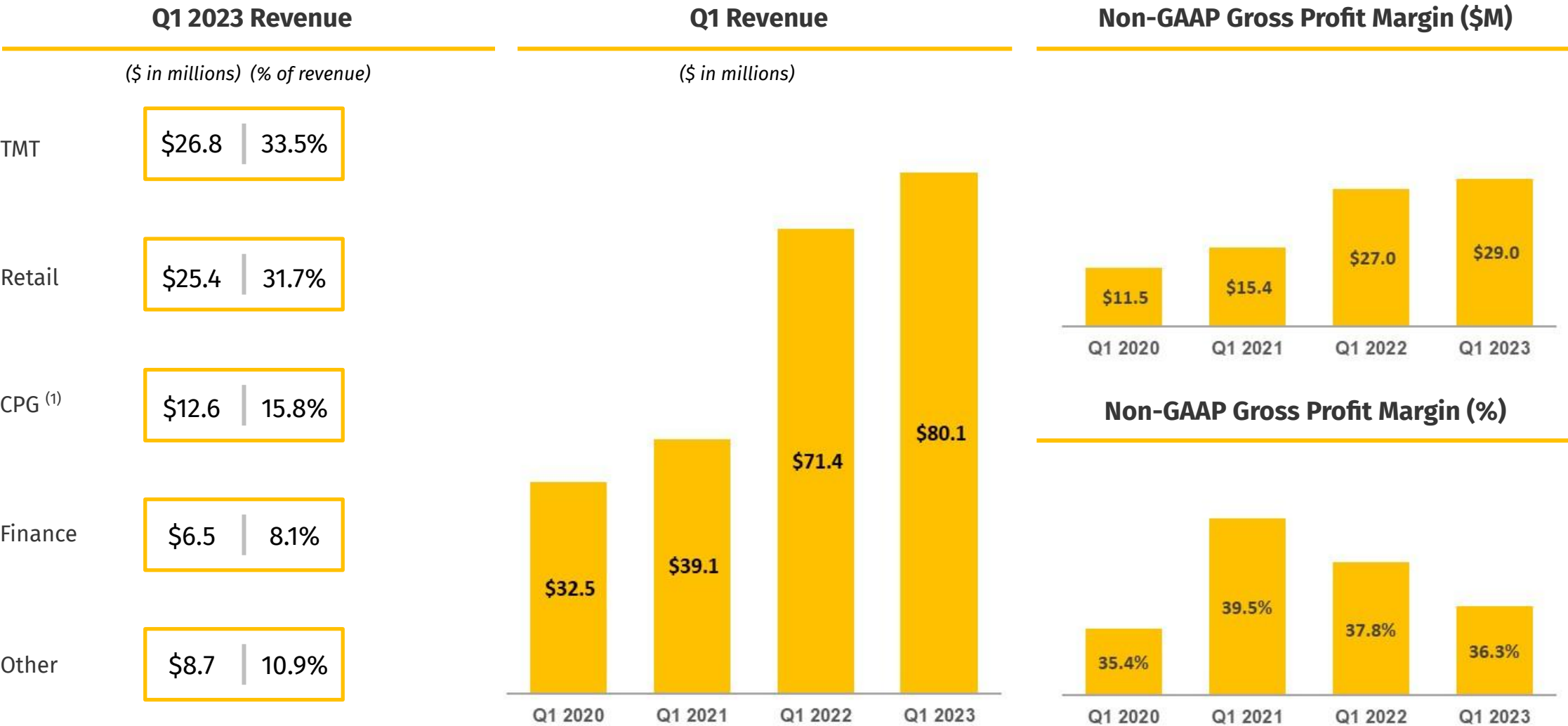
Q1 2023 Key Financial Metrics

	GAAP Q1 2023	Non-GAAP Q1 2023
Revenue	\$80.1M	\$80.1M
<i>Q/Q Change</i>	(0.6)%	(0.6)%
<i>YoY Change</i>	12.1%	12.1%
Gross Profit	\$28.6M	\$29.0M
<i>Gross Margin</i>	35.7%	36.3%
Net Income/(Loss)	\$(8.0)M	\$6.5M
<i>% of Revenue</i>	(10.0)%	8.1%
EPS	\$(0.11)	\$0.08
Diluted Share Count	74.5M	77.1M
Adj. EBITDA	n/a	\$10.8M
<i>% of Revenue</i>		13.5%

Q1 2023 Financial Highlights

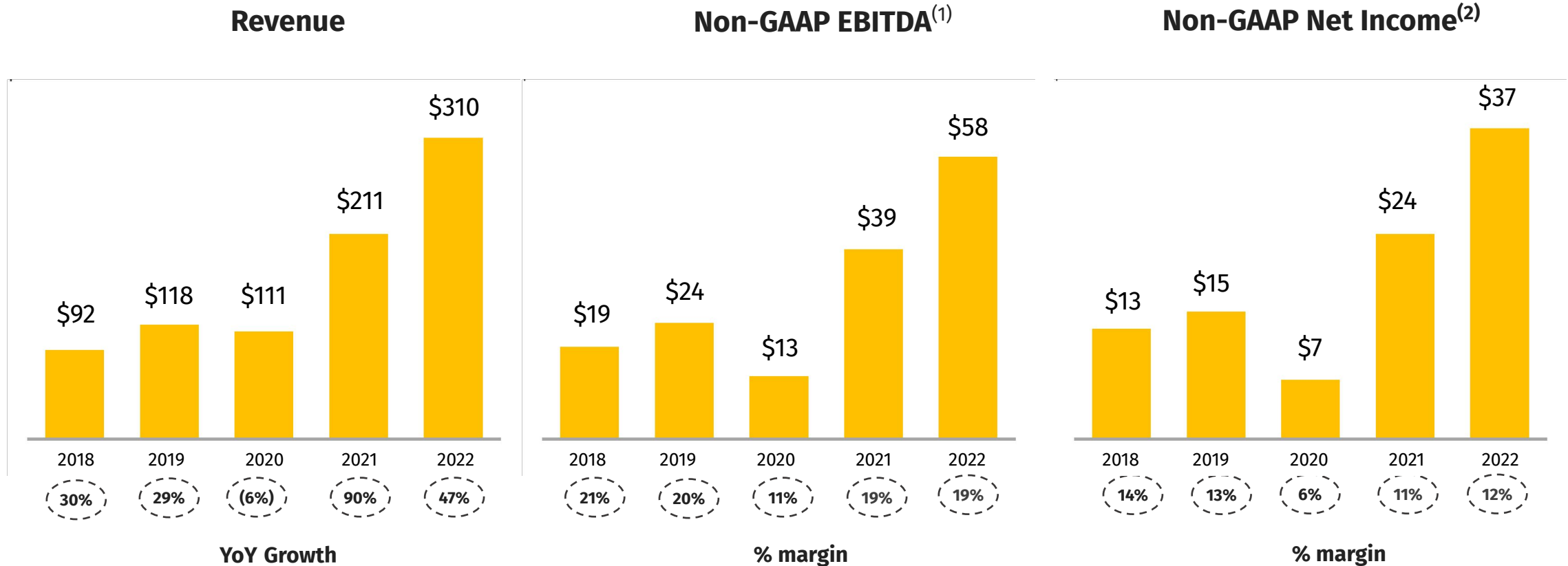
- Total revenue was \$80.1 million, a decrease of (0.6)% sequentially and an increase of 12.1% year-over-year.
- GAAP gross profit was \$28.6 million or 35.7% of revenue, compared to GAAP gross profit of \$32.3 or 40.1% of revenue in the fourth quarter of 2022 and to GAAP gross profit of \$26.8 million or 37.5% of revenue in the first quarter of 2022.
- Non-GAAP gross profit was \$29.0 million or 36.3% of revenue, compared to non-GAAP gross profit of \$32.7 million or 40.6% of revenue in the fourth quarter of 2022 and to Non-GAAP gross profit of \$27.0 million or 37.8% of revenue in the first quarter of 2022.
- Non-GAAP EBITDA, a non-GAAP metric, was \$10.8 million, compared to Non-GAAP EBITDA of \$16.5 million in the fourth quarter of 2022 and Non-GAAP EBITDA of \$11.4 million in the first quarter of 2022.

Accelerating Business Momentum in Q1 2023



Annual Key Metrics (Historical)

(\$ in millions)



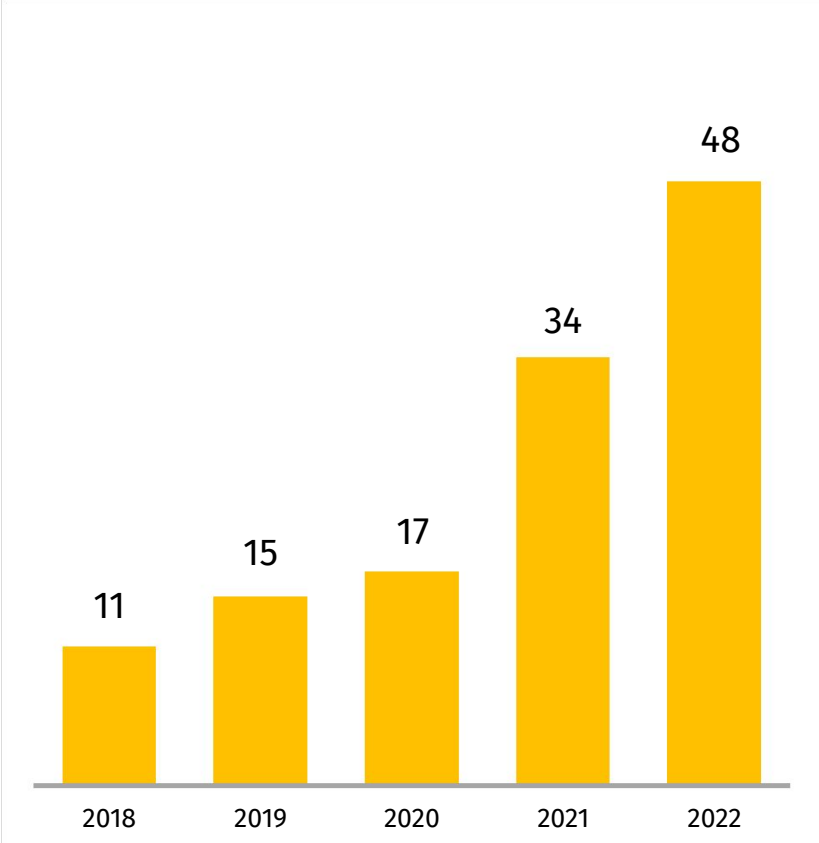
Note: See appendix for reconciliations of non-GAAP metrics.

- (1) **Non-GAAP EBITDA:** Net income/(loss) before interest income/expense, provision for income taxes and depreciation and amortization, and further adjusted for the impact of stock-based compensation expense, transaction-related costs (which include, when applicable, professional fees, retention bonuses, and consulting, legal and advisory costs related to Grid Dynamics' merger and acquisition and capital-raising activities), impairment of goodwill and other income/expenses, net (which includes mainly interest income and expense, foreign currency transaction losses and gains, fair value adjustments and other miscellaneous expenses), and geographic reorganization expenses.
- (2) **Non-GAAP Net Income:** Net income/(loss) adjusted for the impact of stock-based compensation, impairment of goodwill, transaction-related costs, geographic reorganization expenses, other income/expenses, net, and the tax impacts of these adjustments.

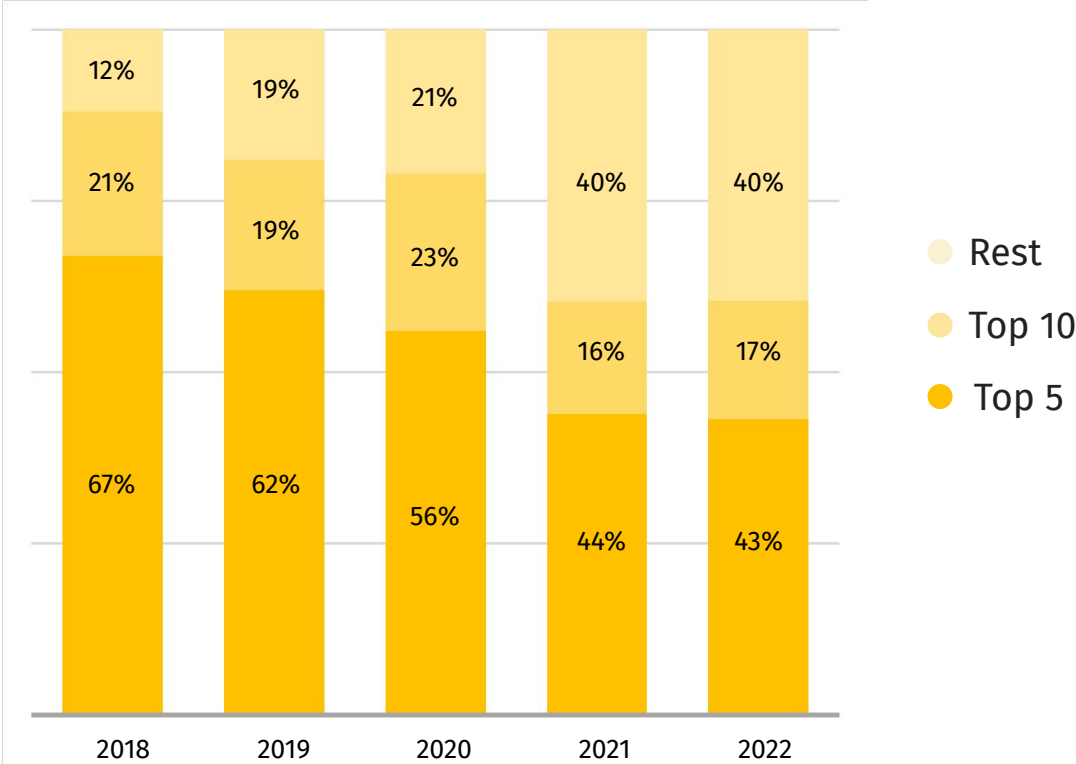
Annual Key Metrics (Historical)

(\$ in millions)

#Clients > \$1M Revenue



Customer Concentration





Grid Dynamics

Trusted engineering partner for digital transformation

Thank you!

Grid Dynamics Holdings Inc.

5000 Executive Parkway,
Suite 520 / San Ramon, CA
1-646-277-1236

investorrelations@griddynamics.com

www.griddynamics.com