



Grid Dynamics

trusted engineering partner for digital transformation

Grid Dynamics Investor Presentation

NASDAQ: GDYN | Q3 2021

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. 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; (ii) Grid Dynamics may be unable to effectively manage its growth or achieve anticipated growth, 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) Grid Dynamics’ revenues are highly dependent on clients primarily located in the United States, and any economic downturn in the United States or disruptions in the credit markets may have a material adverse effect on Grid Dynamics’ business, financial condition and results of operations; (v) Grid Dynamics faces intense and increasing competition; (vi) 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; (vii) Grid Dynamics’ 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; (viii) 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; (ix) the impact of the COVID-19 pandemic has and may continue to materially adversely affect our stock price, business operations, and overall financial performance; and (xii) other risks and uncertainties as specified in Grid Dynamics’ filings with the SEC, including those under the sections entitled “Risk Factors.” 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 any obligation to update 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.

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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 expenses, stock-based compensation expenses, retention bonuses, and restructuring charges. 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, 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
EXPERIENCE

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

Leading Fortune 1,000 Clients

55

ORGANIC
CUSTOMERS⁽¹⁾

Q3 REVENUE (M)

\$57.9M

Q4 2021 REVENUE EXPECTATIONS/(M)

\$58 to \$59

Q3 2021 GAAP/non-GAAP EPS

\$(0.01) / \$0.11

Strategic M&A

DAXX

DECEMBER 2020



TACIT
KNOWLEDGE
MAY 2021

Global Scale

9 Countries across
North America and Europe

HEADQUARTER

SAN RAMON CA
USA

Partnership



Skilled Technical Talent

2,884 Employees in
Q3 2021

+140% YoY
growth⁽²⁾

(1) As of Q3 2021, excludes DAXX and Tacit Knowledge customers

(2) Compared to 1,204 employees in Q3 2020

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
- Leading Silicon Valley technology brands helped Grid Dynamics refine and expand its services
- 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 and big data technologies
- Grid Dynamics 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 nine 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



Large and Fast-Growing Digital Transformation Market

Deep Technology Expertise and Proprietary Accelerators

Impressive Blue-Chip Client Base with High Client Retention

Global Delivery Capabilities with Focus on Central and Eastern European and US talent

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

Strong Financial Profile with a Platform Built for Sustained Growth

Leader in Midsize Agile Development Service Providers

Forrester named Grid Dynamics a leader among midsize agile development service providers in The Forrester Wave™: Midsize Agile Software Development Service Providers, Q2 2019⁽¹⁾

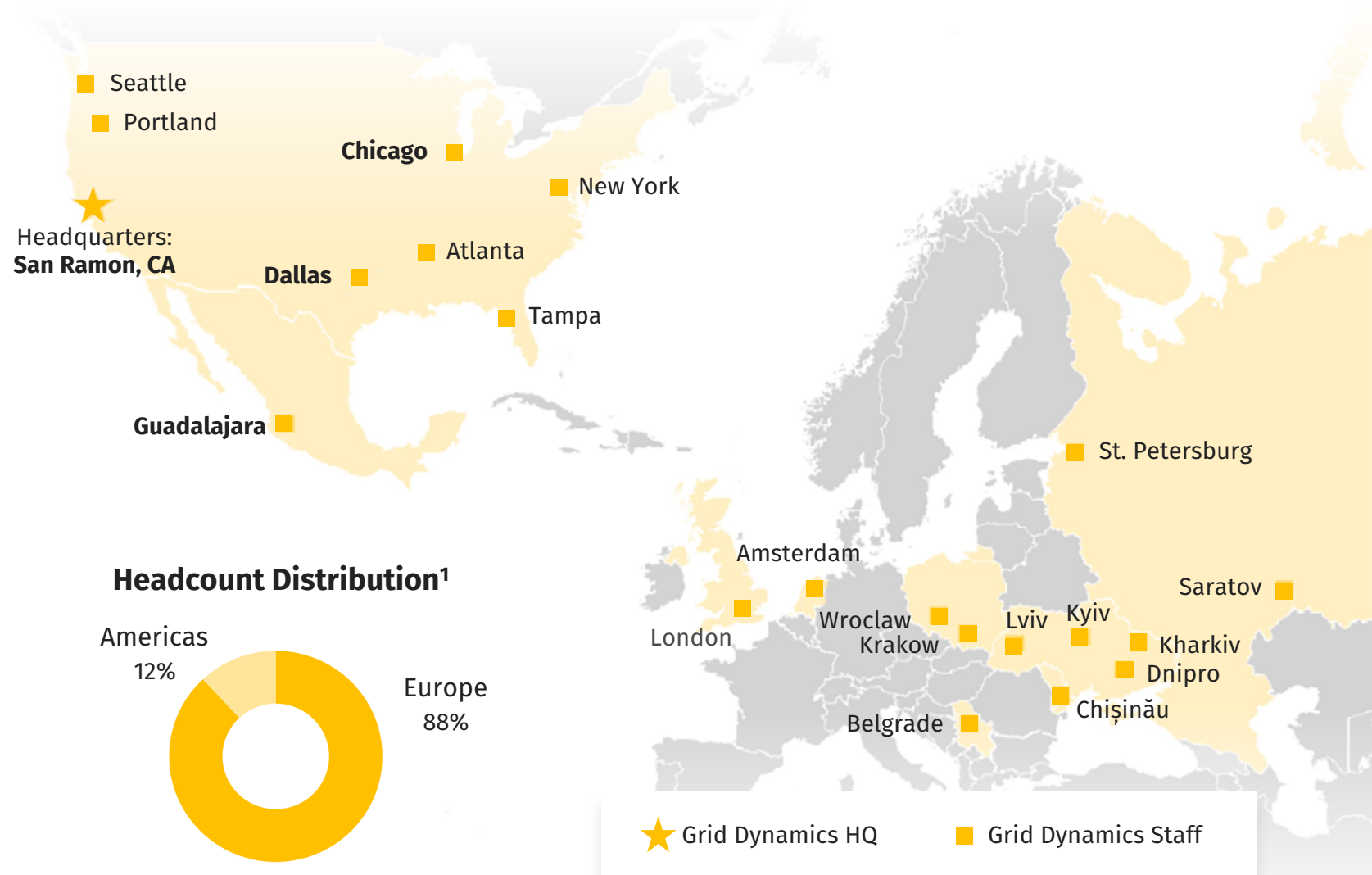
(1) The Forrester Wave™ — Midsize Agile Software Development Service Providers

Leader
among mid-size agile developers

FORRESTER®

Global Delivery Capabilities with focus on Central and Eastern European 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



(1) As of Q3 2021, includes DAXX and Tacit Knowledge talent

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



Google



align



StanleyBlack&Decker

Finance

Retail

Other

RAYMOND JAMES®

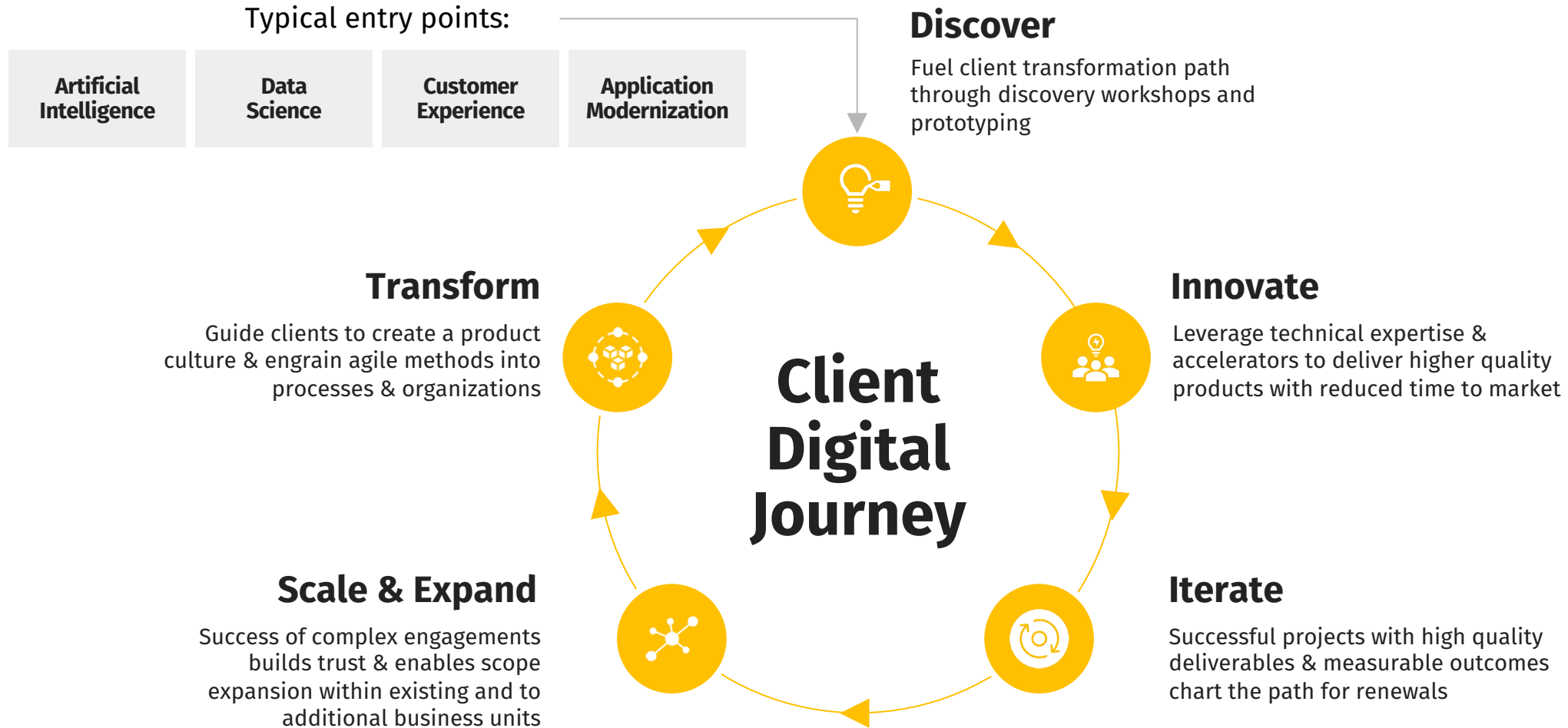


INSPIRE

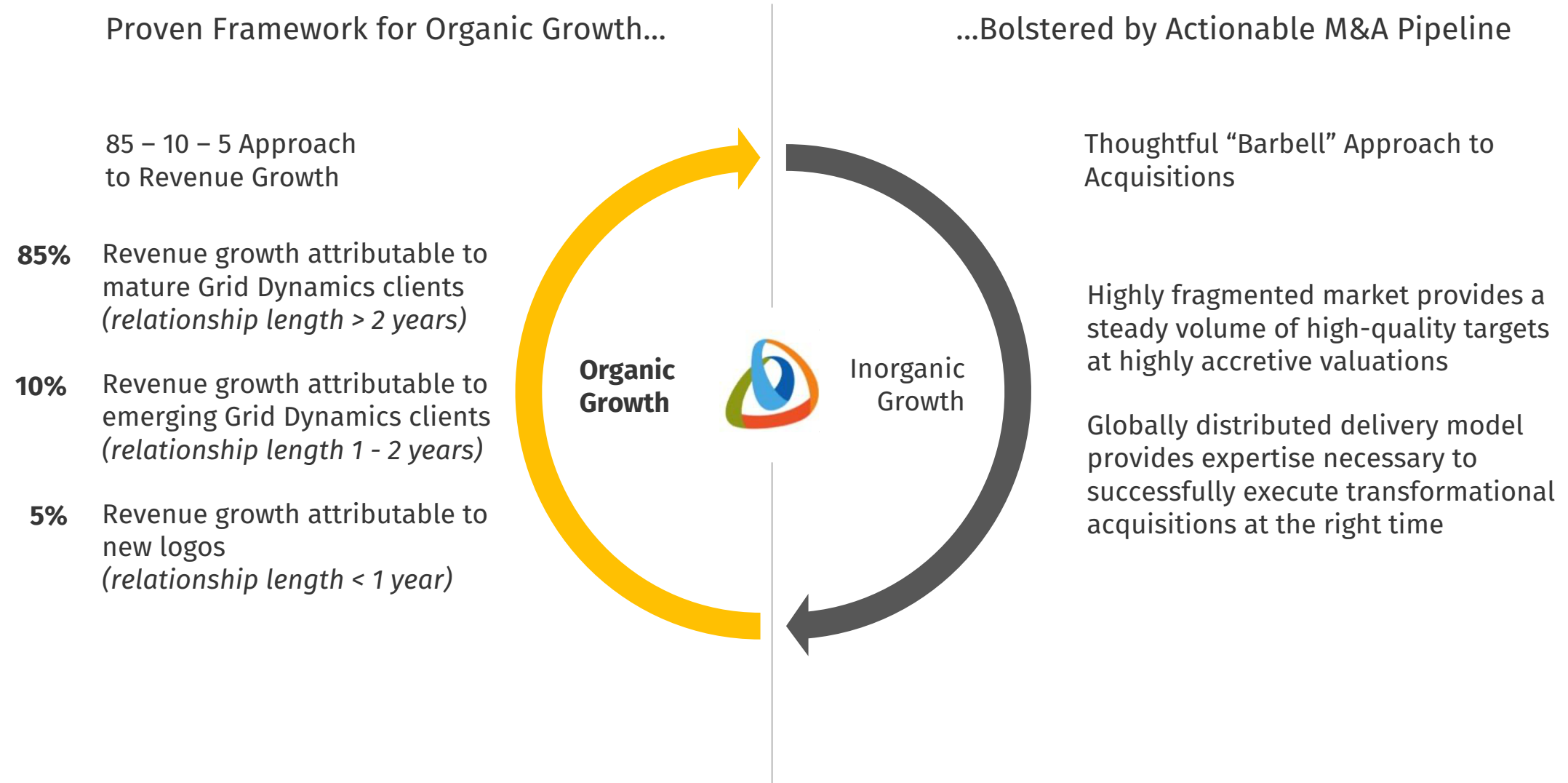


and many more...

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



Platform Built for Sustained Growth



Spotlight on Recent acquisitions: DAXX and Tacit Knowledge



December 2020
Engineering services powerhouse based
in the Netherlands and Ukraine



May 2021
Global provider of digital commerce
solutions based in the U.K.



Beachhead of European Expansion

Provides an entry point to European markets through a key international city — Amsterdam.



Industry Diversification

Focus on technology and media customers further reduces industry concentration and strengthens Grid Dynamics' position in talent-hungry, growth-oriented markets.



Brand Equity on Labor Markets

Strong position in Ukraine and deep university relationships improves hiring efficiency and access to talent.



Continued Global Expansion

Expands delivery footprint across the U.K., Mexico and Moldova.



Digital Commerce Capabilities

Global provider of digital commerce solutions enables Grid Dynamics to expand services to more customers from nearshore locations.



Leading Global Clients

Provides additional leading global brands across technology, CPG, financial and retail markets.

Predictability. Transparency. Collaboration.

Culture

Grid Dynamics was born in 2006 in the age of agile, cloud, DevOps, mobile, and big data. Every engineer we've hired and trained has been immersed in DevOps culture and the Agile co-creation approach from Day 1 in the company and knows how to effectively use emerging technologies for digital transformation.

A high-performance co-innovation culture is in our DNA.



Broad Core Competencies & Deep Expertise

We hire top talent and maintain a rigorous training program to enhance our technical skills. Our senior-to-junior ratio and relentless attention to quality result in better value for the client.



Broad Core Competencies

14+ years of distributed collaboration culture proven over 1,000 digital transformation projects.



Customer experience



Application modernization



BigData & streaming



Artificial intelligence



Mobile & web



Cloud migration



Scalability & reliability

Deep Expertise in Key & Emerging Technologies



and many more...

Our Core Expertise and Key Practice Areas

Cloud

Grid Dynamics enables enterprises to embrace cloud architectures & platforms.



Cloud Migration & DevOps



Microservices & Modernization

Data

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



Data Science & AI



Big Data

Experience

Grid Dynamics delivers quality consumer digital experiences through superior engineering.



Omnichannel Consumer Experience



Search Engineering

Client Digital Innovation Driven through Agile Delivery

Cloud

Since its founding, Grid Dynamics experts have helped enterprises embrace, implement and optimize cloud architectures.



Cloud Migration & DevOps



Microservices & Modernization

Grid Dynamics Practice Areas

Analytical Data Platform

Cloud Migration

Continuous Delivery

Continuous Performance Testing

Machine Learning (ML) Platform

Machine Learning (ML) Ops

Quality Automation

Test Data Management

Microservices Architecture

Microservices Platform

Service Virtualization

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

Data

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



Data Science
& AI



Big Data

Grid Dynamics Practice Areas

Machine Learning (ML) Ops

Supply Chain Optimization

Revenue & Price Optimization

Trade Promotion Optimization

Fraud Detection & Prevention

Marketing Spend Optimization

Customer Intelligence &
Personalization

Anomaly Detection &
Predictive Maintenance

Conversational AI / Grid Genie

Visual Search

Semantic Vector Search

Augmented Reality

Analytical Data Platform

Stream Processing

Data Quality

Machine Learning (ML)
Platform

Data Governance

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.



Omnichannel
Consumer
Experience



Search
Engineering

Grid Dynamics Practice Areas

Web UI Development

Responsive UI

Augmented Reality

Mobile App Development

Mobile Testing

Open Source Search Engines

Endeca Replatforming

Smart Autosuggest

Search Performance
Engineering

Semantic Vector Search

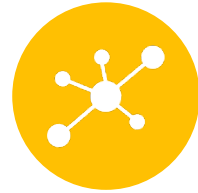
Visual Search

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.



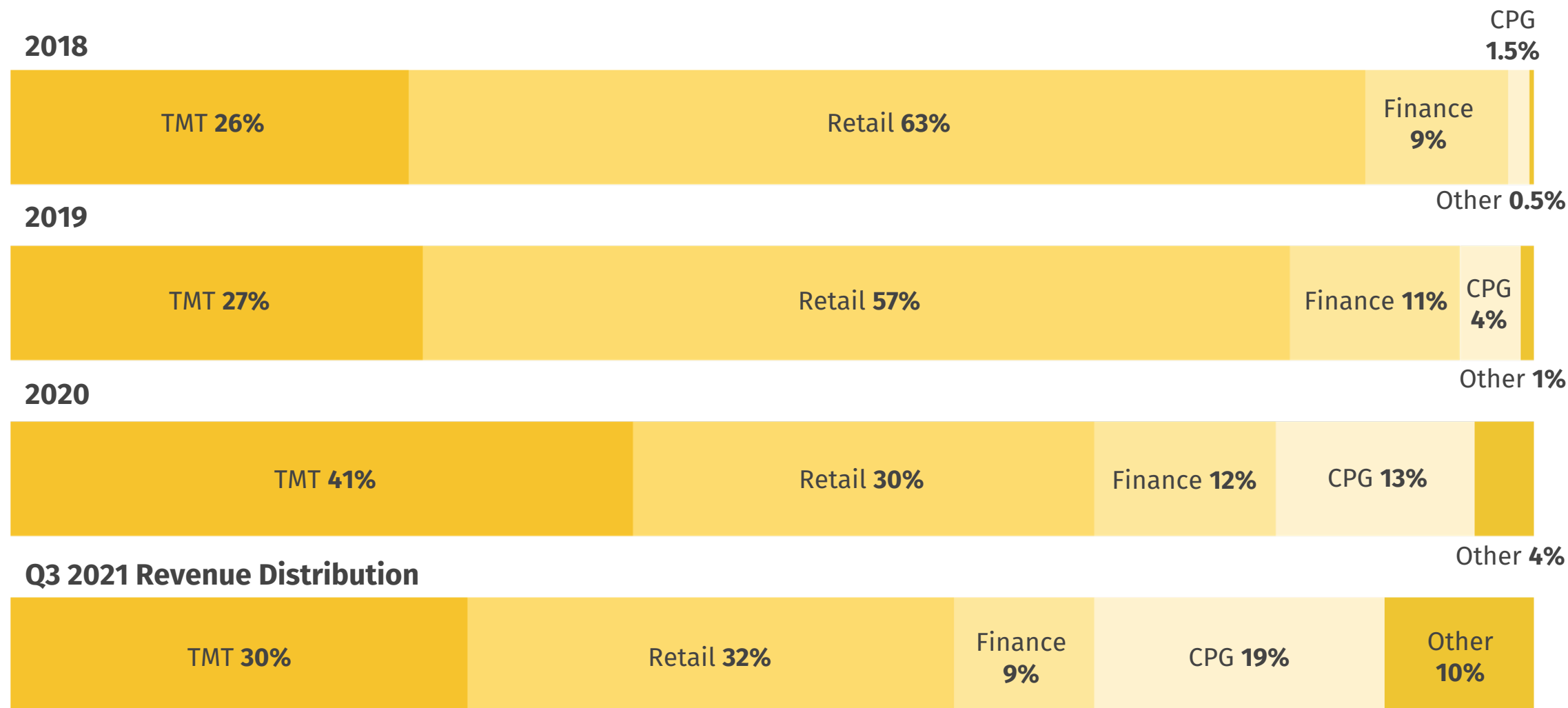
Test Automation Kit

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



Financial Overview

Grid Dynamics has Become Increasingly Diversified



Q3 2021 Key Financial Metrics

	GAAP Q3 2021	Non-GAAP Q3 2021
Revenue	\$57.9M	\$57.9M
<i>Q/Q Change</i>	21.5%	21.5%
<i>YoY Change</i>	120%	120%
Gross Profit	\$25.3M	\$25.4M
<i>Gross Margin</i>	43.6%	43.9%
Net Income/(Loss)	\$(0.5)M	\$7.9M
<i>% of Revenue</i>	(1)%	14%
EPS	\$(0.01)	\$0.11
Diluted Share Count	62.6M	69.5M
Adj. EBITDA	n/a	\$12.5M
<i>% of Revenue</i>		21.6%

Third Quarter 2021 Financial Highlights

- Total revenue was \$57.9 million, an increase of 21.5% sequentially and 120% year-over-year.
- GAAP gross profit was \$25.3 million or 43.6% of revenue, compared to GAAP gross profit of \$19.8 or 41.5% of revenue in the second quarter of 2021 and to GAAP gross profit of \$11.2 million or 42.4% of revenue in the third quarter of 2020.
- Non-GAAP gross profit was \$25.4 million or 43.9% of revenue, compared to non-GAAP gross profit of \$19.9 or 41.8% of revenue in the second quarter of 2021 and to Non-GAAP gross profit of \$11.2 million or 42.6% of revenue in the third quarter of 2020.
- Non-GAAP EBITDA, a non-GAAP metric, was \$12.5 million, compared with Non-GAAP EBITDA of \$9.7 in the second quarter of 2021 and Non-GAAP EBITDA of \$4.2 million in the third quarter of 2020.

Accelerating Business Momentum in Q2 2021

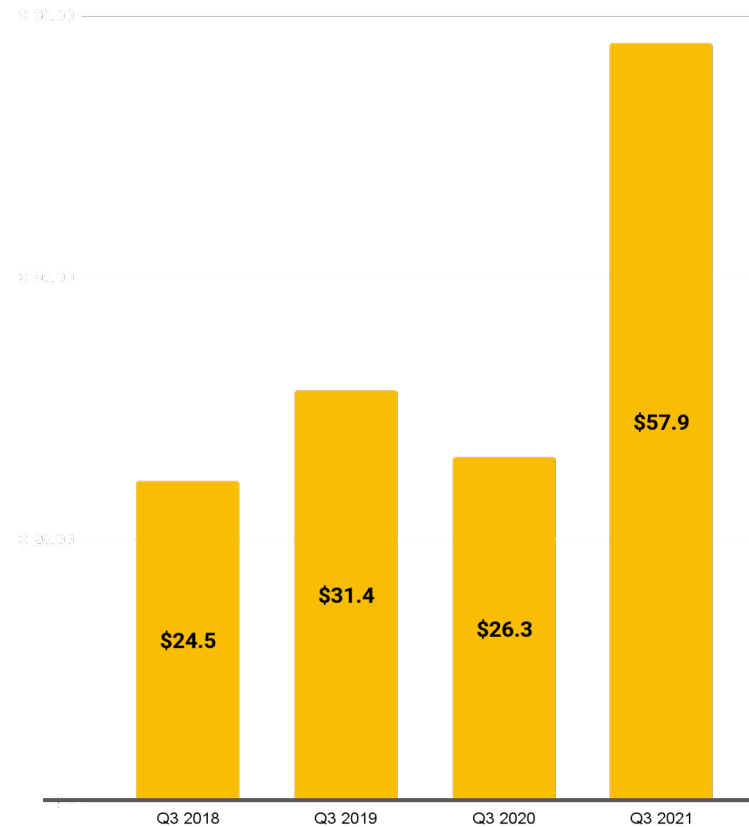
Q3 2021 Revenue

(\$ in millions) (% of revenue)

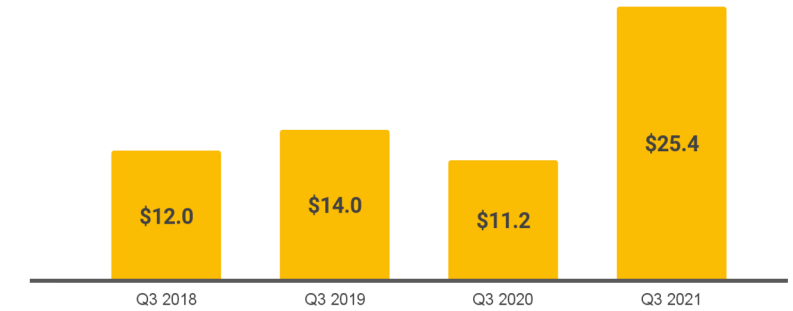
TMT	\$17.6	30%
Retail	\$18.3	32%
Finance	\$5.2	9%
CPG ⁽²⁾	\$11.2	19%
Other ⁽¹⁾	\$5.6	10%

Q3 YoY Revenue⁽¹⁾

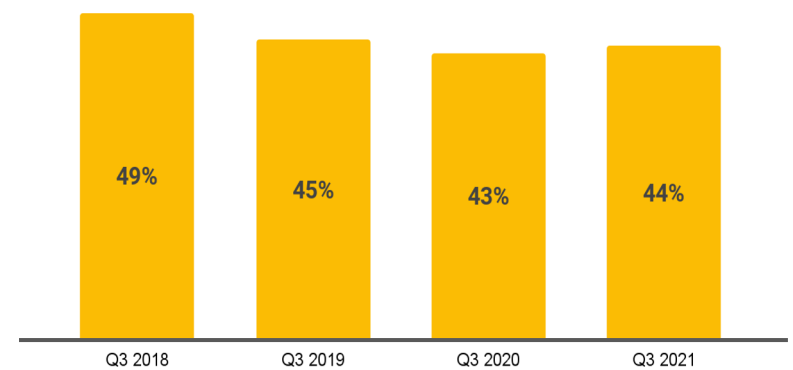
(\$ in millions)



Non-GAAP Gross Profit Margin (\$M)



Non-GAAP Gross Profit Margin (%)

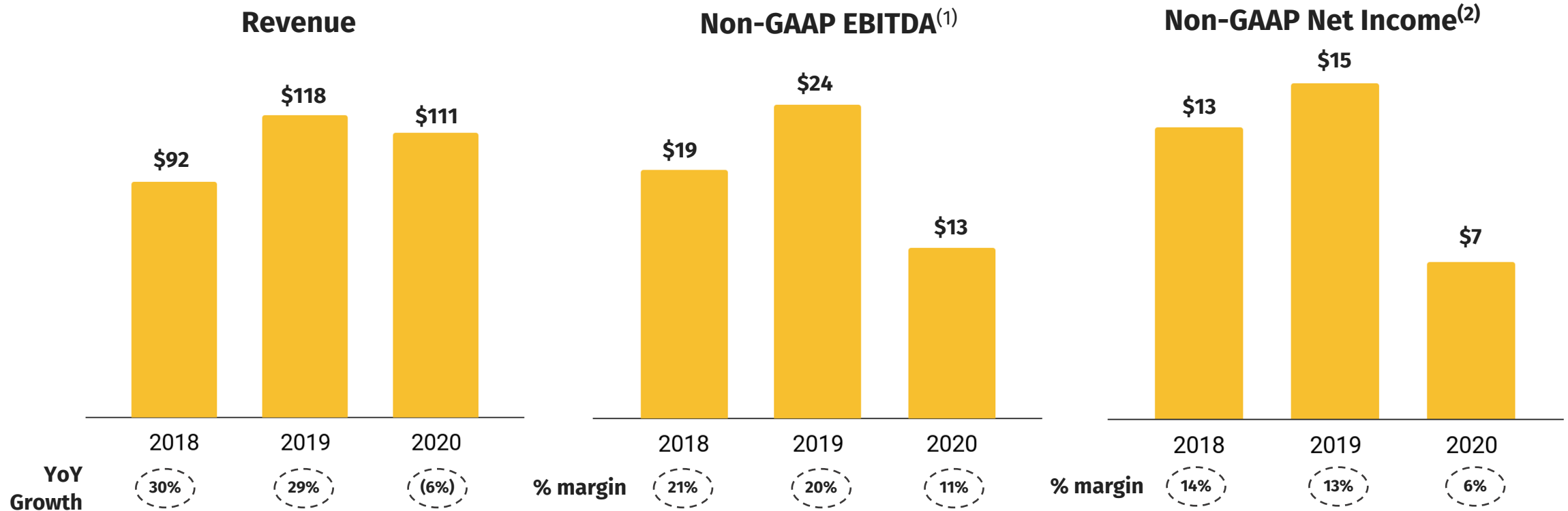


(1) Financials for 2020/2021 include revenue from the acquisitions

(2) Includes CPG and Manufacturing clients.

Annual Key Metrics (Historical)

(\$ in millions)



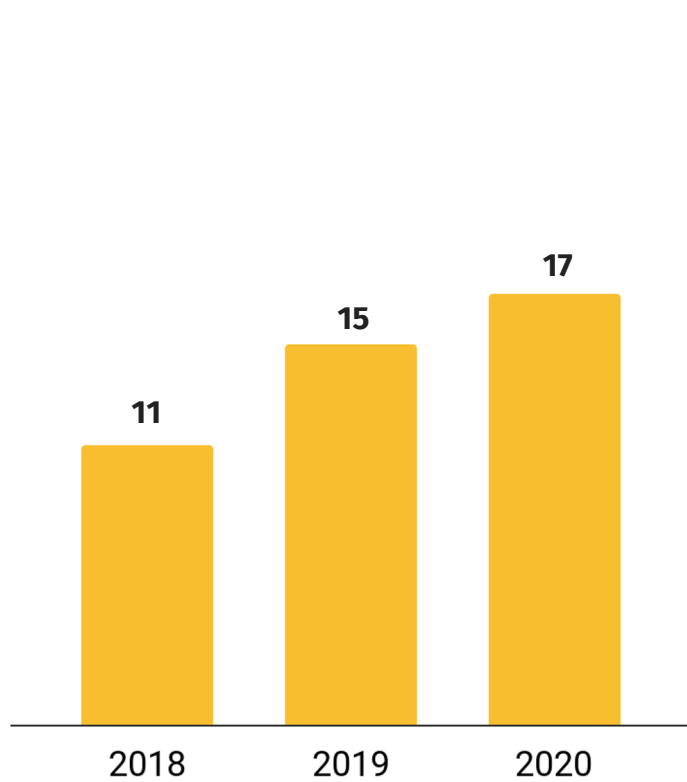
Note: See appendix for reconciliations of non-GAAP metrics.

- (1) Adj. EBITDA: net income 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).
- (2) Adj. Net Income: net income adjusted for the impact of stock-based compensation, impairment of goodwill, transaction-related costs, restructuring costs, other income/expenses, net, and the tax impacts of these adjustments.

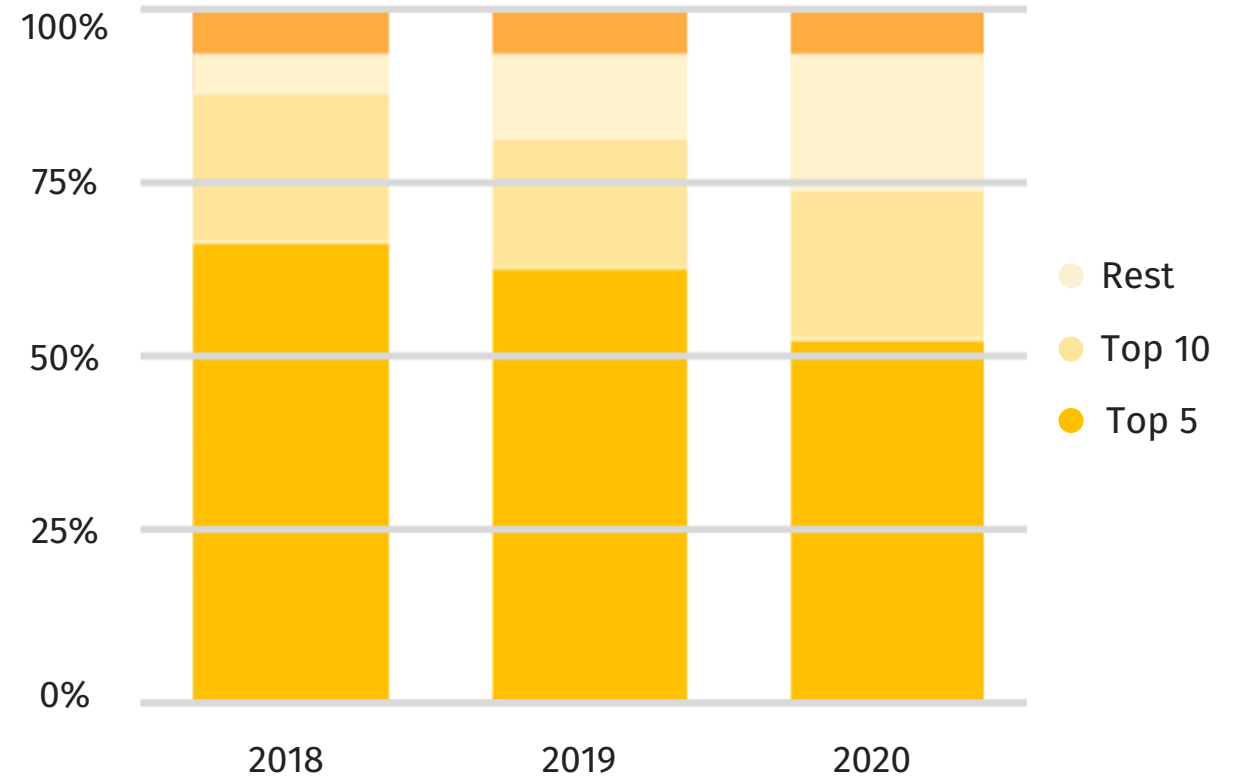
Annual Key Metrics (Historical)

(\$ in millions)

#Clients > \$1M Revenue



Customer Concentration





Grid Dynamics

Trusted engineering partner for digital transformation

Thank you!

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Footnotes

1. *The Forrester Wave™ — Midsize Agile Software Development Service Providers, Q2 2019*
2. 2015 and 2016 not audited under PCAOB standard
3. 2017, 2018, and 2019 audited and upgraded to PCAOB standard
4. Adj. EBITDA: net income 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).

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