UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)
x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 001-38685

Grid Dynamics Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**83-0632724**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6101 Bollinger Canyon Road, Suite 465
San Ramon, CA 94583
(Address of principal executive offices)

(650) 523-5000
(Registrant's telephone number, including area code)

5000 Executive Parkway, Suite 520, San Roman, CA 94583
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	GDYN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	☒
Non-accelerated filer	¨	Smaller reporting company	¨
Emerging growth company	¨		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of October 27, 2025, there were 84,769,058 shares of registrant’s common stock issued and outstanding.

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would," or similar expressions and the negatives of those terms. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- the evolution of the digital engineering and information technology services landscape facing our customers and prospects;
- our ability to educate the market regarding the advantages of our digital transformation products;
- our ability to maintain an adequate rate of revenue growth;
- our future financial and operating results;
- our business plan and our ability to effectively manage our growth and associated investments, including our GigaCube growth strategy;
- beliefs and objectives for future operations;
- our ability to expand a leadership position in enterprise-level digital transformation;
- our ability to attract and retain customers;
- our ability to further penetrate our existing customer base;
- our ability to maintain our competitive technological advantages against new entrants and existing companies in our industry;
- our ability to timely and effectively scale and adapt our existing technology;
- our ability to innovate new products and services and bring them to market in a timely manner;
- our ability to maintain, protect, and enhance our brand and intellectual property;
- our use of artificial intelligence;
- our cyber security systems and protocols;
- our ability to capitalize on changing market conditions;
- our ability to develop strategic partnerships;
- benefits associated with the use of our services;
- our ability to expand internationally and to integrate companies that we acquire;
- our ability to raise financing in the future;
- operating expenses, including changes in research and development, sales and marketing, and general administrative expenses;
- the effects of seasonal trends on our results of operations;
- our ability to grow and manage growth profitably and retain our key employees;
- our ability to realize the expected benefits and effects of strategic acquisitions of business, products or technologies;
- changes in applicable laws or regulations;
- the military action launched by Russian forces in Ukraine, which has seen increased activity, the actions that have been and could be taken by other countries, including new and stricter sanctions and actions taken in response to such sanctions, and the effect of these developments on our business and results of operations;
- the possibility that we have been and may continue to be adversely affected by macroeconomic conditions, inflationary pressures, the risk of a recession, the impact of tariffs and other factors impacting world trade, the geopolitical climate and other economic, business, and/or competitive factors; and

- other risks and uncertainties indicated in this Quarterly Report on Form 10-Q, our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 and our Annual Report on Form 10-K, including those set forth in Item 1A, "*Risk Factors*."

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those described in Item 1A, "*Risk Factors*" and elsewhere in this Quarterly Report on Form 10-Q and in Item 1A, "*Risk Factors*" in our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025. Moreover, new risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on any forward-looking statements contained in this Quarterly Report on Form 10-Q. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in such forward-looking statements.

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, the forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, restructurings, joint ventures, partnerships, or investments we may make.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

GRID DYNAMICS HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	As of	
	September 30, 2025	**December 31, 2024**
Assets		
Current assets		
Cash and cash equivalents	$ 338,553	$ 334,655
Trade receivables, net of allowance of $3,712 and $2,747 as of September 30, 2025 and December 31, 2024, respectively	82,900	69,371
Prepaid expenses and other current assets	19,220	19,278
Total current assets	440,673	423,304
Property and equipment, net	17,151	14,018
Operating lease right-of-use assets, net	13,111	12,108
Intangible assets, net	43,399	47,918
Goodwill	84,681	83,407
Deferred tax assets	9,129	8,774
Other noncurrent assets	5,025	2,663
Total assets	**$ 613,169**	**$ 592,192**
Liabilities and equity		
Current liabilities		
Accounts payable	$ 5,574	$ 4,069
Accrued compensation and benefits	28,624	21,677
Operating lease liabilities, current	5,285	5,420
Accrued expenses and other current liabilities	18,302	24,378
Total current liabilities	57,785	55,544
Deferred tax liabilities	9,300	8,914
Operating lease liabilities, noncurrent	8,363	7,205
Contingent consideration payable, noncurrent	—	2,700
Total liabilities	**$ 75,448**	**$ 74,363**
Commitments and contingencies (Note 14)		
Stockholders' equity		
Common stock, $0.0001 par value; 110,000,000 shares authorized; 84,709,441 and 83,608,819 issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	$ 8	$ 8
Additional paid-in capital	539,114	532,578
Accumulated deficit	(2,483)	(11,845)
Accumulated other comprehensive income/(loss)	1,082	(2,912)
Total stockholders' equity	**537,721**	**517,829**
Total liabilities and stockholders' equity	**$ 613,169**	**$ 592,192**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GRID DYNAMICS HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME/(LOSS)
(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ 104,163	$ 87,435	$ 305,673	$ 250,289
Cost of revenues	69,452	54,706	199,462	160,332
Gross profit	**34,711**	**32,729**	**106,211**	**89,957**
Operating expenses				
Engineering, research, and development	5,759	4,446	18,989	12,945
Sales and marketing	7,339	6,817	22,712	21,395
General and administrative	21,854	19,330	66,911	58,983
Total operating expenses	**34,952**	**30,593**	**108,612**	**93,323**
(Loss)/income from operations	**(241)**	**2,136**	**(2,401)**	**(3,366)**
Other income, net	3,364	3,466	15,294	8,656
Income before income tax	**3,123**	**5,602**	**12,893**	**5,290**
Provision for income taxes	1,946	1,320	3,531	5,773
Net income/(loss)	**$ 1,177**	**$ 4,282**	**$ 9,362**	**$ (483)**
Income/(loss) per share				
Basic	$ 0.01	$ 0.06	$ 0.11	$ (0.01)
Diluted	$ 0.01	$ 0.05	$ 0.11	$ (0.01)
Weighted-average shares outstanding				
Basic	84,695	76,697	84,467	76,485
Diluted	85,839	78,837	86,740	76,485

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GRID DYNAMICS HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Net income/(loss)	**$ 1,177**	**$ 4,282**	**$ 9,362**	**$ (483)**
Other comprehensive income/(loss):				
Foreign currency translation adjustment	(1,433)	214	3,956	(91)
Other comprehensive income	38	—	38	—
Other comprehensive income/(loss)	(1,395)	214	3,994	(91)
Comprehensive (loss)/income	**$ (218)**	**$ 4,496**	**$ 13,356**	**$ (574)**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GRID DYNAMICS HOLDINGS, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Common Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income/(loss)	Total stockholders' equity
	Shares	Amount				
Balance at December 31, 2024	**83,609**	**$ 8**	**$ 532,578**	**$ (11,845)**	**$ (2,912)**	**$ 517,829**
Net income	—	—	—	2,912	—	2,912
Stock-based compensation	—	—	10,743	—	—	10,743
Exercise of stock options	42	—	363	—	—	363
Issuance of shares and payments of tax obligations resulted from net share settlement of vested stock awards	837	—	(16,236)	—	—	(16,236)
Other comprehensive income	—	—	—	—	1,750	1,750
Balance at March 31, 2025	**84,488**	**$ 8**	**$ 527,448**	**$ (8,933)**	**$ (1,162)**	**$ 517,361**
Net income	—	—	—	5,273	—	5,273
Stock-based compensation	—	—	6,717	—	—	6,717
Exercise of stock options	30	—	57	—	—	57
Issuance of shares and payments of tax obligations resulted from net share settlement of vested stock awards	92	—	(833)	—	—	(833)
Other comprehensive income	—	—	—	—	3,639	3,639
Balance at June 30, 2025	**84,610**	**$ 8**	**$ 533,389**	**$ (3,660)**	**$ 2,477**	**$ 532,214**
Net income	—	—	—	1,177	—	1,177
Stock-based compensation	—	—	6,356	—	—	6,356
Issuance of shares and payments of tax obligations resulted from net share settlement of vested stock awards	99	—	(631)	—	—	(631)
Other comprehensive loss	—	—	—	—	(1,395)	(1,395)
Balance at September 30, 2025	**84,709**	**$ 8**	**$ 539,114**	**$ (2,483)**	**$ 1,082**	**$ 537,721**

	Common Stock Shares	Common Stock Amount	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income/(loss)	Total stockholders' equity
Balance at December 31, 2023	**75,887**	**$ 8**	**$ 397,511**	**$ (15,886)**	**$ 1,274**	**$ 382,907**
Net loss	—	—	—	(3,948)	—	(3,948)
Stock-based compensation	—	—	11,339	—	—	11,339
Exercise of stock options	69	—	260	—	—	260
Issuance of shares and payments of tax obligations resulted from net share settlement of vested stock awards	565	—	(7,569)	—	—	(7,569)
Other comprehensive loss	—	—	—	—	(178)	(178)
Balance at March 31, 2024	**76,521**	**$ 8**	**$ 401,541**	**$ (19,834)**	**$ 1,096**	**$ 382,811**
Net loss	—	—	—	(817)	—	(817)
Stock-based compensation	—	—	7,491	—	—	7,491
Exercise of stock options	12	—	55	—	—	55
Issuance of shares and payments of tax obligations resulted from net share settlement of vested stock awards	125	—	(964)	—	—	(964)
Other comprehensive loss	—	—	—	—	(127)	(127)
Balance at June 30, 2024	**76,658**	**$ 8**	**$ 408,123**	**$ (20,651)**	**$ 969**	**$ 388,449**
Net income	—	—	—	4,282	—	4,282
Stock-based compensation	—	—	7,139	—	—	7,139
Exercise of stock options	66	—	265	—	—	265
Issuance of shares and payments of tax obligations resulted from net share settlement of vested stock awards	19	—	(102)	—	—	(102)
Other comprehensive income	—	—	—	—	214	214
Balance at September 30, 2024	**76,743**	**$ 8**	**$ 415,425**	**$ (16,369)**	**$ 1,183**	**$ 400,247**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GRID DYNAMICS HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Nine Months Ended September 30,	
	2025	**2024**
Cash flows from operating activities		
Net income/(loss)	$ 9,362	$ (483)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation and amortization	14,629	9,579
Operating lease right-of-use assets amortization expense	3,787	3,301
Bad debt expense	847	1,077
Stock-based compensation	23,816	25,969
Deferred income taxes	(186)	(1,516)
Change in fair value of contingent consideration	(6,876)	—
Other (income)/expenses, net	37	(890)
Changes in assets and liabilities:		
Trade receivable	(14,376)	(9,676)
Prepaid expenses and other assets	726	(2,894)
Accounts payable	1,495	(740)
Accrued compensation and benefits	6,993	3,293
Operating lease liabilities	(3,767)	(3,352)
Income taxes, net	(6,655)	(1,503)
Accrued expenses and other liabilities	872	965
Net cash provided by operating activities	**30,704**	**23,130**
Cash flows from investing activities		
Purchase of property and equipment	(11,537)	(9,126)
Acquisition of business, net of cash acquired	198	(32,144)
Other investing activities, net	—	(44)
Net cash used in investing activities	**(11,339)**	**(41,314)**
Cash flows from financing activities		
Proceeds from exercises of stock options, net of shares withheld for taxes	469	867
Payments of tax obligations resulting from net share settlement of vested stock awards	(17,700)	(8,635)
Payment of debt issuance cost	(253)	—
Net cash used in financing activities	**(17,484)**	**(7,768)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,517	(14)
Net increase/(decrease) in cash, cash equivalents and restricted cash	3,398	(25,966)
Cash, cash equivalents and restricted cash, beginning of period	335,155	257,227
Cash, cash equivalents and restricted cash, end of period	**$ 338,553**	**$ 231,261**
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 9,854	$ 8,993
Supplemental disclosure of non-cash activities		
Acquisition fair value of contingent consideration issued for acquisition of business	—	7,480

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets:

	As of	
	September 30, 2025	**December 31, 2024**
Balance sheet classification		
Cash and cash equivalents	$ 338,553	$ 334,655
Restricted cash in Prepaid expenses and other current assets	—	500
Total cash, cash equivalents and restricted cash	**$ 338,553**	**$ 335,155**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GRID DYNAMICS HOLDINGS, INC.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share data)

Note 1 — Nature of operations and summary of significant accounting policies

Grid Dynamics Holdings, Inc. (the "Company") is a leading provider of technology consulting, platform and product engineering, and advanced analytics services. The Company's core business includes cloud platform and product engineering, supply chain and advanced manufacturing, and data and machine learning platform engineering. Grid Dynamics also helps organizations become more agile and create innovative digital products and experiences through its deep expertise in emerging technology, such as artificial intelligence ("AI"), data science, cloud computing, big data and DevOps, lean software development practices and a high-performance product culture. The Company's headquarters and principal place of business is in San Ramon, California.

The following is a summary of critical accounting policies consistently applied in the preparation of the accompanying unaudited condensed consolidated financial statements. A full description of our significant accounting policies is provided in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, as filed with the SEC on February 27, 2025.

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") for interim financial information and in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited condensed consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of the Company's management, necessary for the fair presentation of the results of operations for the interim periods. Operating results for the three and nine months ended September 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025. These interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2024 included in the Company's Annual Report on Form 10-K filed with the SEC on February 27, 2025.

Principles of consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and all of its subsidiaries that are directly or indirectly owned or controlled. Intercompany transactions and balances have been eliminated upon consolidation.

The Company provides services to its customers utilizing its own personnel as well as personnel from subcontractors. One of the subcontractors (the "Affiliate") exclusively supports and performs services on behalf of the Company and its customers. The Company had no ownership in the Affiliate as of September 30, 2025. The Company is required to apply accounting standards which address how a business enterprise should evaluate whether it has a controlling financial interest in a variable interest entity ("VIE") through means other than voting rights and accordingly should determine whether or not to consolidate the entity. The Company has determined that it is required to consolidate the Affiliate because the Company has the power to direct the VIE's most significant activities and is the primary beneficiary of the Affiliate. The assets and liabilities of the Affiliate primarily consist of inter-company balances and transactions all of which have been eliminated in consolidation. There was minimal activity in the Affiliate during the three and nine months ended September 30, 2025.

Use of estimates

The preparation of the unaudited condensed consolidated financial statements in accordance with the U.S. GAAP requires the Company to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and accompanying notes. Actual results could differ from these estimates and such differences could be material. Significant estimates include determination of fair value, useful lives and recoverability of intangible assets and goodwill, valuation of stock-based compensation and contingent consideration payable, determination of provision for income taxes, deferred tax assets and liabilities and uncertain tax positions.

Allowance for credit losses

The Company maintains an allowance against accounts receivable for the estimated probable losses on uncollectible accounts. The allowance is based upon historical loss experience, as adjusted for the current market conditions and forecasts about future economic conditions. As of September 30, 2025 and December 31, 2024, the Company recorded $3.7 million and $2.7 million of allowance for credit losses, respectively.

Prior period reclassifications

Certain amounts on the unaudited condensed consolidated balance sheets, unaudited consolidated statements of stockholders' equity, and unaudited condensed consolidated statements of cash flows in prior periods have been reclassified to conform with the current period presentation.

Recently issued accounting pronouncements

Changes to U.S. GAAP are established by the Financial Accounting Standards Board (the "FASB"), in the form of Accounting Standards Updates ("ASUs"), to the FASB's Accounting Standards Codification ("ASC"). The Company will adopt these changes according to the various timetables the FASB specifies.

On December 14, 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures* (Topic 740) — Improvements to Income Tax Disclosures, which expands annual disclosure requirements around income taxes primarily related to the rate reconciliation and income taxes paid. The new guidance is effective for the Company's 2025 annual reporting period and can be applied either prospectively or retrospectively. The Company is currently evaluating the impact that the guidance will have on its financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40): Disaggregation of Income Statement Expenses, requiring more detailed information about the types of expenses included in certain expense captions presented on the consolidated statements of income. Additionally, this amendment requires the disclosure of a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively and the disclosure of the total amount of selling expenses. The new guidance is effective for the Company's 2027 annual periods and its interim periods beginning in 2028, with early adoption permitted. The standard can be applied either prospectively or retrospectively. The Company is in the process of assessing the timing of adoption and the impact the ASU will have on its financial statement disclosures.

Note 2 — Acquisitions

Overview of transactions

Mobile Computing — On October 4, 2024, the Company acquired all shares of Mobile Computing S.A. ("Mobile Computing"), an Argentina-based company, for a purchase price of $16.0 million including cash paid at closing of $13.3 million and contingent consideration with an acquisition-date fair value of $2.7 million. The maximum amount of potential contingent cash consideration is $3.0 million, subject to attainment of certain revenue and gross profit metrics within 12 months. The acquisition of Mobile Computing expanded the Company's client portfolio, strengthened its expertise in digital product co-creation and User Interface ("UI")/User Experience ("UX") services and significantly contributed to the "Follow-the-Sun" model to better serve clients.

JUXT — On September 26, 2024, the Company acquired 100% of a group of UK-based companies, including Headrunner Limited and Congreve Computing Ltd., with their wholly owned subsidiary JUXT Ltd. (collectively referred to as "JUXT"). The total purchase consideration was $47.0 million, consisting of cash consideration of $39.5 million paid at closing and fair value of the contingent consideration at the date of the acquisition of $7.5 million. The maximum amount of potential contingent cash consideration is $9.4 million, subject to attainment of certain revenue and gross profit metrics within 12 months. The acquisition of JUXT strengthened the Company's go-to-market positioning in the Finance vertical and opened new opportunities across the European market.

Assets acquired and liabilities assumed

The following table summarizes the fair values of the assets acquired and liabilities assumed as updated for any changes as of September 30, 2025.

During the second quarter of 2025, the Company finalized the working capital adjustment for JUXT that resulted in a decrease of original purchase price in the amount of $0.2 million with a corresponding net change in goodwill. The Company then finalized the fair value of the assets acquired and liabilities assumed in the acquisition of JUXT.

The amounts related to Mobile Computing acquisition represent the Company's provisional fair value estimates and are subject to subsequent adjustments as additional information is obtained during the applicable measurement period. The primary provisional amounts include certain working capital accounts that are not yet finalized. During third quarter of 2025, the Company recorded adjustments to working capital accounts of Mobile Computing that resulted in a decrease of goodwill by $0.1 million. The Company expects to complete the purchase price allocation of Mobile Computing as soon as practicable but no later than one year from the acquisition date.

	Mobile Computing	JUXT
	(in thousands)	
Cash, cash equivalents and restricted cash	$ 2,330	$ 7,344
Trade receivables[(1)]	1,496	7,132
Prepaid expenses and other current assets	390	273
Intangible assets	8,740	18,870
Goodwill[(2)-(3)]	7,498	23,164
Property and equipment, and other noncurrent assets	450	231
Total assets acquired	**$ 20,904**	**$ 57,014**
Accounts payable, accrued expenses and other current liabilities	$ (1,836)	$ (5,491)
Deferred taxes	(3,051)	(4,753)
Other noncurrent liabilities	(59)	—
Total liabilities assumed	**$ (4,946)**	**$ (10,244)**
Purchase price allocation	**$ 15,958**	**$ 46,770**

(1) The estimated fair values of trade receivables equaled their gross contractual amounts due as of the acquisition dates, all of which were collected by the Company as of September 30, 2025.
(2) The goodwill recognized as a result of the Mobile Computing acquisition is primarily attributed to the value the Company expects to achieve through growth opportunities in Latin America as well as the assembled workforce acquired. The goodwill is not deductible for income tax purposes.
(3) The goodwill recognized as a result of the JUXT acquisition is primarily attributed to synergies expected to be achieved by expanding the Company's ability to serve customers in Europe and the assembled workforce acquired. The goodwill is not deductible for income tax purposes.

The estimated fair value, useful lives and amortization methods of identifiable intangible assets as of the date of acquisition updated for any changes during the nine months ended September 30, 2025 are as follows:

	Mobile Computing		JUXT	
	Fair Value	Useful Life	Fair Value	Useful Life
	(dollars in thousands)			
Customer relationships	$ 8,362	8 years	$ 17,568	8 years
Trade name	378	2 years	1,302	2.5 years
Total identified intangible assets	**$ 8,740**		**$ 18,870**	

Effect on operating results

The following table summarizes the effect on operating results of the Company for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Transaction-related costs in General and administrative expenses	$ 33	$ 1,477	$ 323	$ 1,704
Revenues[1]	$ 12,985	$ —	$ 38,398	$ —

(1) Revenues generated by JUXT and Mobile Computing during the period of one year starting from the applicable acquisition date.

These unaudited pro forma results have been prepared for comparative purposes only and are not necessarily indicative of the results of operations as they would have been had the acquisitions of Mobile Computing and JUXT occurred on the assumed date, nor are they necessarily an indication of future operating results.

	Three Months Ended	Nine Months Ended
	September 30, 2024 (in thousands)	
Revenues	$ 100,420	$ 280,264
Net income	$ 6,088	$ 372

Note 3 — Fair value

Estimates of fair value of financial instruments not carried at fair value on a recurring basis are generally subjective in nature, and are determined as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Company's financial assets and liabilities are generally short-term in nature; therefore, the carrying value of these items approximates their fair value. The following table summarizes certain fair value information as of September 30, 2025 and December 31, 2024 for financial assets and liabilities measured at fair value on a recurring basis, as well as estimated fair values of certain other financial assets and liabilities not measured on a recurring basis:

	Balance	Estimated Fair Value	Fair Value Hierarchy Level 1	Level 2	Level 3
			(in thousands)		
September 30, 2025					
Financial Assets:					
Cash equivalents:					
Money market funds	$ 277,087	$ 277,087	$ 277,087	$ —	$ —
Long-term investments:					
Non-marketable equity securities(1)	$ 1,250				
Financial Liabilities:					
Contingent consideration payable	$ 3,370	$ 3,370	$ —	$ —	$ 3,370
December 31, 2024					
Financial Assets:					
Cash equivalents:					
Money market funds	$ 267,206	$ 267,206	$ 267,206	$ —	$ —
Long-term investments:					
Non-marketable equity securities(1)	$ 1,250				
Financial Liabilities:					
Contingent consideration payable	$ 9,729	$ 9,729	$ —	$ —	$ 9,729

(1) Equity securities of a related party, a company affiliated with the member of the Company's Board of Directors, that do not have readily determinable fair value and are measured at cost.

Contingent consideration payable

The fair value of contingent consideration payable is determined using the Monte-Carlo model, which is primarily based on projected financial results of acquired business adjusted to market risk assumptions, probability of achievement of performance targets set in purchase agreements and respective discount rates. Even though there is significant judgment involved, the Company believes its estimates and assumptions are reasonable. Changes in financial projections, discount rates, timing and amount of specific milestone estimates, as well as probability assumptions related to achieving the various performance milestones, would result in a change in the fair value of the recorded contingent consideration payable. Such changes, if any, are recorded in Other income, net in the unaudited condensed consolidated statements of income/(loss).

The following table presents the weighted average discount rates for risk-free performance targets and time value used to determine fair values of contingent considerations payables for acquisitions completed during the year ended December 31, 2024 as of the acquisition dates:

	Mobile Computing	JUXT
Weighted average discount rate for risk-free performance targets	22.9 %	14.7 %
Discount rate for credit risk and time value	2.8 %	2.8 %

The Company records short-term contingent consideration payable in Accrued expenses and other current liabilities in its unaudited condensed consolidated balance sheet. A reconciliation of the beginning and ending balances of Level 3 acquisition-related contingent consideration payable using significant unobservable inputs for the nine months ended September 30, 2025 is as follows:

	Amount (in thousands)
Contingent consideration payable as of January 1, 2025	**$ 9,729**
Change in fair value of contingent consideration payable included in Other income, net - JUXT	(7,176)
Change in fair value of contingent consideration payable included in Other income, net - Mobile Computing	300
Effect of net foreign currency exchange rate changes	517
Contingent consideration payable as of September 30, 2025	**$ 3,370**

Note 4 — Property and equipment, net

Property and equipment, net consisted of the following:

	Estimated Useful Life	As of September 30, 2025	As of December 31, 2024
	(in years)	(in thousands)	
Computers and equipment	2-6	$ 18,946	$ 16,377
Furniture and fixtures	3-10	1,949	1,741
Leasehold improvements	2-8	1,541	1,329
Software	3-5	1,104	1,215
Office equipment	3-5	782	698
Vehicles	5	213	196
		$ 24,535	$ 21,556
Less: Accumulated depreciation and amortization		(18,197)	(15,439)
		$ 6,338	**$ 6,117**
Capitalized software development costs	2	$ 26,441	$ 17,177
Less: Accumulated amortization		(15,628)	(9,276)
		$ 10,813	**$ 7,901**
Property and equipment, net		**$ 17,151**	**$ 14,018**

Note 5 — Intangible assets, net

Intangible assets, net consisted of the following:

	Estimated Useful Life	As of	
		September 30, 2025	December 31, 2024
	(in years)	(in thousands)	
Customer relationships	8-12	$ 53,883	$ 52,664
Trade names	2-10	7,013	6,904
Acquired software	2.5	995	995
Non-compete agreements	2	584	584
		$ 62,475	$ 61,147
Less: Accumulated amortization		(19,076)	(13,229)
Intangible assets, net		**$ 43,399**	**$ 47,918**

Based on the carrying value of the Company's existing intangible assets as of September 30, 2025, the estimated amortization expense for the future years is as follows:

	Amount
	(in thousands)
2025 (excluding nine months ended September 30, 2025)	$ 1,784
2026	7,091
2027	6,510
2028	6,362
2029	5,857
Thereafter	15,795
Total	**$ 43,399**

Note 6 — Accrued expenses and other current liabilities

The components of accrued expenses and other current liabilities were as follows:

	As of	
	September 30, 2025	December 31, 2024
	(in thousands)	
Accrued expenses	$ 7,129	$ 5,111
Accrued income taxes	3,491	6,820
Contingent consideration payable, current	3,370	7,029
Value added tax payable	1,516	1,281
Deferred revenue	902	2,690
Other liabilities	1,894	1,447
Total accrued expenses and other current liabilities	**$ 18,302**	**$ 24,378**

Note 7 — Debt

Revolving Credit Facility — On March 15, 2022, the Company entered into a Credit Agreement (as amended, the "Credit Agreement") by and among the Company, as borrower, the guarantors party thereto from time to time, the lenders party thereto from time to time, and JPMorgan Chase Bank, N.A., as administrative agent for the lenders. The Credit Agreement provides for a secured multi-currency revolving loan facility with an initial aggregate principal amount of up to $30.0 million, with a $10.0 million letter of credit sub-limit. The Company may increase the size of the revolving loan facility up to $50.0 million, subject to certain conditions and additional commitments from existing and/or new lenders. On May 20, 2025, the Credit Agreement was amended to extend its maturity to March 15, 2028.

At the Company's option, borrowings under the Credit Agreement accrue interest at a per annum rate based on either (i) the base rate plus a margin ranging from 1.0% to 1.5%, (ii) an adjusted term Secured Overnight Financing Rate ("SOFR") or adjusted the Euro Interbank Offer Rate ("EURIBOR") (based on one, three or six-month interest periods) plus a margin ranging from 2.0% to 2.5%, or (iii) an adjusted daily simple SOFR rate (or SONIA rate in the case of loans denominated in pounds sterling, or SARON rate in the case of loans denominated in Swiss francs), plus a margin ranging from 2.0% to 2.5%, in each case, with the applicable margin determined based on the Company's consolidated total leverage ratio. The Company is also obligated to pay other closing fees, administration fees, commitment fees and letter of credit fees customary for a credit facility of this size and type.

The Company's obligations under the Credit Agreement are required to be guaranteed by certain of its domestic subsidiaries meeting materiality thresholds set forth in the Credit Agreement. Such obligations, including the guaranties, are secured by substantially all of the personal property of the Company and the Company's subsidiary guarantors.

The Credit Agreement contains customary affirmative and negative covenants, including covenants limiting the ability of the Company and its subsidiaries to, among other things, incur debt, grant liens, undergo certain fundamental changes, make investments and acquisitions, make certain restricted payments, dispose of assets, enter into certain transactions with affiliates, and enter into burdensome agreements, in each case, subject to limitations and exceptions set forth in the Credit Agreement. The Company is also required to maintain compliance with a consolidated total leverage ratio, determined in accordance with the terms of the Credit Agreement. As of September 30, 2025, the Company was in compliance with all covenants contained in the Credit Agreement.

As of September 30, 2025 and December 31, 2024, the Company did not have any outstanding debt under the Credit Agreement.

Note 8 — Revenues

Disaggregation of revenues

The tables below present disaggregated revenues from contracts with customer by customer location, industries and contract-types. The Company believes this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors. The Company has a single reportable segment for the three and nine months ended September 30, 2025 and 2024.

The following table shows the disaggregation of the Company's revenues by major customer location. Revenues are attributed to geographic regions based upon location of the customer served irrespective of the location billed, or the location of the delivery center performing the work. Substantially all of the revenue in our North America region relates to operations in the United States.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Customer Location	**(in thousands)**			
North America	$ 71,925	$ 73,390	$ 215,695	$ 206,469
Europe	22,829	11,263	62,647	36,271
Other	9,409	2,782	27,331	7,549
Total Revenues	**$ 104,163**	**$ 87,435**	**$ 305,673**	**$ 250,289**

The following table shows the disaggregation of the Company's revenues by main vertical markets:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Vertical	**(in thousands)**			
Retail	$ 28,951	$ 29,825	$ 90,029	$ 81,233
Technology, Media and Telecom	28,579	24,188	77,369	71,449
Finance	25,623	14,158	76,037	36,967
CPG/Manufacturing[(1)]	10,912	9,807	32,287	29,209
Healthcare and Pharma	2,422	2,510	7,383	8,677
Other	7,676	6,947	22,568	22,754
Total Revenues	**$ 104,163**	**$ 87,435**	**$ 305,673**	**$ 250,289**

(1) CPG stands for Consumer Packaged Goods.

The following table shows the disaggregation of the Company's revenues by contract types:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Contract Type	**(in thousands)**			
Time-and-material	$ 96,448	$ 82,373	$ 282,693	$ 235,399
Fixed-fee	7,121	4,477	21,166	13,135
Other revenues	594	585	1,814	1,755
Total Revenues	**$ 104,163**	**$ 87,435**	**$ 305,673**	**$ 250,289**

Contract balances

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. A contract liability, or deferred revenue, consists of advance payments and billings in excess of revenues recognized.

The Company's contract balances as of the below dates were as follows:

	As of		
	September 30, 2025	December 31, 2024	December 31, 2023
	(in thousands)		
Trade receivables, net:			
Billed receivable	$ 75,475	$ 64,754	$ 49,824
Unbilled receivable	$ 7,425	$ 4,617	$ 3,735
Contract liabilities in Accrued expenses and other current liabilities	$ 902	$ 2,690	$ 577

As of September 30, 2025, December 31, 2024 and 2023, the Company did not have contract assets recorded in its unaudited condensed consolidated balance sheets.

During the three and nine months ended September 30, 2025, the Company recognized $0.3 million and $2.6 million of revenues, respectively, that were included in Accrued expenses and other current liabilities at December 31, 2024. During the three and nine months ended September 30, 2024, the Company recognized $0.1 million and $0.5 million of revenues, respectively, that were included in Accrued expenses and other current liabilities at December 31, 2023.

Remaining performance obligations

As of September 30, 2025, the aggregate amount of transaction price allocated to remaining performance obligations was $0.6 million. Our remaining performance obligations represent commitments for future services for which work has not been performed and revenues are to be recorded in future periods. The Company expects to recognize all of its remaining performance obligations as revenues during the remaining 3 months of fiscal year 2025. Remaining performance obligations include amounts that will be invoiced in future periods and excludes the contracts that meet at least one of the following criteria under ASC Topic 606 "*Revenue from Contracts with Customers*":

1) contracts with an original duration of one year or less, including contracts that can be terminated for convenience without a substantive penalty,

2) contracts for which the Company recognizes revenues based on the right to invoice for services performed,

3) variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation in accordance with ASC 606-10-25-14(b), for which the criteria in ASC 606-10-32-40 have been met, or

4) variable consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Many of the Company's contracts met one or more of these exemptions as of September 30, 2025.

Customer concentration

The following table shows the amount of revenue derived from each customer exceeding 10% of the Company's revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Customer 1	16.4 %	17.1 %	15.3 %	16.8 %

The following table shows the number of customers exceeding 10% of the Company's billed and unbilled receivable balances:

	As of	
	September 30, 2025	December 31, 2024
Billed receivable	1	1
Unbilled receivable	3	1

Transactions with related parties

During the three and nine months ended September 30, 2025 and 2024, the Company conducted transactions with a number of companies affiliated with the members of the Company's Board of Directors. As a result, during the three and nine months ended September 30, 2025, the Company recorded revenues from related parties of $8.1 million and $22.3 million, respectively. During the same periods of 2024, the Company recorded revenues from related parties of $5.6 million and $12.9 million, respectively. As of September 30, 2025 and December 31, 2024, billed receivables from related parties were $5.6 million and $3.8 million, respectively. Unbilled receivables from related parties as of September 30, 2025 and December 31, 2024 were $0.2 million and $0.1 million, respectively.

Note 9 — Leases

A major part of the Company's lease obligations is for office real estate. The Company may also lease corporate apartments, cars and office equipment. Payments on some of our leases may depend on index or rate, including Consumer Price Index. Such payments are included in the calculation of lease liability and assets at the commencement dates, all future changes are accounted as variable payments similar to other variable payments, such as common area maintenance, property and other taxes, utilities and insurance that are based on the lessor's cost.

The Company's leases have remaining lease terms ranging from 0.1 to 5.7 years as of September 30, 2025. Certain lease agreements may include the option to extend or terminate before the end of the contractual term and are often non-cancelable or cancellable only by the payment of penalties. The Company includes these options in the lease term when it is reasonably certain that they will be exercised.

As of September 30, 2025 and December 31, 2024, the Company had no finance leases.

Operating lease expense is recorded on a straight-line basis over the lease term. During the three and nine months ended September 30, 2025 and 2024, lease costs were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Operating lease cost	$ 1,555	$ 1,415	$ 4,493	$ 3,915
Variable lease cost	229	141	479	372
Short-term lease cost	334	131	763	307
Total lease cost	**$ 2,118**	**$ 1,687**	**$ 5,735**	**$ 4,594**

Supplemental information related to operating lease transactions is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Lease liability payments	$ 1,533	$ 1,307	$ 4,369	$ 3,650
Lease assets obtained in exchange for liabilities	$ —	$ 2,756	$ 3,118	$ 5,295
Non-cash net change in lease assets due to lease modifications	$ (74)	$ 150	$ 1,787	$ 98
Non-cash net change in lease liability due to lease modifications	$ 74	$ (791)	$ (1,669)	$ (739)

Weighted average remaining lease term and discount rate as of September 30, 2025 and December 31, 2024 were as follows:

	As of	
	September 30, 2025	**December 31, 2024**
Weighted average remaining lease term, in years	3.5	3.0
Weighted average discount rate	6.6 %	8.1 %

As of September 30, 2025, operating lease liabilities will mature as follows:

	Lease Payments (in thousands)
2025 (excluding nine months ended September 30, 2025)	$ 1,444
2026	5,106
2027	4,189
2028	1,978
2029	1,462
Thereafter	1,065
Total lease payments	**15,244**
Less: imputed interest	(1,596)
Total	**$ 13,648**

There were no lease agreements signed with related parties as of September 30, 2025 and December 31, 2024.

As of September 30, 2025, the Company had committed to payments of $5.2 million related to an operating lease agreements that had not yet commenced. These operating leases will commence on various dates during the fourth quarter of 2025 with lease terms ranging from 4.7 to 5.2 years. The Company does not have finance lease agreements that had not yet commenced.

Note 10 — Income taxes

The Company recorded income tax expense of $1.9 million and $1.3 million for the three months ended September 30, 2025 and 2024, respectively. The Company's effective tax rate was 62.3% and 23.6% for the third quarter of 2025 and 2024, respectively. The change in the effective tax rate was primarily attributable to higher non-deductible executive compensation in the current period. On a year-to-date basis, the Company recorded income tax expense of $3.5 million and $5.8 million for 2025 and 2024, respectively. The Company's effective tax rate was 27.4% and 109.1% during the nine months ended September 30, 2025 and 2024, respectively. The change in the effective tax rate for the nine months ended September 30, 2025, as compared to the same periods in 2024, was attributable mainly to the income tax benefit related to equity compensation and the change in pre-tax income.

For the three and nine months ended September 30, 2024, the Company used a discrete effective tax rate method to calculate income taxes due to sensitivity of the forecast. Through September 30, 2024, the Company determined that small changes in the estimated "ordinary" income would result in significant changes in the estimated annual effective tax rate causing material distortion in the year-to-date tax provision.

As of September 30, 2025, the Company determined that it can reliably estimate full-year ordinary income and income tax expense. Therefore, for the nine months ended September 30, 2025, the income tax expense was calculated by applying the estimated annual effective tax rate to the Company's year-to-date pre-tax income taking into account discrete items.

On July 4, 2025, the "One Big Beautiful Bill Act" (the "Act") was enacted into law. The Act includes certain changes to the U.S. tax law applicable to Grid Dynamics beginning in the third quarter. These changes include provisions allowing accelerated tax deductions for qualified property and research expenditures, including immediate expensing for qualifying domestic research expenditures. As of September 30, 2025, the Company anticipates availing itself of immediate expensing for qualifying domestic research expenditures incurred during the year, which we do not expect to have a material effect on the Company's financial results. The Company is in the process of evaluating the impact of the remaining provisions promulgated by the Act on its financial statements but does not anticipate them having a material effect.

Note 11 — Stock-based compensation

Employee stock-based compensation cost recognized in the unaudited condensed consolidated statements of income/(loss) was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Cost of revenues	$ 529	$ 525	$ 1,663	$ 1,517
Engineering, research, and development	560	751	2,372	2,842
Sales and marketing	939	1,248	3,885	4,246
General and administrative	4,328	4,615	15,896	17,364
Total stock-based compensation	**$ 6,356**	**$ 7,139**	**$ 23,816**	**$ 25,969**

Stock Options

2018 Stock Plan

Stock option activity under the Company's 2018 Stock Plan is set forth below:

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value (in thousands)	Weighted Average Contractual Term (in years)
Options outstanding as of January 1, 2025	**1,285,930**	**$ 3.54**	**$ 24,047**	
Options exercised	(45,405)	$ 3.54		
Options outstanding as of September 30, 2025	**1,240,525**	**$ 3.54**	**$ 5,173**	**3.2**
Options vested and exercisable as of September 30, 2025	1,240,525	$ 3.54	$ 5,173	3.2

As of September 30, 2025, the Company fully recognized stock-based compensation costs related to 2018 Stock Plan options.

2020 Equity Incentive Plan

As of September 30, 2025, 3.0 million shares were available for grant under 2020 Equity Incentive Plan ("2020 Plan").

Stock option activity under the Company's 2020 Plan is set forth below:

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value (in thousands)	Weighted Average Contractual Term (in years)
Options outstanding as of January 1, 2025	**2,748,391**	**$ 12.75**	**$ 26,881**	
Options exercised	(45,172)	$ 10.68		
Options forfeited	(66,505)	$ 13.34		
Options expired	(67,957)	$ 16.76		
Options outstanding as of September 30, 2025	**2,568,757**	**$ 12.67**	**$ 25**	**5.5**
Options vested and exercisable as of September 30, 2025	2,206,291	$ 12.56	$ 25	5.2

The Company elected the policy to account for forfeitures upon occurrence. The total unrecognized compensation expenses related to 2020 Stock Plan options as of September 30, 2025 were $2.1 million to be expensed on a straight-line basis over the remaining 1.3 years.

Restricted Stock Units ("RSUs")

RSUs granted do not participate in earnings or dividends, and do not have voting rights until vested.

The following table summarizes activity of the Company's RSUs for the nine months ended September 30, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested awards as of January 1, 2025	**1,795,865**	**$ 13.39**
Awards granted	286,675	$ 21.57
Awards vested and released	(767,101)	$ 13.15
Awards forfeited	(38,728)	$ 14.87
Unvested awards as of September 30, 2025	**1,276,711**	**$ 15.33**

The total unrecognized compensation expenses related to 2020 Stock Plan RSUs as of September 30, 2025 were $16.0 million to be expensed on a straight-line basis over 1.9 years.

Performance Stock Units ("PSUs")

The following table summarizes activity of the Company's PSUs for the nine months ended September 30, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested awards as of January 1, 2025(1)	**2,171,376**	**$ 13.28**
Awards granted	47,000	$ 26.14
Performance achievement adjustment	472,570	$ 15.06
Modifier adjustments	204,414	$ 13.72
Awards vested and released	(1,104,064)	$ 11.96
Awards forfeited	(15,312)	$ 14.15
Unvested awards as of September 30, 2025(2)	**1,775,984**	**$ 14.96**

(1) Reported at the estimated performance adjustment of 208% of the first tranche granted in 2024 and 100% for the remaining tranches.
(2) Reported at the estimated performance achievement of 186% and 100% for the second and third tranches of the target shares granted in 2024 and 2025, respectively.

The total estimated unrecognized compensation expenses related to 2020 Stock Plan PSUs as of September 30, 2025 were $7.7 million to be expensed over 0.7 years.

Note 12 — Earnings/(loss) per share

The following table sets forth the computation of basic and diluted earnings/(loss) per share as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands, except per share data)			
Numerator for basic and diluted income/(loss) per share				
Net income/(loss)	$ 1,177	$ 4,282	$ 9,362	$ (483)
Denominator:				
Weighted-average shares outstanding – basic	84,695	76,697	84,467	76,485
Net effect of dilutive stock options and restricted stock units	1,144	2,140	2,273	—
Weighted-average shares outstanding – diluted	85,839	78,837	86,740	76,485
Income/(loss) per share				
Basic	$ 0.01	$ 0.06	$ 0.11	$ (0.01)
Diluted	$ 0.01	$ 0.05	$ 0.11	$ (0.01)

The following table represents the number of share equivalents outstanding during the period that were excluded from the calculation of diluted net income/(loss) per share attributable to common stockholders because including them would have had an anti-dilutive effect.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Stock options to purchase common stock	1,637	1,865	1,403	4,497
Restricted stock units	1,195	4	217	1,790
Performance stock units	603	—	593	2,056
Total	**3,435**	**1,869**	**2,213**	**8,343**

Note 13 — Segment and geographic information

Operating segments are components of the Company for which separate financial information is available and is regularly reviewed and evaluated by the chief operating decision maker ("CODM") to assess performance of each operating segment and to allocate resources. The Company's CODM is the Chief Executive Officer ("CEO").

The Company operates as a single operating segment engaged in delivery of various software development and hosting services to customers across its five main industry-based verticals: Retail, Finance, TMT, CPG/Manufacturing, and Healthcare and Pharma. The Company derives revenues from multiple locations; however, North America continues to be its main sales market.

The Company's determination that it operates as a single segment is based on the financial information regularly reviewed by the CODM. The CODM assesses core operating performance and allocates operating and capital resources of the Company based on gross profit, income/(loss) from operations and net income/(loss) that are also reported on the unaudited condensed consolidated statements of income/(loss). All three metrics are used to analyze budget-to-actual variances on a monthly and quarterly basis and to decide on the allocation of operating and capital resources to a single segment or new acquisitions. Additionally, the CODM reviews operating expenses, including cost of revenues, engineering, research, and development, sales and marketing, general and administrative expenses and trade receivables at the consolidated level to manage the Company's operations. The Company does not generate, analyze and evaluate any discrete financial information for individual verticals or sales markets as of the reporting date. The CODM does not evaluate operating performance using asset or liability information.

Geographic Information

The following table presents revenues by customer location for the three and nine months ended September 30, 2025 and 2024. The Company attributes customers to respective countries based upon the location of the customer served.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
United States	$ 71,925	$ 72,953	$ 215,607	$ 205,430
United Kingdom	11,715	4,052	33,536	13,762
Poland	3,650	997	10,542	2,724
India	3,955	901	9,512	1,613
Other	12,918	8,532	36,476	26,760
Total Revenues	**$ 104,163**	**$ 87,435**	**$ 305,673**	**$ 250,289**

Long-lived assets include property and equipment, net of accumulated depreciation and amortization. Physical locations and values of the Company's long-lived assets are summarized below:

	As of	
	September 30, 2025	December 31, 2024
	(in thousands)	
Poland	$ 5,134	$ 3,010
Serbia	2,441	2,350
Ukraine	2,101	2,067
United States	1,565	2,101
Moldova	1,291	808
Armenia	1,233	981
Other	3,386	2,701
Total	**$ 17,151**	**$ 14,018**

Note 14 — Commitments and contingencies

Legal Matters

The Company is subject to legal proceedings and claims that arise in the ordinary course of its business. Management evaluates each claim and provides for potential loss when the claim is probable to be paid and reasonably estimable. While adverse decisions in certain of these litigation matters, claims and administrative proceedings could have a material effect on a particular period's results of operations, subject to the uncertainties inherent in estimating future costs for contingent liabilities, management believes that any future accruals with respect to these currently known contingencies would not have a material effect on the financial condition, liquidity or cash flows of the Company. There were no material amounts required to be reflected in these unaudited condensed consolidated financial statements related to contingencies.

Note 15 — Subsequent events

The Company performed its subsequent event procedures through October 30, 2025, the date these unaudited condensed consolidated financial statements were issued.

On October 23, 2025, the Board of Directors authorized a share repurchase program of up to $50.0 million of the Company's common stock. The common stock may be repurchased at prices that the Company deems appropriate and subject to market conditions, applicable law and other factors deemed relevant in the Company's sole discretion. Such repurchases may be effected through open market purchases, privately negotiated transactions or otherwise, including repurchase plans that satisfy the conditions of Rule 10b5-1 under the Securities Exchange Act of 1934. The stock repurchase program has no termination date, may be suspended or discontinued at any time and does not obligate the Company to repurchase any dollar amount or number of shares. No repurchases have been made under this program as of the date these financial statements were issued.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

The following discussion and analysis of the financial condition and results of operations of Grid Dynamics Holdings, Inc. should be read in conjunction with the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended December 31, 2024 included in the Company's Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission ("SEC") on February 27, 2025.

The statements contained in this Quarterly Report on Form 10-Q that are not historical facts are forward-looking statements (within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act) that involve risks and uncertainties. Such forward-looking statements may be identified by, among other things, the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seek," "intends," "plans," "estimates," "projects," "anticipates," or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. Actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in the section titled "Cautionary Note Regarding Forward Looking Statements," included elsewhere in this Quarterly Report on Form 10-Q, and the section titled "Risk Factors" in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 and in our Annual Report on Form 10-K.

Overview

Grid Dynamics Holdings, Inc. ("Grid Dynamics," "GDH," the "Company," "we," "us," or "our") is a leading provider of technology consulting, platform and product engineering, and advanced analytics services. As a forefront provider of technology consulting, platform and product engineering services, and bespoke software development, we draw from over eight years of leadership in enterprise artificial intelligence ("AI"), coupled with profound expertise in cloud, data, and advanced analytics. Our commitment to engineering excellence, R&D leadership, a co-innovation ethos, globally efficient "Follow-the-Sun" delivery model, and an unwavering "whatever it takes" dedication to client success empower us to solve even the most complex enterprise challenges, ensuring profitable business outcomes and future-proof growth.

Established in 2006 and headquartered in Silicon Valley, Grid Dynamics partners with clients ranging from innovative start-ups to the largest companies in the world. Grid Dynamics believes the key to its success is a culture encouraging an unwavering "whatever it takes" dedication that puts client success over contract terms, products over projects, and real business results over pure technical innovation. With our proprietary processes optimized for innovation, emphasis on talent development, and technical expertise, we believe Grid Dynamics is well-positioned for continued success.

The following table sets forth a summary of Grid Dynamics' financial results for the periods indicated:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025		2024		2025		2024	
	(in thousands, except per share data and percentages)							
Revenues	$ 104,163	100.0 %	$ 87,435	100.0 %	$ 305,673	100.0 %	$ 250,289	100.0 %
Gross profit	$ 34,711	33.3 %	$ 32,729	37.4 %	$ 106,211	34.7 %	$ 89,957	35.9 %
(Loss)/income from operations	$ (241)	(0.2)%	$ 2,136	2.4 %	$ (2,401)	(0.8)%	$ (3,366)	(1.3)%
Net income/(loss)	$ 1,177	1.1 %	$ 4,282	4.9 %	$ 9,362	3.1 %	$ (483)	(0.2)%
Diluted net income/(loss) per share	$ 0.01	n/a	$ 0.05	n/a	$ 0.11	n/a	$ (0.01)	n/a
Non-GAAP Financial Information[(1)]								
Non-GAAP EBITDA[(1)]	$ 12,696	12.2 %	$ 14,813	16.9 %	$ 40,050	13.1 %	$ 36,839	14.7 %
Non-GAAP net income[(1)]	$ 8,150	7.8 %	$ 10,828	12.4 %	$ 26,395	8.6 %	$ 26,938	10.8 %
Non-GAAP diluted EPS[(1)]	$ 0.09	n/a	$ 0.14	n/a	$ 0.30	n/a	$ 0.34	n/a

(1) Non-GAAP EBITDA, Non-GAAP net income and Non-GAAP diluted EPS are non-GAAP financial measures. See *"Non-GAAP Measures"* below for additional information and reconciliations to the most directly comparable GAAP financial measures.

Quarterly Highlights

Our key metrics for the three months ended September 30, 2025 are presented below:

- Our revenues were $104.2 million, representing an increase of 19.1% on a year-over-year basis.
- Our net income was $1.2 million, compared to $4.3 million in the prior-year quarter, primarily reflecting higher cost of revenues.
- Our non-GAAP EBITDA totaled $12.7 million, or 12.2% of revenues for the quarter, compared to $14.8 million, or 16.9% of revenues in the corresponding period of 2024.

The results in any period are not necessarily indicative of the results that may be expected for any future period.

Business Update Regarding Military Action in Ukraine

In 2022, Russian forces launched a significant military action against Ukraine, with increased attacks and other activity in recent periods. The impact on Ukraine, coupled with the actions taken by other countries, including sanctions imposed by the U.S., Canada, the U.K., the European Union, and other countries, companies and organizations against officials, individuals, regions, and industries in Russia and certain regions of Ukraine, and each country's potential response to such sanctions, tensions, and military actions could have a material adverse effect on our operations. For example, Russia could attempt to take control of assets in Ukraine belonging to companies registered in the U.S., such as Grid Dynamics. Any such material adverse effect from the conflict and enhanced sanctions activity may disrupt our delivery of services, impair our ability to complete financial or banking transactions, cause us to continue to shift all or portions of our work occurring in the region to other countries, and may restrict our ability to engage in certain projects in the region or involving certain customers in the region.

We continue to actively monitor the security of our personnel and the stability of our infrastructure, including communications and internet availability. We executed our business continuity plan and have adapted to developments as they occur to protect the safety of our people and handle potential impacts to our delivery infrastructure. We continue to actively work with our personnel and with our customers to meet their needs and to ensure smooth delivery of services.

We have no way to predict the progress or outcome of the military action in Ukraine, its continued escalation or the chance and terms of any possible peaceful or other resolution of the war, as the conflict and government responses continue to develop and are beyond our control. Continued unrest, military activities, expansion of hostilities, or broad-based sanctions could have a material adverse effect on our operations and business outlook. For example, if Russia were to invade other countries, such as Moldova, it could adversely affect our business. In addition, the current geopolitical situations in Armenia, Serbia and elsewhere in Eastern Europe create additional uncertainty in the region, and could adversely affect our business.

Key Performance Indicators and Other Factors Affecting Performance

Grid Dynamics uses the following key performance indicators and assesses the following factors, among others, to analyze its business performance, to make budgets and financial forecasts and to develop strategic plans:

Employees by Region

Attracting and retaining the right employees in the right regions is critical to the success of Grid Dynamics' business and is a key factor in Grid Dynamics' ability to meet customers' needs and grow its revenue base. Grid Dynamics' revenue prospects and long-term success depend significantly on its ability to recruit and retain qualified IT professionals. We seek to employ the appropriate professionals globally to support our "Follow-the-Sun" strategy of client service and in locations to optimize our employee costs and expenses. A substantial majority of Grid Dynamics' personnel is comprised of such IT professionals.

The following table shows the number of Grid Dynamics personnel (including full-time and part-time employees and contractors serving in similar capacities) by region, as of the dates indicated:

	As of September 30,	
	2025	**2024**
Americas(1)	835	543
Europe(2)	3,227	3,042
Rest of the world(3)	909	713
Total	**4,971**	**4,298**

(1) Americas includes personnel located in North, Central and South America.
(2) Europe includes personnel located in Western, Central and Eastern Europe.
(3) Rest of the world includes personnel located in India and other countries not included in regions described above.

Attrition

There is significant competition for IT professionals in the regions in which Grid Dynamics operates, and such competition may adversely impact Grid Dynamics' business and gross profit margins. Employee retention is one of Grid Dynamics' main priorities and is a key driver of our operational efficiency. Grid Dynamics seeks to retain top talent by providing the opportunity to work on exciting, cutting-edge projects for high profile clients, a flexible work environment and training and development programs.

Hours and Utilization

As most of Grid Dynamics' customer projects are performed and invoiced on a time and materials basis, Grid Dynamics' management tracks and projects billable hours as an indicator of business volume and corresponding resource needs for IT professionals. To maintain its gross profit margins, Grid Dynamics must effectively utilize its IT professionals, which depends on its ability to integrate and train new personnel, to efficiently transition personnel from completed projects to new assignments, to forecast customer demand for services and to attract and deploy personnel in the right regions with appropriate skills and seniority to projects. Grid Dynamics' management generally tracks utilization with respect to subsets of employees, by location or by project, and calculates the utilization rate for each subset by dividing (x) the aggregate number of billable hours for a period by (y) the aggregate number of total available hours for the same period. Grid Dynamics' management analyzes and projects utilization to measure the efficiency of its workforce and to inform management's budget and personnel decisions.

Customer Concentration

Grid Dynamics' ability to retain and expand its relationships with existing customers and add new customers are key indicators of its revenue potential. New customers have a direct impact on the Company's ability to diversify sources of revenue and replace customers that may no longer require its services. The total number of customers for the nine months ended September 30, 2025 was 222 customers, a small decrease from 229 a year ago.

Grid Dynamics has a relatively high level of revenue concentration with certain customers and constantly works toward decreasing those levels. During each of the three and nine months ended September 30, 2025 and 2024, one customer accounted for 10% or more of Grid Dynamics' revenues. The Company expects to continue its focus on maintaining long-term relationships with customers while diversifying its customer base.

The following table presents revenue concentration by amount and as a percentage of Grid Dynamics' revenues for the periods indicated:

	Three Months Ended September 30,					
	2025			2024		
	(in thousands, except percentages)					
Top one customer	$	17,108	16.4 %	$	14,973	17.1 %
Top five customers	$	41,755	40.1 %	$	34,825	39.8 %
Top ten customers	$	60,773	58.3 %	$	51,797	59.2 %
Top twenty customers	$	78,383	75.3 %	$	64,448	73.7 %
Customers below top twenty	$	25,780	24.7 %	$	22,987	26.3 %

	Nine Months Ended September 30,					
	2025			2024		
	(in thousands, except percentages)					
Top one customer	$	46,645	15.3 %	$	42,157	16.8 %
Top five customers	$	114,960	37.6 %	$	98,213	39.2 %
Top ten customers	$	175,490	57.4 %	$	141,616	56.6 %
Top twenty customers	$	223,559	73.1 %	$	177,954	71.1 %
Customers below top twenty	$	82,114	26.9 %	$	72,335	28.9 %

Results of Operations

The three and nine months ended September 30, 2025 compared to the three and nine months ended September 30, 2024

The following table sets forth a summary of Grid Dynamics' consolidated results of operations for the periods indicated, and the changes between periods:

	Three Months Ended September 30,		Change	
	2025	2024	Dollars	Percentage
	(in thousands, except percentages)			
Revenues	**$ 104,163**	**$ 87,435**	**$ 16,728**	**19.1 %**
Cost of revenues	69,452	54,706	14,746	27.0 %
Gross profit	**34,711**	**32,729**	**1,982**	**6.1 %**
Engineering, research, and development	5,759	4,446	1,313	29.5 %
Sales and marketing	7,339	6,817	522	7.7 %
General and administrative	21,854	19,330	2,524	13.1 %
Total operating expense	34,952	30,593	4,359	14.2 %
(Loss)/income from operations	**(241)**	**2,136**	**(2,377)**	**(111.3)%**
Other income, net	3,364	3,466	(102)	(2.9)%
Income before income tax	**3,123**	**5,602**	**(2,479)**	**(44.3)%**
Provision for income taxes	1,946	1,320	626	47.4 %
Net income	**$ 1,177**	**$ 4,282**	**$ (3,105)**	**(72.5)%**

	Nine Months Ended September 30,		Change	
	2025	2024	Dollars	Percentage
	(in thousands, except percentages)			
Revenues	**$ 305,673**	**$ 250,289**	**$ 55,384**	**22.1 %**
Cost of revenues	199,462	160,332	39,130	24.4 %
Gross profit	**106,211**	**89,957**	**16,254**	**18.1 %**
Engineering, research, and development	18,989	12,945	6,044	46.7 %
Sales and marketing	22,712	21,395	1,317	6.2 %
General and administrative	66,911	58,983	7,928	13.4 %
Total operating expense	108,612	93,323	15,289	16.4 %
Loss from operations	**(2,401)**	**(3,366)**	**965**	**(28.7)%**
Other income, net	15,294	8,656	6,638	76.7 %
Income before income tax	**12,893**	**5,290**	**7,603**	**143.7 %**
Provision for income taxes	3,531	5,773	(2,242)	(38.8) %
Net income/(loss)	**$ 9,362**	**$ (483)**	**$ 9,845**	**n.m.**

Revenues

Our total revenues grew by 19.1% and 22.1% on a quarterly and year-to-date basis, reaching $104.2 million and $305.7 million for the three and nine months ended September 30, 2025, respectively. Our growth reflected the continued diversification of our customer base across multiple verticals and the benefit of strategic acquisitions completed during 2024.

Revenues by Verticals. We assign our customers into one of our five main vertical markets or a group of various industries where we seek to increase our presence, which we label as “Verticals”. The following table presents our revenues by vertical and revenues as a percentage of total revenues for the periods indicated:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025		2024		2025		2024	
	(in thousands, except percentages)							
Retail	$ 28,951	27.8 %	$ 29,825	34.1 %	$ 90,029	29.5 %	$ 81,233	32.5 %
Technology, Media and Telecom	28,579	27.4 %	24,188	27.7 %	77,369	25.3 %	71,449	28.5 %
Finance	25,623	24.6 %	14,158	16.2 %	76,037	24.9 %	36,967	14.8 %
CPG/Manufacturing	10,912	10.5 %	9,807	11.2 %	32,287	10.6 %	29,209	11.7 %
Healthcare and Pharma	2,422	2.3 %	2,510	2.9 %	7,383	2.4 %	8,677	3.5 %
Other	7,676	7.4 %	6,947	7.9 %	22,568	7.3 %	22,754	9.0 %
Total	**$ 104,163**	**100.0 %**	**$ 87,435**	**100.0 %**	**$ 305,673**	**100.0 %**	**$ 250,289**	**100.0 %**

Retail continued to represent our largest vertical, contributing 27.8% and 29.5% of total revenues for the three and nine months ended September 30, 2025, respectively. Retail revenues declined by 2.9% year-over-year during the third quarter and achieved 10.8% growth on a year-to-date basis, reaching $29.0 million and $90.0 million, respectively, compared to $29.8 million and $81.2 million for the corresponding periods in 2024. The year-over-year decline reflected lower activity from a number of large customers, some of whom have since returned to growth. The year-to-date growth was primarily driven by increased demand from specialty retail customers and new customer engagements.

During the third quarter of 2025, the Technology, Media and Telecom (“TMT”) vertical surpassed Finance for the first time since the fourth quarter of 2024, becoming our second largest vertical. TMT revenues increased 18.2% on a quarterly and 8.3% on a year-to-date basis, reaching $28.6 million for the third quarter and $77.4 million for the nine months ended September 30, 2025. Growth was primarily attributable to higher demand from our largest technology customers.

Our Finance vertical continued to deliver strong results, contributing 24.6% and 24.9% of total revenues for the three and nine months ended September 30, 2025, respectively. Third-quarter revenues increased to $25.6 million, up from $14.2 million in the prior-year period. On a year-to-date basis, the Finance vertical grew by $39.1 million, reaching $76.0 million. Growth was driven by continued strong demand from fintech customers, along with contributions from our 2024 acquisitions.

Revenues from the CPG and Manufacturing vertical increased 11.3% year-over-year to $10.9 million in the third quarter of 2025, compared to $9.8 million in the prior-year period. On a year-to-date basis, revenues increased 10.5% to $32.3 million, up from $29.2 million in corresponding period of 2024. Growth in this vertical was primarily attributable to contributions from our 2024 acquisitions.

The Healthcare and Pharma vertical generated $2.4 million and $7.4 million of revenues for the three and nine months ended September 30, 2025, representing 2.3% and 2.4% of total revenues, respectively. This compares to $2.5 million and $8.7 million, or 2.9% and 3.5% of total revenues, for the corresponding periods of 2024.

Lastly, the Other vertical grew 10.5% on a quarterly basis and remained flat in absolute dollars on a year-to-date basis. The year-over-year increase primarily reflects increased demand from customers in delivery and service providers sectors. The Other vertical contributed 7.4% and 7.3% of total revenues for the three and nine months ended September 30, 2025, compared to 7.9% and 9.0% in the same periods of 2024.

Cost of Revenues and Gross Margin

Our cost of revenues consists primarily of salaries and employee benefits, including performance bonuses and stock-based compensation, and project-related travel expenses of client-serving professionals. Cost of revenues also includes depreciation and amortization expenses related to client-serving activities.

Cost of revenues was $69.5 million for the three months ended September 30, 2025, an increase of $14.7 million, or 27.0%, compared to $54.7 million in the same period of 2024. For the nine months ended September 30, 2025, cost of revenues increased by $39.1 million, or 24.4%, reaching $199.5 million, compared to the prior-year period. The increase in cost of revenues reflected our continued investment in delivery to support growing customer demand.

Gross profit increased to $34.7 million for the third quarter of 2025, up 6.1% from the same period in 2024. On a year-to-date basis, gross profit grew 18.1% to $106.2 million for the nine months ended September 30, 2025 from $90.0 million in the prior-year period. Expressed as a percentage of revenues, gross margin declined to 33.3% and 34.7% for the three and nine months ended September 30, 2025, respectively, compared to 37.4% and 35.9% in the corresponding periods of 2024. While gross profit increased year-over-year in absolute terms, gross margins declined due to higher cost structures across key delivery locations and adverse foreign exchange impacts.

Engineering, Research and Development

The principal components of engineering, research and development expenses are salaries and employee benefits, including performance bonuses and stock-based compensation for personnel engaged in the design and development of solutions, as well as depreciation and amortization expenses related to engineering, research and development activities.

Our engineering, research, and development expenses increased 29.5% and 46.7% for the three and nine months ended September 30, 2025, respectively, reaching $5.8 million in the third quarter and $19.0 million for the nine-month period. The increase primarily reflected our continued investments in customer delivery capabilities and internally developed software, including AI technologies, aimed at enhancing our scalability, operational efficiency and long-term competitiveness.

Sales and Marketing

Sales and marketing expenses represent spending associated with promoting and selling our services. These expenses are comprised of personnel costs, including performance bonuses and stock-based compensation, marketing events, and travel expenses, as well as depreciation and amortization expenses related to such activities.

Our sales and marketing expenses increased 7.7% and 6.2% for the three and nine months ended September 30, 2025, respectively, reaching $7.3 million and $22.7 million for the current-year periods, respectively, compared to $6.8 million and $21.4 million in corresponding periods of 2024. Despite the increase in absolute dollars, sales and marketing expenses, expressed as a percentage of revenues, decreased to 7.0% and 7.4% for the three and nine months ended September 30, 2025, respectively, compared to 7.8% and 8.5% in the corresponding periods of 2024. The decline as a percentage of revenues primarily reflected operating leverage achieved through revenue growth and cost optimization initiatives of sales and business-development functions.

General and Administrative

General and administrative expenses include costs to support the business and consist primarily of administrative personnel and officers' salaries, employee benefits including performance bonuses, stock-based compensation, legal and audit expenses, insurance, operating lease expenses of office premises and other facility costs, workforce global mobility initiatives, restructuring and employee relocation costs not directly related to customer projects, and depreciation and amortization expenses related to such activities. General and administrative expenses include a substantial majority of Grid Dynamics' stock-based compensation costs for the financial periods discussed herein.

General and administrative expenses increased 13.1% to $21.9 million for the three months ended September 30, 2025, compared to $19.3 million in the prior-year period. For the nine months ended September 30, 2025, general and administrative expenses totaled $66.9 million, up 13.4% from $59.0 million in the same period of 2024. The increase was primarily driven by higher costs associated with our 2024 acquisitions, including increased compensation, depreciation, amortization, and other acquisition-related costs. This increase was partially offset by a reduction in stock-based compensation expenses.

Expressed as a percentage of revenues, general and administrative expenses continued to decrease, reaching 21.0% and 21.9% for the three and nine months September 30, 2025, respectively, compared to 22.1% and 23.6% for the corresponding periods in 2024, reflecting cost optimization across various corporate functions.

Other Income, Net

Other income, net represents interest earned on our cash and cash equivalents, including money market funds, interest expense related to our borrowings, and foreign exchange gains and losses as well as changes in the fair value of contingent consideration and investments in equity securities.

Other income, net remained relatively flat in absolute dollars on a quarterly basis. During the nine months ended September 30, 2025, other income, net, almost doubled reaching $15.3 million, compared to $8.7 million in the prior-year period. The increase in other income, net on a year-to-date basis was primarily driven by the remeasurement of acquisition-related contingent consideration liabilities, partially offset by foreign currency headwinds.

Provision for Income Tax

Grid Dynamics follows the asset and liability method of accounting for income taxes. The provision for income taxes reflects income earned and taxed in the various U.S. federal and state and non-U.S. jurisdictions. Jurisdictional tax law changes, increases or decreases in permanent differences between book and tax items, accruals or adjustments of accruals for tax contingencies or valuation allowances, and the change in the mix of earnings from these taxing jurisdictions all affect the overall effective tax rate.

During the three months ended September 30, 2025, we recognized income tax expense of $1.9 million, compared to $1.3 million in the same period of 2024. The increase was primarily attributable to higher non-deductible executive compensation in the current period. During the nine months ended September 30, 2025, we recognized income tax expense of $3.5 million, compared to $5.8 million in the same period of 2024. The decrease in the tax provision was attributable mainly to the income tax benefit related to equity compensation.

Non-GAAP Measures

To supplement Grid Dynamics' consolidated financial data presented on a basis consistent with U.S. GAAP, this Quarterly Report contains certain non-GAAP financial measures, including Non-GAAP EBITDA, Non-GAAP net income and Non-GAAP diluted earnings per share, or EPS. Grid Dynamics has included these non-GAAP financial measures because they are financial measures used by Grid Dynamics' management to evaluate Grid Dynamics' core operating performance and trends, to make strategic decisions regarding the allocation of capital and new investments and are among the factors analyzed in making performance-based compensation decisions for key personnel. These measures exclude certain expenses that are required under U.S. GAAP. Grid Dynamics excludes these items because they are not part of core operations or, in the case of stock-based compensation, non-cash expenses that are determined based in part on Grid Dynamics' underlying performance.

Grid Dynamics believes these supplemental performance measurements are useful in evaluating operating performance, as they are similar to measures reported by its public industry peers and those regularly used by security analysts, investors and other interested parties in analyzing operating performance and prospects. These non-GAAP financial measures are not intended to be a substitute for any GAAP financial measures and, as calculated, may not be comparable to other similarly titled measures of performance of other companies in other industries or within the same industry.

There are significant limitations associated with the use of non-GAAP financial measures. Further, these measures may differ from the non-GAAP information, even where similarly titled, used by other companies and therefore should not be used to compare our performance to that of other companies. Grid Dynamics compensates for these limitations by providing investors and other users of its financial information a reconciliation of non-GAAP measures to the related GAAP financial measures.

Grid Dynamics encourages investors and others to review its financial information in its entirety, not to rely on any single financial measure and to view its non-GAAP measures in conjunction with GAAP financial measures.

Grid Dynamics defines and calculates its non-GAAP financial measures as follows:

- ***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 long-lived assets, restructuring costs, one-time charges, and non-operating income/(expenses), net (which includes mainly foreign currency transaction gains and losses, fair value adjustments and other miscellaneous expenses).

- ***Non-GAAP net income***: Net income/(loss) 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 long-lived assets, restructuring costs, one-time charges, and non-operating income/(expenses), net (which includes mainly foreign currency transaction gains and losses, fair value adjustments and other miscellaneous expenses), and the tax impacts of these adjustments.

- ***Non-GAAP diluted EPS***: Non-GAAP net income, divided by the diluted weighted-average number of diluted shares outstanding for the period.

The following table presents the reconciliation of Grid Dynamics' Non-GAAP EBITDA to its GAAP net income, the most directly comparable GAAP measure, for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
GAAP net income/(loss)	**$ 1,177**	**$ 4,282**	**$ 9,362**	**$ (483)**
Adjusted for:				
Depreciation and amortization	5,010	3,424	14,629	9,579
Provision for income taxes	1,946	1,320	3,531	5,773
Stock-based compensation	6,356	7,139	23,816	25,969
Transaction and transformation-related costs (1)	348	1,571	1,109	2,238
Geographic reorganization (2)	310	316	1,121	1,262
Restructuring costs (3)	913	227	1,776	1,157
Interest and other income, net (4)	(3,364)	(3,466)	(15,294)	(8,656)
Non-GAAP EBITDA	**$ 12,696**	**$ 14,813**	**$ 40,050**	**$ 36,839**

(1) Transaction and transformation-related costs include, when applicable, external deal costs, transaction-related professional fees, transaction-related retention bonuses, which are allocated proportionally across cost of revenues, engineering, research and development, sales and marketing and general and administrative expenses as well as other transaction-related costs including integration expenses consisting of outside professional and consulting services.

(2) Geographic reorganization includes expenses connected with military actions of Russia against Ukraine and the exit plan announced by the Company and includes travel and relocation-related expenses of employees from the aforementioned countries, severance payments, allowances as well as legal and professional fees related to geographic repositioning in various locations. These expenses are incremental to those expenses incurred prior to the crisis, clearly separable from normal operations, and not expected to recur once the crisis has subsided and operations return to normal.

(3) Our restructuring costs are comprised of severance charges and respective taxes, and are included in General and administrative expenses in the Company's unaudited condensed consolidated statements of income/(loss).

(4) Interest and other income, net consist primarily of gains and losses on foreign currency transactions, fair value adjustments, interest on cash held at banks and returns on investments in money-market funds, and other miscellaneous non-operating expenses.

The following table presents a reconciliation of Grid Dynamics' Non-GAAP diluted EPS and its Non-GAAP net income to its GAAP net income for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
	(in thousands, except per share data)			
GAAP net income/(loss)	**$ 1,177**	**$ 4,282**	**$ 9,362**	**$ (483)**
Adjusted for:				
Stock-based compensation	6,356	7,139	23,816	25,969
Transaction and transformation-related costs (1)	348	1,571	1,109	2,238
Geographic reorganization (2)	310	316	1,121	1,262
Restructuring costs (3)	913	227	1,776	1,157
Other (income)/expense, net (4)	(327)	(657)	(5,985)	(593)
Tax impact of non-GAAP adjustments (5)	(627)	(2,050)	(4,804)	(2,612)
Non-GAAP net income	**$ 8,150**	**$ 10,828**	**$ 26,395**	**$ 26,938**
Number of shares used in the GAAP diluted EPS	85,839	78,837	86,740	76,485
GAAP diluted EPS	**$ 0.01**	**$ 0.05**	**$ 0.11**	**$ (0.01)**
Number of shares used in the Non-GAAP diluted EPS	85,839	78,837	86,740	78,301
Non-GAAP diluted EPS	**$ 0.09**	**$ 0.14**	**$ 0.30**	**$ 0.34**

(1) Transaction and transformation-related costs include, when applicable, external deal costs, transaction-related professional fees, transaction-related retention bonuses, which are allocated proportionally across cost of revenues, engineering, research and development, sales and marketing and general and administrative expenses as well as other transaction-related costs including integration expenses consisting of outside professional and consulting services.

(2) Geographic reorganization includes expenses connected with military actions of Russia against Ukraine and the exit plan announced by the Company and includes travel and relocation-related expenses of employees from the aforementioned countries, severance payments, allowances as well as legal and professional fees related to geographic repositioning in various locations. These expenses are incremental to those expenses incurred prior to the crisis, clearly separable from normal operations, and not expected to recur once the crisis has subsided and operations return to normal.

(3) Our restructuring costs are comprised of severance charges and respective taxes, and are included in General and administrative expenses in the Company's unaudited condensed consolidated statements of income/(loss).

(4) Other (income)/expense, net consists primarily of gains and losses on foreign currency transactions, fair value adjustments, and other miscellaneous non-operating income and expense. During the fourth quarter ended December 31, 2024, the Company started to include interest (income)/expense, net in its calculation of non-GAAP net income. As a result, the Company has adjusted previously reported Other expense, net adjustment to include interest income, net of $2.8 million and $8.1 million for the three and nine months ended September 30, 2024, respectively.

(5) Reflects the estimated tax impact of the non-GAAP adjustments presented in the table.

Liquidity and Capital Resources

We measure liquidity in terms of our ability to fund the cash requirements of our business operations, including working capital needs, capital expenditures, contractual obligations, and other commitments with cash flows from operations and other sources of funding. Our current liquidity needs relate mainly to compensation and benefits of our employees and contractors and capital investments to support our growth and geographical expansion. Our ability to expand and grow our business will depend on many factors including our capital expenditure needs and the evolution of our operating cash flows. We may need more cash resources due to changed business conditions or other developments, including investments or acquisitions.

Our principal source of liquidity continues to be cash generated from our operations. From time to time, we seek additional financing by means of follow-on public offerings of our common stock. The latest offering closed on November 14, 2024 and resulted in $107.6 million of net proceeds, after deducting underwriting discounts and commissions. Additionally, we entered into an agreement establishing a revolving credit facility with JPMorgan Chase Bank, N.A., as an administrative agent for the lenders. The revolving credit facility provides us with $30.0 million of available borrowing capacity. On May 20, 2025, the maturity of this facility was extended to March 15, 2028. See Note 7 "Debt" in the notes to our condensed consolidated financial statements in “Part I. Item 1. Financial Statements (Unaudited)” of this Quarterly Report for information regarding our debt.

As of September 30, 2025, Grid Dynamics had cash and cash equivalents amounting to $338.6 million compared to $334.7 million at December 31, 2024. Of these amounts, $40.9 million and $38.6 million, respectively, were held outside the United States, and included Switzerland, the U.K., India, Netherlands, Armenia, Poland, Moldova, and other countries. We did not have any debt outstanding under the revolving credit facility as of September 30, 2025. We believe that our cash and cash equivalents balance, cash generated from operating activities and proceeds from our November 2024 offering will be sufficient to fund currently expected levels of operating, investing and financing expenditures for a period of twelve months from the date of this filing. However, if our resources are insufficient to satisfy our cash requirements, we may need to seek additional equity or debt financing, which may be subject to conditions outside of our control and may not be available on terms acceptable to our management or at all.

See Note 7 “Debt”, Note 9 “Leases” and Note 14 “Commitments and contingencies” in the notes to our condensed consolidated financial statements in “Part I. Item 1. Financial Statements (Unaudited)” of this Quarterly Report for detailed information on our contractual obligations and commitments.

Cash Flows

The following table summarizes Grid Dynamics’ cash flows for the periods indicated:

	Nine Months Ended September 30,	
	2025	**2024**
	(in thousands)	
Net cash provided by operating activities	$ 30,704	$ 23,130
Net cash used in investing activities	$ (11,339)	$ (41,314)
Net cash used in financing activities	$ (17,484)	$ (7,768)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	$ 1,517	$ (14)
Net increase/(decrease) in cash, cash equivalents and restricted cash	**$ 3,398**	**$ (25,966)**
Cash, cash equivalents and restricted cash (beginning of period)	$ 335,155	$ 257,227
Cash, cash equivalents and restricted cash (end of period)	**$ 338,553**	**$ 231,261**

Operating Activities. Net cash provided by operating activities totaled $30.7 million for the nine months ended September 30, 2025, an increase of $7.6 million compared to $23.1 million in the same period of 2024. The improvement was primarily driven by changes in working capital, including timing of employee compensation payments offset by customer collections.

Investing Activities. Net cash used in investing activities was $11.3 million for the nine months ended September 30, 2025, compared to $41.3 million in the prior-year period. The cash outflow in 2025 was primarily related to our capital expenditures and the capitalization of internally developed projects. Net cash used in investing activities during the nine months ended September 30, 2024 primarily reflects the acquisition of JUXT that resulted in the payment of $32.1 million, net of cash acquired.

Financing Activities. Net cash used in financing activities amounted to $17.5 million for the nine months ended September 30, 2025, largely driven by tax withholding obligations related to the issuance of shares in connection with vested equity awards. These obligations were $9.1 million higher as compared to the same period of 2024. Net cash used in financing activities for the nine months ended September 30, 2024 was $7.8 million.

Off-Balance Sheet Arrangements and Commitments

We do not have any material off-balance sheet commitments or contractual arrangements other than those disclosed in Note 9 “Leases” and Note 14 “Commitments and contingencies” of our condensed consolidated financial statements in “Part I. Item 1. Financial Statements (Unaudited)” of this Quarterly Report.

As a result of analysis related to Grid Dynamics’ functional control of its subcontractors, one subcontractor was determined to be a variable interest entity (“VIE”) and is therefore consolidated in Grid Dynamics’ financial statements. The assets and liabilities of this VIE consist primarily of intercompany balances and transactions, all of which have been eliminated in consolidation.

Recently Adopted and Issued Accounting Pronouncements

Recently issued and adopted accounting pronouncements are described in Note 1 to Grid Dynamics' condensed consolidated financial statements in "Part I. Item 1. Financial Statements (Unaudited)" of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Grid Dynamics has in the past and may in the future be exposed to certain market and credit risks in the ordinary course of business, including exposure related to fluctuations in foreign currency rates, and on occasion and to a lesser extent, changes in interest rates and concentration of credit risk. In addition, Grid Dynamics' international operations are subject to risks related to differing economic conditions, changes in political climate, differing tax structures, and other regulations and restrictions. See "Part I. Item 1A. Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for additional information.

Foreign Currency Exchange Rate Risk

Grid Dynamics is exposed to foreign currency exchange transaction risk related to funding its non-US operations and to foreign currency translation risk related to certain of its subsidiaries' cash balances that are denominated in currencies other than the U.S. dollar. In addition, Grid Dynamics' profit margins are subject to volatility as a result of changes in foreign exchange rates. Grid Dynamics' functional currency apart from the U.S. dollar includes Euro, British pounds, Mexican pesos, Moldovan leu, Polish zloty and Indian rupees. When and where possible, Grid Dynamics seeks to match expenses of each entity to currencies in which revenues are generated, creating a natural hedge. In future periods, Grid Dynamics may also become materially exposed to changes in the value of Serbian dinars and Moldovan leu against the U.S. dollar, due to expansion of operations in these countries.

In the three months ended September 30, 2025, approximately 51.8% of Grid Dynamics' $104.4 million combined cost of revenues and total operating expenses were denominated in currencies other than the U.S. dollar. Comparatively, approximately 43.0% of Grid Dynamics' $85.3 million of combined cost of revenues and total operating expenses were denominated in currencies other than the U.S. dollar in the three months ended September 30, 2024.

In the three months ended September 30, 2025:

- a 10% decrease in the value of the Polish zloty against the U.S. dollar would have resulted in a $1.8 million increase in Grid Dynamics' income from operations, while a 10% increase in the zloty's value would have resulted in a $2.1 million decrease in income from operations.

- a 10% decrease in the value of the Indian rupees against the U.S. dollar would have resulted in a $0.6 million increase in Grid Dynamics' income from operations, while a 10% increase in the rupee's value would have resulted in a $0.7 million decrease in income from operations.

- a 10% decrease in the value of the Mexican peso against the U.S. dollar would have resulted in a $0.3 million increase in Grid Dynamics' income from operations, while a 10% increase in the peso's value would have resulted in a $0.4 million decrease in income from operations.

In the three months ended September 30, 2024:

- a 10% decrease in the value of the Polish zloty against the U.S. dollar would have resulted in a $1.5 million increase in Grid Dynamics' income from operations, while a 10% increase in the zloty's value would have resulted in a $1.8 million decrease in income from operations.

- a 10% decrease in the value of the Indian rupees against the U.S. dollar would have resulted in a $0.4 million increase in Grid Dynamics' income from operations, while a 10% increase in the rupee's value would have resulted in a $0.5 million decrease in income from operations.

- a 10% decrease in the value of the Mexican pesos against the U.S. dollar would have resulted in a $0.3 million increase in Grid Dynamics' income from operations, while a 10% increase in the pesos' value would have resulted in a $0.4 million decrease in income from operations.

In the nine months ended September 30, 2025, approximately 49.4% of Grid Dynamics' $308.1 million combined cost of revenues and total operating expenses were denominated in currencies other than the U.S. dollar. Comparatively, approximately 41.2% of Grid Dynamics' $253.7 million of combined cost of revenues and total operating expenses were denominated in currencies other than the U.S. dollar in the nine months ended September 30, 2024.

In the nine months ended September 30, 2025:

- a 10% decrease in the value of the Polish zloty against the U.S. dollar would have resulted in a $4.6 million increase in Grid Dynamics' income from operations, while a 10% increase in the zloty's value would have resulted in a $5.6 million decrease in income from operations.

- a 10% decrease in the value of the Indian rupees against the U.S. dollar would have resulted in a $1.5 million increase in Grid Dynamics' income from operations, while a 10% increase in the rupee's value would have resulted in a $1.8 million decrease in income from operations.

- a 10% decrease in the value of the Mexican peso against the U.S. dollar would have resulted in a $0.9 million increase in Grid Dynamics' income from operations, while a 10% increase in the peso's value would have resulted in a $1.1 million decrease in income from operations.

In the nine months ended September 30, 2024:

- a 10% decrease in the value of the Polish zloty against the U.S. dollar would have resulted in a $4.0 million increase in Grid Dynamics' income from operations, while a 10% increase in the zloty's value would have resulted in a $4.9 million decrease in income from operations.

- a 10% decrease in the value of the Indian rupees against the U.S. dollar would have resulted in a $1.1 million increase in Grid Dynamics' income from operations, while a 10% increase in the rupee's value would have resulted in a $1.3 million decrease in income from operations.

- a 10% decrease in the value of the Mexican pesos against the U.S. dollar would have resulted in a $1.0 million increase in Grid Dynamics' income from operations, while a 10% increase in the pesos' value would have resulted in a $1.2 million decrease in income from operations.

Grid Dynamics analyzes sensitivity to the zloty and peso separately because, in management's experience, fluctuations in the value of these currencies against the U.S. dollar are frequently driven by distinct macroeconomic and geopolitical factors and have the largest effect on our results.

Grid Dynamics started to manage its exposure to foreign currency fluctuations by implementing hedging program under which the Company enters into short-term foreign exchange forward contracts designed as cash flow hedges of forecasted transactions denominated in Polish zloty. These contracts generally mature during six months or less. As of September 30, 2025, all foreign exchange forward contracts qualified for hedge accounting, with no collateral required to be posted.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this quarterly report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures were effective in recording, processing, summarizing and reporting on a timely basis, information required to be disclosed by us in the reports that we file or submit under the Exchange Act and were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

Our management, including the Chief Executive Officer and Chief Financial Officer, confirmed there have been no changes in our internal control over financial reporting during the three months ended September 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management to override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we are not currently a party to any material legal proceeding. In addition, we are not aware of any material legal or governmental proceedings against us or contemplated to be brought against us. Future litigation may be necessary, among other things, to defend us or our customers by determining the scope, enforceability and validity of third-party proprietary rights or to establish our proprietary rights. The results of any litigation cannot be predicted with certainty and, regardless of the outcome, litigation can have an adverse impact on our Company because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the risk factors disclosed in “Part I. Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on February 27, 2025 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2025 filed with the SEC on May 1, 2025.

The risks and uncertainties that we face are not limited to those set forth above and in our Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business and the trading price of our common stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Purchases of Equity Securities

None.

Item 3. Default Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

(a) Except as described below, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as defined in Regulation S-K Item 408, during the three months ended September 30, 2025.

On August 4, 2025, Leonard Livschitz, our Chief Executive Officer and a Director, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of up to 1,024,787 shares of our common stock. The trading arrangement was intended to satisfy the affirmative defense under Rule 10b5-1(c) under the Securities Exchange Act. Shares may be sold pursuant to the plan until December 21, 2026, or earlier if all sales under the plan were completed.

On August 4, 2025, Anil Doradla, our Chief Financial Officer, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of up to 54,919 shares of our common stock. The trading arrangement was intended to satisfy the affirmative defense under Rule 10b5-1(c) under the Securities Exchange Act. Shares may be sold pursuant to the plan until November 6, 2026, or earlier if all sales under the plan were completed.

Item 6. Exhibits.

The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

Exhibit Number	Description	Incorporated by Reference From Form	Incorporated by Reference From Exhibit Number	Date Filed
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.	Filed herewith		
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.	Filed herewith		
32.1*	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act.	Furnished herewith		
32.2*	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act.	Furnished herewith		
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	Filed herewith		
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith		
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith		
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith		
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	Filed herewith		
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith		
104	Cover Page Interactive Data File the cover page interactive data is embedded within the Inline XBRL document or included within the Exhibit 101 attachments	Filed herewith		

* The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		Grid Dynamics Holdings, Inc.
Date: October 30, 2025	By:	/s/ Leonard Livschitz
		Leonard Livschitz Chief Executive Officer (Principal Executive Officer)
Date: October 30, 2025	By:	/s/ Anil Doradla
		Anil Doradla Chief Financial Officer (Principal Financial and Accounting Officer)