



Phunware, Inc.

Reports Q4. Company pivots to new AI growth areas presents strong growth potential. Lowering P/T to \$12.

COMPANY UPDATE

Rating: **BUY**

Ticker: PHUN

Price: \$2.57

Target: \$12
(from \$13)

Reports Q4: Phunware recently (on March 20) reported its fiscal Q4 2024 (ending December) results. Revenue was \$0.6 million (-37% y-o-y), compared to our estimates of \$0.8 million and consensus of \$0.9 million. EPS was \$(0.15), compared to our estimates of \$(0.04) and consensus of \$(0.19). There was no Q4 guidance.

No guidance: The company did not provide any forward guidance.

Adjusting estimates: We are adjusting our 2025 estimates for revenue to \$4.2 million, from \$5.0 million, and for EPS to \$(0.48) from \$(0.22).

Focused on mobile and AI applications: Phunware's software platform enables companies and brands to engage, manage, and monetize their mobile applications. It offers enterprise mobile software, including content management, location-based services, marketing automation, business intelligence and analytics, alerts, notifications and messaging, audience engagement, and audience monetization, as well as vertical solutions, iOS and Android-based mobile application portfolios, solutions, and services.

MyCanvass acquisition: In November, the company signed a term sheet to acquire a controlling interest in MyCanvass, LLC, a new startup technology company that will focus on providing voter and advocacy engagement software and data analytics tools, including mobile apps.

New strong focus on AI: Phunware's future direction is centered on innovation that empowers both enterprises and public sector entities to navigate the complexities of the digital age with confidence and security. Phunware's expanded focus includes developing and delivering AI-driven platforms that make realtime, on-demand coordination and engagement accessible to organizations of all sizes, allowing them to scale their efforts and achieve targeted outcomes efficiently. This approach reflects its dedication to being a trusted ally across corporate and federal landscapes, enabling sectors from healthcare and finance to national security to leverage advanced capabilities that meet the highest standards of security and compliance.

Strong balance sheet: In Q4, the company raised money using its ATM and currently has ~\$113 million in cash.

Shares trading well below cash value: We note that the shares are selling well below cash value (~\$6 per share cash value) implying large potential upside in the stock just for the cash.

Large market potential: The demand for its services continues to grow fueled by its participation in four rapidly growing and evolving markets: AI, mobile cloud software, media, big data, and cryptonetworking.

Still early but risk/reward favorable: The company expects 2025 to improve significantly y-o-y due to easier comps going forward and as it focuses on its key business strengths. We believe the billion dollars market potentials presents high rewards for the risks.

Valuation attractive: We are maintaining our BUY rating, but lowering our 12-month price target to \$12 from \$13, based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

Company Description

Based in Austin, TX, Phunware is a software company providing an enterprise cloud platform for mobile devices worldwide.

United States
Technology

April 20, 2025

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Stock Data

Exchange:	NasdaqCM
52-week Range:	\$2.22 – 14.60
Shares Outstanding (million):	20
Market cap (\$million):	\$51
EV (\$million):	\$(62)
Debt (\$million):	\$0
Cash (\$million):	\$113
Avg. Daily Trading Vol. (\$million):	\$2
Float (million shares):	20
Short Interest (million shares):	2
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Mar	0.9E		0.9E	
Q2 Jun	1.0E	1.1E	1.0E	
Q3 Sep	0.7E	1.1E	1.0E	
Q4 Dec	<u>1.6E</u>	<u>1.9E</u>	<u>3.8E</u>	
Total	4.2E	5.0E	6.8E	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Mar	(0.11)E	(0.08)E	(0.11)E	
Q2 Jun	(0.12)E	(0.07)E	(0.11)E	
Q3 Sep	(0.07)E	(0.03)E	(0.11)E	
Q4 Dec	<u>(0.19)E</u>	<u>(0.05)E</u>	<u>(0.36)E</u>	
Total	(0.48)E	(0.22)E	(0.70)E	
P/E	N/A		N/A	

*Reflects a 1:50 reverse stock split in February 2024.

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 13.

OVERVIEW

- Phunware recently (on March 20) reported its fiscal Q4 2024 (ending December) results.
- In Q4 2023, the company shut down its Lyte Technology's business so it is now included as discontinued operations for current and historical financials. We have not adjusted our historical financials so comparability with the company's historical results may be difficult.
- Revenue was \$0.6 million (-37% y-o-y), compared to our estimates of \$0.8 million and consensus of \$0.9 million.
- EPS was \$(0.15), compared to our estimates of \$(0.04) and consensus of \$(0.19).
- There was no Q4 guidance.
- The company did not provide any forward guidance.
- We are adjusting our 2025 estimates for revenue to \$4.2 million, from \$5.0 million, and for EPS to \$(0.48) from \$(0.22).
- We are initiating our 2026 estimates for revenue of \$6.8 million, and for EPS of \$(0.70).

ADDITIONAL DETAILS

- Gross profit for the quarter was \$0.1 million, compared with our estimate of \$0.4 million.
- Gross margin for the quarter was 23%, versus our expectation of 55% and 47% last year.
- Operating expenses were \$5.0 million, versus our expectation of \$1.4 million.
- Operating loss was \$4.9 million, versus our expectation of a loss of \$0.9 million.
- Net loss was \$2.6 million, versus our expectation of a loss of \$0.9 million.

In October 2022, the company announced that its CEO Alan Knitowski will step down when his contract expires on December 26, 2022. In November 2022, the company announced Russ Buyse as its new CEO. Prior to joining Phunware, Mr. Buyse spent the past two decades in both product and services companies, from startups to enterprises, leading teams to create innovative solutions.

In June 2023, the company announced Troy Reisner as its new CFO replacing Matt Aune. Mr. Reisner's prior experience includes over twenty years with the public accounting firm of Deloitte & Touche LLP until his retirement as partner in June 2019.

In July 2023, the company announced a strategic cost optimization effort, which includes a reduction in force of ~33% of Phunware's workforce across all departments. This is expected to realize annual run-rate cost savings upwards of \$5 million.

In October 2023, the company's Chief Revenue Officer, Mike Snavelly, was named as new CEO replacing Russ Buyse. Mr. Snavelly brings 20+ years of leadership experience at technology companies, having previously led the Software business at Phunware and several other technology companies such as Sonic Foundry, Mutual Mobile and Bazaarvoice.

In November 2023, the company announced the wind down (closure) of its Lyte Technology's computer hardware business.

In February 2024, the company effected a 1-for-50 reverse stock split.

In October, the company announced that Mike Snavelly has retired and has named Stephen Chen as Interim CEO. In November, the company announced that Troy Reisner will step down as CFO by the end of November. The company is currently searching for a new CEO and CFO.

The company's balance sheet had \$113 million in cash and no debt at the end of Q4, compared with \$36 million in cash and no debt at the end of September.

Exhibit 1: Phunware Company Overview (as of April 2023)

About Phunware

Phunware is the pioneer of the Location Based SaaS Platform — the only fully integrated enterprise cloud platform for mobile that enables brands to **engage**, **manage** and **monetize** their anytime / anywhere users worldwide.

- **Publicly Traded** (NASDAQ: PHUN)
- **Over 110M sq ft** of wayfinding coverage deployed
- **5K+ branded applications** launched
- **Tens of millions** of application downloads
- **Hundreds of millions** of videos served
- Tested and scalable to **25 million concurrent users**



FOUNDED
February 2009

STRUCTURE
Delaware "C" Corporation

HEADQUARTERS
Austin, TX

OFFICES
San Diego, CA
Miami, FL

WEBSITE
phunware.com



SaaS Platform > Engage, Manage & Monetize

Phunware's Location Based SaaS Platform is a fully-integrated enterprise cloud platform for mobile that provides industry solutions, data, and services for brands to engage, manage, and monetize their anytime, anywhere users worldwide.

Source: Company reports.

Exhibit 2: Phunware Product Overview

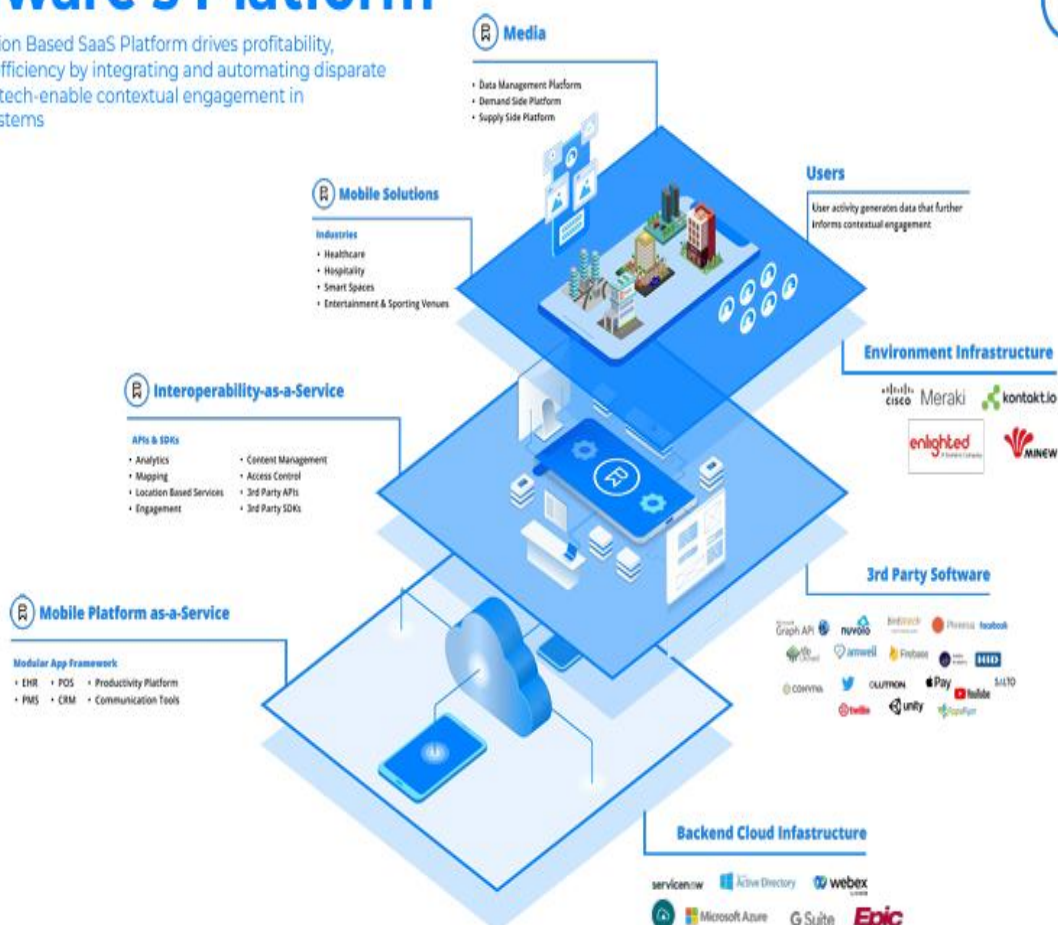
Phunware's Value Proposition

Our modules help customers better understand their users, and provide the tools to engage them at the right time in the right context.



Phunware's Platform

Phunware's Location Based SaaS Platform drives profitability, productivity and efficiency by integrating and automating disparate point solutions to tech-enable contextual engagement in mobile-first ecosystems.



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Source: Company reports.

Exhibit 3: Phunware Customers and Deals

Notable Customers



Healthcare	Smart City, Smart Campus, Smart Workplace
Retail & Residential	

Typical SaaS Software Deal Structure

	Brands without Mobile Application Portfolios	Brands with Mobile Application Portfolios
MaaS Licenses	\$300K - \$600K	\$800K - \$1,000K
MaaS Services	\$50K - \$150K	\$100K - \$500K
MaaS Deal Range	1 - 5 Years	1 - 5 Years
Average Deal Size	\$350K - \$750K	\$900K - \$1,500K

Source: Company reports.

Exhibit 4: PhunToken and PhunCoin

PhunCoin + Phun



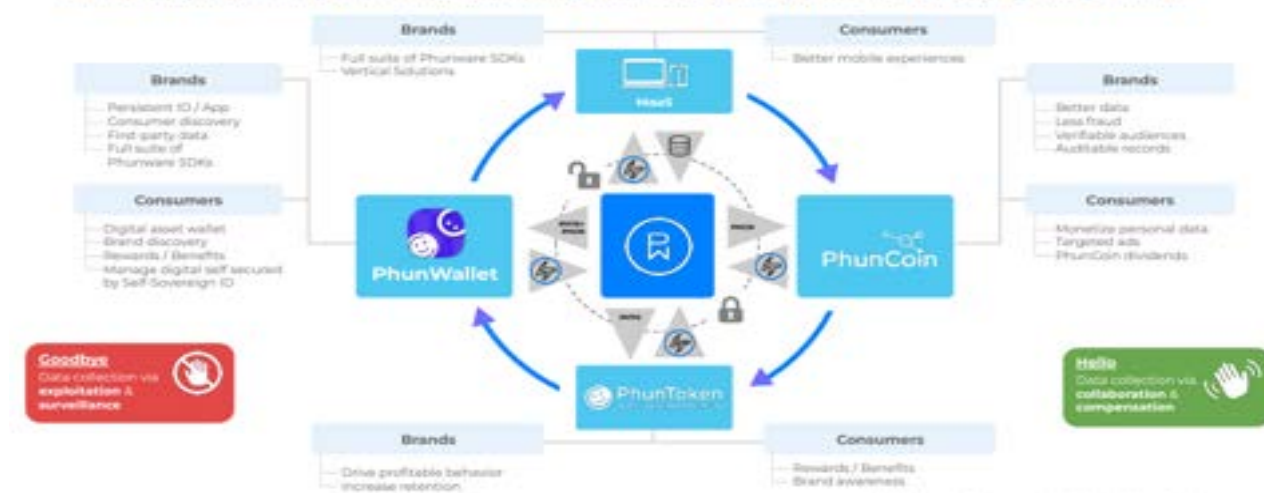
Phunware's blockchain-enabled data exchange and mobile loyalty ecosystem are powered by two unique digital assets that help eliminate untrustworthy intermediaries and directly connect brands with consumer audiences of interest that have voluntarily opted in with their personal data and information in exchange for a benefit.



Phunware's Phlywheel



MISSION: Deploy a self-sustaining, virtuous ecosystem that reimagines mobile engagement by decentralizing data and empowering consumers.



CONSUMERS receive PhunToken in return for profitable behavior such as completing surveys, watching videos or checking into specific locations to participate in marketing campaigns.

BRANDS can customize their existing mobile applications to rebrand PhunToken within their existing mobile applications to avoid changing consumer behavior and maintain brand awareness. Brands also receive direct, real-time access to deterministic and intent-based data for their target consumers and can reward the right consumers for their engagement.

BRANDED MARKETPLACES will give consumers the ability to spend PhunToken on valuable goods, services and offers.

CONSUMERS will be encouraged to hold PhunToken as brands unlock more valuable tiers of rewards for consumers with an auditable record of engaging in profitable behavior.

© 2009-PRESENT PHUNWARE, INC. (NASDAQ: PHUN)

Source: Company reports.

Exhibit 5: Phunware Q4 2024 and Recent Highlights (as of March 20, 2025)

Phunware Reports Full Year 2024 Financial Results

Fortified Balance Sheet of \$113.0 Million Enables Company to continue R&D activities in AI-Driven Customer Platform in other Corporate Initiatives

2024 Annual Meeting of Stockholders Scheduled for May 6, 2025

AUSTIN, Texas, March 20, 2025 (GLOBE NEWSWIRE) -- Phunware, Inc. ("Phunware" or the "Company") (NASDAQ: PHUN), a leader in enterprise cloud solutions for mobile applications, today reported financial results for the year ended December 31, 2024.

Financial Highlights

- For the year ended December 31, 2024, net loss from continuing operations was \$10.3 million, as compared to \$41.9 million in the previous period, while adjusted EBITDA loss improved to \$10.3 million for the year ended December 31, 2024, compared to \$15.5 million in the previous year period.
- Net cash used in operations was \$13.3 million for the year ended December 31, 2024, compared to \$18.4 million for the year ended December 31, 2023.
- Fiscal year 2024 software and subscription bookings increased 232% over prior year.
- Cash and cash equivalents as of December 31, 2024 was \$113.0 million, as compared to \$3.9 million as of December 31, 2023.

Recent Business Highlights

- Stephen Chen, former Chairperson of the Company's Board of Directors, assumed the role of interim CEO of Phunware, following the retirement of Michael Snavely.
- Appointed Quyen Du to the Board of Directors, a 25-year corporate strategy and development executive at Fortune 500 consumer brands to advance the Company's new strategic growth initiatives.
 - Appointment positions Phunware to satisfy Nasdaq Stock Market LLC ("Nasdaq") continued listing requirements for audit committee service and is a nominee for election to the Company's Board of Directors at the 2024 Annual Shareholders' Meeting which is scheduled for May 6, 2025.
- Appointed Rahul Mewawalla, an existing director of the Company since October 2021, as Chairperson of the Board of Directors, an accomplished public company executive at leading Fortune 500 and Silicon Valley technology companies, bringing growth, turnarounds, and innovation expertise.
- Signed a term sheet, in conjunction with other parties, to acquire a controlling interest in MyCanvass, LLC, a new startup technology company that will focus on providing voter and advocacy engagement software and data analytics tools, including mobile apps.
- Attended industry and investor conferences including IMEX America and the Global Gaming Expo (G2E), the Hospitality Show in San Antonio, Annual ROTH Technology

Conference, and LD Micro Main Event XVII.

Source: Company reports.

Exhibit 6: Phunware Q4 2024 Management Commentary (as of March 20, 2025)**Management Commentary**

"Fiscal year 2024 was highlighted by significant growth in bookings, a strengthened balance sheet, and the commencement of development of our new generative AI-powered software development platform," said interim CEO Stephen Chen. "Mobile software subscriptions and services and advertising services drove revenues of \$3.2 million for the full year of 2024 with gross margins of 46%. Our software bookings increased 232% in 2024, enabled by the effectiveness of our revamped sales team and evolving sales model, which continues to drive a strong pipeline while reducing the length of our sales cycle.

"We closed the year with cash and cash equivalents of \$113.0 million, which we are leveraging to strengthen our core business units, explore opportunities for new investments, enhance our operations and right-size our cost structure in service of our strategic vision. We are focused on recruiting seasoned sales, marketing and technology talent to help us get our message out to more customers and to win more deals.

"Recently, we appointed Quyen Du to our Board of Directors. Ms. Du brings 25 years' experience in strategy and corporate development as an executive at Fortune 500 consumer brands. With the retirement of Michael Snavely as CEO, I was privileged to be appointed as interim CEO, and lead Phunware into new opportunities, including generative and agentic AI, predictive analytics, and cloud-based services, among others.

"Looking ahead, we are planning new features and functionalities to our existing products, including artificial intelligence-related features such as an AI Personal Concierge for hospitality guests and Intelligent Reporting for large real property owners. We expect to launch AI Personal Concierge and our new AI-driven software development platform in mid-2025. As announced last November, we are moving forward with our plans to acquire an interest in MyCanvass, LLC, a SaaS platform command center designed for political campaigns and advocacy organizations. Taken together, we believe that, with our strong reputation in the mobile app development space and our exciting new initiatives, we can build our sales to bring value to our stockholders in the years ahead," concluded Chen.

Source: Company reports.

Exhibit 7: Phunware, Inc. Stock Price (5-years)



*Reflects a 1:50 reverse stock split in February 2024

Source: <https://bigcharts.marketwatch.com/>

Exhibit 8: Consensus Expectations (as of March 20, 2025)

	Revenue (mils)			EPS	
	<u>2024E</u>	<u>2025E</u>		<u>2024E</u>	<u>2025E</u>
Q1 Mar	\$0.9A	\$1.0E	Q1 Mar	\$(0.33)A	\$(0.13)E
Q2 Jun	\$1.0A		Q2 Jun	\$(0.32)A	
Q3 Sep	\$0.7A		Q3 Sep	\$(0.25)A	
Q4 Dec	\$0.9E		Q4 Dec	\$(0.19)E	
Total	\$3.5E	\$6.8E	Total	\$(1.02)E	\$(0.43)E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

*Reflects a 1:50 reverse stock split in February 2024

Source: Company report, LSEG, and Ascendant Capital Markets estimates

FINANCIAL MODEL

Phunware, Inc.

Income Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	4.7	3.5	2.8	0.9	12.0	0.9	1.0	0.7	0.6	3.2	0.9	1.0	0.7	1.6	4.2	0.9	1.0	1.0	3.8	6.8
<u>Cost of Revenues</u>	4.4	3.0	2.6	0.5	10.5	0.4	0.5	0.3	0.5	1.7	0.4	0.4	0.2	0.5	1.4	0.4	0.4	0.3	1.1	2.2
Gross Profit	0.4	0.5	0.2	0.4	1.5	0.5	0.5	0.3	0.1	1.5	0.6	0.7	0.4	1.1	2.8	0.6	0.7	0.6	2.7	4.5
Sales and marketing	1.1	1.5	1.0	(0.3)	3.3	0.4	0.6	0.6	0.9	2.6	0.7	0.8	0.5	1.2	3.1	0.7	0.8	0.7	2.9	5.1
General and administrative	4.7	4.8	3.5	0.8	13.8	2.5	2.3	2.3	3.4	10.5	1.8	2.0	1.3	3.2	8.4	1.8	2.0	2.0	5.7	11.6
Research and development	1.8	1.2	1.0	0.4	4.4	0.5	0.5	0.6	0.7	2.3	0.5	0.5	0.3	0.8	2.1	0.5	0.5	0.5	1.9	3.4
<u>Restructuring and other</u>		1.2	13.2	11.4	25.8					0.0					0.0					0.0
Total operating expenses	7.6	8.7	18.7	12.4	47.4	3.4	3.4	3.5	5.0	15.3	3.0	3.3	2.2	5.2	13.6	3.0	3.3	3.2	10.5	20.1
Operating income (loss)	(7.3)	(8.2)	(18.5)	(11.9)	(45.9)	(2.9)	(2.9)	(3.2)	(4.9)	(13.9)	(2.4)	(2.6)	(1.7)	(4.1)	(10.9)	(2.4)	(2.6)	(2.6)	(7.9)	(15.5)
Interest income (expense)	(0.5)	(0.6)	(0.3)	(0.4)	(1.7)	(0.1)	0.2	0.4	1.1	1.6	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.2	0.2	1.0
<u>Other income (expense)</u>	3.5	2.2	(0.2)	(10.7)	(5.1)	0.7	0.1	0.1	1.2	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(4.3)	(6.5)	(19.0)	(23.0)	(52.8)	(2.3)	(2.6)	(2.8)	(2.6)	(10.3)	(2.2)	(2.4)	(1.5)	(3.8)	(9.8)	(2.2)	(2.4)	(2.3)	(7.6)	(14.5)
Income taxes				0.0	0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(4.3)	(6.5)	(19.0)	(23.0)	(52.8)	(2.3)	(2.6)	(2.8)	(2.6)	(10.3)	(2.2)	(2.4)	(1.5)	(3.8)	(9.8)	(2.2)	(2.4)	(2.3)	(7.6)	(14.5)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	(4.3)	(6.5)	(19.0)	(23.0)	(52.8)	(2.3)	(2.6)	(2.8)	(2.6)	(10.3)	(2.2)	(2.4)	(1.5)	(3.8)	(9.8)	(2.2)	(2.4)	(2.3)	(7.6)	(14.5)
EBITDA	(5.6)	(5.2)	(4.3)	(0.4)	(15.5)	(2.0)	(2.4)	(2.9)	(3.0)	(10.3)	(2.3)	(2.5)	(1.6)	(3.9)	(10.4)	(2.3)	(2.5)	(2.5)	(7.7)	(15.0)
Shares, Basic	2.1	2.1	2.4	3.0	2.4	6.9	8.3	11.1	17.8	11.0	20.2	20.3	20.4	20.5	20.4	20.6	20.7	20.8	20.9	20.8
Shares, Diluted	2.1	2.1	2.4	3.0	2.4	6.9	8.3	11.1	17.8	11.0	20.2	20.3	20.4	20.5	20.4	20.6	20.7	20.8	20.9	20.8
EPS Basic (pro forma)	(\$2.07)	(\$3.10)	(\$7.91)	(\$7.80)	(\$22.18)	(\$0.33)	(\$0.32)	(\$0.25)	(\$0.15)	(\$0.94)	(\$0.11)	(\$0.12)	(\$0.07)	(\$0.19)	(\$0.48)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.36)	(\$0.70)
EPS Diluted (pro forma)	(\$2.07)	(\$3.10)	(\$7.91)	(\$7.80)	(\$22.18)	(\$0.33)	(\$0.32)	(\$0.25)	(\$0.15)	(\$0.94)	(\$0.11)	(\$0.12)	(\$0.07)	(\$0.19)	(\$0.48)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.36)	(\$0.70)
Margins																				
Gross margin	8%	13%	7%	47%	12%	57%	46%	48%	23%	46%	60%	65%	65%	70%	66%	60%	65%	65%	70%	67%
Sales and marketing	24%	42%	37%	-32%	28%	48%	60%	93%	158%	82%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
General and administrative	99%	137%	125%	88%	115%	268%	227%	343%	578%	328%	200%	200%	200%	200%	200%	200%	200%	200%	150%	172%
Research and development	37%	35%	37%	45%	37%	53%	49%	92%	114%	71%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Operating margin	-153%	-235%	-664%	-1271%	-384%	-312%	-290%	-480%	-826%	-436%	-265%	-260%	-260%	-255%	-259%	-265%	-260%	-260%	-205%	-230%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	-2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-90%	-187%	-680%	-2451%	-441%	-249%	-260%	-415%	-445%	-323%	-234%	-233%	-219%	-238%	-233%	-237%	-235%	-235%	-199%	-215%
YY % change																				
Total Revenue	-30%	-36%	-41%	-80%	-45%	-81%	-71%	-76%	-37%	-73%	0%	0%	0%	170%	31%	0%	0%	50%	140%	61%
Gross margin	-80%	-70%	-75%	-55%	-71%	45%	3%	65%	-69%	0%	5%	40%	34%	710%	90%	0%	0%	50%	140%	65%
Sales and marketing	-24%	-24%	-44%	-119%	-51%	-61%	-59%	-40%	-413%	-22%	56%	25%	-19%	28%	21%	0%	0%	50%	140%	61%
General and administrative	9%	-9%	-33%	-83%	-30%	-48%	-52%	-34%	315%	-24%	-25%	-12%	-42%	-7%	-20%	0%	0%	50%	80%	38%
Research and development	77%	-35%	-37%	-74%	-28%	-73%	-59%	-41%	59%	-49%	-5%	2%	-46%	19%	-7%	0%	0%	50%	140%	61%
Operating income (loss)	44%	9%	135%	32%	56%	-60%	-64%	-83%	-59%	-70%	-15%	-10%	-46%	-17%	-22%	0%	0%	50%	93%	43%
Net income (loss)	-71%	-62%	137%	111%	4%	-46%	-60%	-85%	-89%	-80%	-6%	-11%	-47%	45%	-5%	1%	1%	61%	100%	48%
EPS Diluted (pro forma)	-2%	-18%	95%	47%	45%	-84%	-90%	-97%	-98%	-96%	-68%	-63%	-71%	25%	-49%	-1%	-1%	58%	96%	46%

Source: Company reports and Ascendant Capital Markets estimates.

Reflects a 1:50 reverse stock split in February 2024

Phunware, Inc.

Balance Sheet (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	0.7	1.1	2.9	3.9	21.6	20.4	35.5	113.0	110.1	108.2	105.8	104.9	100.8	98.9	96.6	97.5
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	1.2	0.9	1.1	0.6	0.6	1.0	1.1	0.3	0.3	0.3	0.2	0.5	0.3	0.3	0.3	1.3
Inventory	2.7	2.2	0.9						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital currencies	2.5	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Prepaid expenses and other	0.8	0.6	0.6	0.4	0.4	0.3	3.1	0.4	0.2	0.2	0.1	0.3	0.2	0.2	0.2	0.7
Total current assets	7.9	4.8	5.5	5.0	22.6	21.7	39.8	113.8	110.7	108.8	106.3	105.9	101.4	99.5	97.2	99.7
Property and equipment, net	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangibles, net	33.5	32.1	18.8						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Restricted cash									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	3.9	3.6	3.4	1.7	1.6	1.4	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total assets	45.5	40.8	27.8	6.7	24.3	23.1	41.0	114.8	111.8	109.8	107.3	106.9	102.5	100.5	98.2	100.7
Liabilities and stockholders' equity																
Accounts payable	7.8	8.4	8.0	7.8	5.1	4.8	4.8	3.8	1.8	2.0	1.3	3.2	1.8	2.0	2.0	7.7
Accrued expenses	3.5	2.5	2.0	1.3	0.9	0.7	3.3	0.5	1.4	1.5	1.0	2.4	1.4	1.5	1.5	5.7
Deferred revenue	1.5	1.1	1.5	1.3	1.0	1.0	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
PhunCoin deposits	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities	0.0								0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Factored receivables payable									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt	5.7	6.1	5.6	4.9					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	19.6	19.2	18.2	16.5	8.2	7.7	10.5	6.5	5.5	5.8	4.6	7.8	5.5	5.8	5.7	15.6
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	2.8	2.6	2.3	1.0	0.9	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Deferred revenue	1.1	1.1	0.7	0.7	0.6	0.5	0.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Long term debt									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	3.9	3.6	3.1	1.7	1.5	1.3	1.4	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Preferred stock																
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.4	0.5	0.6	0.7	0.9	1.0
Additional paid-in capital	276.8	279.3	287.0	292.0	320.3	322.4	340.2	421.0	421.0	421.0	421.0	421.0	421.0	421.0	421.0	421.0
Retained earnings	(254.5)	(261.0)	(280.0)	(303.0)	(305.3)	(307.9)	(310.7)	(313.3)	(315.5)	(317.8)	(319.3)	(323.1)	(325.3)	(327.7)	(330.0)	(337.6)
Accumulated other comprehensive income	(0.4)	(0.4)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Non-controlling interest									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	21.9	17.9	6.6	(11.5)	14.6	14.1	29.1	107.2	105.1	102.9	101.6	97.9	95.8	93.6	91.4	83.9
Total stockholders' equity and liabilities	45.5	40.8	27.8	6.7	24.3	23.1	41.0	114.8	111.8	109.8	107.3	106.9	102.5	100.5	98.2	100.7

Balance Sheet Drivers

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	17%	18%	21%	43%	45%	29%	471%	69%	18%	18%	18%	18%	18%	18%	18%	18%
Accounts payable as % of total rev	164%	239%	285%	835%	550%	473%	718%	634%	200%	200%	200%	200%	200%	200%	200%	200%
Accrued expenses as % of total rev	73%	72%	70%	135%	97%	71%	503%	78%	150%	150%	150%	150%	150%	150%	150%	150%
Activity Ratios																
A/R Days Sales Outstanding	23	22	34	53	62	87	146	42	31	31	31	31	31	31	31	31
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$10.61	\$8.52	\$2.73	-\$3.88	\$2.13	\$1.70	\$2.62	\$6.02	\$5.21	\$5.07	\$4.98	\$4.78	\$4.65	\$4.52	\$4.39	\$4.01
Cash per Share (diluted)	\$0.34	\$0.53	\$1.19	\$1.33	\$3.14	\$2.45	\$3.20	\$6.35	\$5.45	\$5.33	\$5.19	\$5.12	\$4.90	\$4.78	\$4.64	\$4.67
Net cash per Share (diluted)	-\$2.42	-\$2.37	-\$1.13	-\$0.34	\$3.14	\$2.45	\$3.20	\$6.35	\$5.45	\$5.33	\$5.19	\$5.12	\$4.90	\$4.78	\$4.64	\$4.67

Source: Company reports and Ascendant Capital Markets estimates

Phunware, Inc.

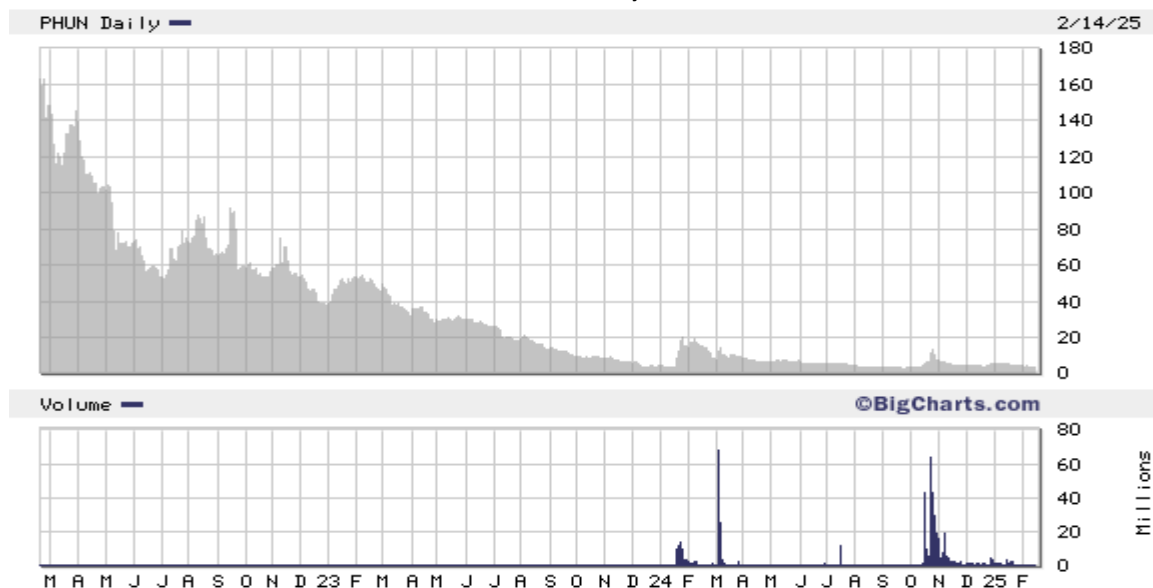
Cash Flow Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(4.3)	(6.5)	(19.0)	(23.0)	(52.8)	(2.3)	(2.6)	(2.8)	(2.6)	(10.3)	(2.2)	(2.4)	(1.5)	(3.8)	(9.8)	(2.2)	(2.4)	(2.3)	(7.6)	(14.5)
Depreciation					0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization					0.0					0.0					0.0					0.0
Debt related amortization expen	0.3	0.4	0.1	0.3	1.1				(0.5)	(0.5)					0.0					0.0
Stock comp	1.4	1.5	0.8	0.4	4.1	0.6	0.7	0.2	0.1	1.7	0.1	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.5
Deferred rent					0.0					0.0					0.0					0.0
A/R reserves					0.0					0.0					0.0					0.0
Deferred income taxes					0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of warrant I	(0.3)	0.3	(0.3)		(0.3)					0.0					0.0	0.0	0.0	0.0	0.0	0.0
Writedowns and impairments	0.1	1.2	13.2	11.4	25.9				(1.4)	(1.4)					0.0					0.0
Other gains/losses	(3.2)	(2.4)	0.5	(0.2)	(5.3)	(0.5)			0.4	(0.2)					0.0					0.0
Other	0.4	0.8	0.8	8.9	10.8	0.3	0.1	0.2	0.6	1.2					0.0					0.0
Changes in operating assets and liabilities:																				
Accounts receivable	(0.2)	0.3	(0.2)	0.4	0.2	(0.1)	(0.3)	(0.1)	0.7	0.1	(0.0)	(0.0)	0.1	(0.3)	(0.3)	0.2	(0.0)	0.0	(1.0)	(0.8)
Inventory	0.2	0.2	1.1	(1.5)	0.0					0.0					0.0					0.0
Prepaid expenses & other curre	0.3	0.2	0.1	(0.3)	0.3	(0.0)	0.1	(2.8)	2.8	0.1	0.2	(0.0)	0.1	(0.2)	0.1	0.1	(0.0)	0.0	(0.5)	(0.4)
Income tax					0.0					0.0					0.0					0.0
Other assets					0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.1	0.6	(0.4)	0.3	0.6	(2.9)	(0.3)	2.7	(2.5)	(2.9)	(1.9)	0.2	(0.7)	1.9	(0.6)	(1.4)	0.2	(0.0)	5.7	4.5
Accrued expenses	(0.1)	(0.9)	0.1	(0.3)	(1.2)					0.0	0.9	0.1	(0.5)	1.4	1.9	(1.0)	0.1	(0.0)	4.2	3.4
Deferred revenue	(1.6)	(0.4)	0.1	1.0	(0.9)	(0.3)	(0.1)	0.4	(0.3)	(0.3)					0.0					0.0
Other liabilities	(0.3)	(0.3)	(0.3)	0.0	(1.0)	(0.4)	(0.2)	(0.2)	0.1	(0.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	(7.4)	(5.2)	(3.3)	(2.6)	(18.4)	(5.530)	(2.675)	(2.385)	(2.712)	(13.302)	(2.8)	(2.0)	(2.4)	(0.9)	(8.1)	(4.1)	(2.0)	(2.3)	0.9	(7.4)
Cash flow from investing activities																				
Purchases of property and equip	(0.0)	(0.0)	0.0	(0.0)	(0.0)					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchases of short-term investm	10.8	4.6	0.0		15.4					0.0					0.0					0.0
Acquisitions					0.0					0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Net cash used in investing activ	10.8	4.6	0.0	(0.0)	15.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities																				
Issuance of debt					0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt	(4.3)		(0.8)	(0.0)	(5.1)					0.0					0.0					0.0
Issuance of stock	(0.5)	1.0	6.4	3.6	10.5	23.2	1.4	17.6	80.1	122.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exe	0.1		(0.5)	0.0	(0.4)					0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
Cash provided by (used in) fina	(4.7)	1.0	5.1	3.6	4.975	23.2	1.4	17.6	80.1	122.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effect of exchange rate on cash	0.0	0.0	(0.0)	0.0	0.1	(0.0)	0.0	0.0		0.0					0.0					0.0
Net increase (decrease) in cash	(1.3)	0.4	1.8	1.1	2.0	17.6	(1.2)	15.2	77.4	109.0	(2.8)	(2.0)	(2.4)	(0.9)	(8.1)	(4.1)	(2.0)	(2.3)	0.9	(7.4)
Beginning cash and equivalents	2.0	0.7	1.1	2.9	2.0	3.9	21.6	20.4	35.5	3.9	113.0	110.1	108.2	105.8	113.0	104.9	100.8	98.9	96.6	104.9
Ending cash and equivalents	0.7	1.1	2.9	3.9	3.9	21.6	20.4	35.5	113.0	113.0	110.1	108.2	105.8	104.9	104.9	100.8	98.9	96.6	97.5	97.5

Source: Company reports and Ascendant Capital Markets estimates

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Phunware, Inc.



*Reflects a 1:50 reverse stock split in February 2024

Source: <https://bigcharts.marketwatch.com/>

Report	Report Date	Rating	Price Target
1	6/16/2020	Buy	200.00
2	8/17/2020	Buy	212.50
3	11/10/2020	Buy	225.00
4	4/4/2021	Buy	237.50
5	5/19/2021	Buy	250.00
6	8/23/2021	Buy	225.00
7	12/5/2021	Buy	300.00
8	3/27/2022	Buy	312.50
9	6/4/2022	Buy	300.00
10	8/23/2022	Buy	287.50
11	11/12/2022	Buy	250.00
12	3/27/2023	Buy	225.00
13	5/28/2023	Buy	212.50
14	8/13/2023	Buy	187.50
15	12/8/2023	Buy	75.00
16	3/31/2024	Buy	25.00
17	5/13/2024	Buy	22.00
18	8/31/2024	Buy	20.00
19	11/10/2024	Buy	13.00

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BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	21	40%

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