



# Phunware, Inc.

*Q2 about inline and outlook improving. New CEO, positive execution, and customer wins should drive a rebound to growth. Lowering P/T to \$20.*

## COMPANY UPDATE

### Rating: BUY

Ticker: PHUN

Price: \$3.41

Target: \$20  
(from \$22)

**Q2 about inline:** Phunware recently (on August 8) reported its fiscal Q2 2024 (ending June) results. Revenue was \$1.0 million (-71% y-o-y), compared to our estimates of \$1.0 million and consensus of \$1.1 million. EPS was \$(0.32), compared to our and consensus estimates of \$(0.37). There was no Q2 guidance.

**Q2 software improves:** Software revenue was \$1.0 million (+10% q-o-q), showing improvement in its business. With the new CEO, we believe software sales and contract wins are expected to improve significantly in 2024.

**2024 guidance:** The company did not update its prior 2024 guidance (internal company target) for revenue of \$6 – 8 million.

**Adjusting estimates:** We are maintaining our 2024 revenue estimate of \$6.0 million, but adjusting it for EPS to \$(1.14) from \$(1.39). We are maintaining our 2025 revenue estimate of \$9.0 million, but adjusting it for EPS to \$(0.80) from \$(1.06).

**Focused on mobile 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.

**Lyte closure:** In October 2021, the company closed the acquisition of privately-held Lyte Technology, a fast-growing provider of high performance computer systems, for ~\$11 million. In November 2023, the company announced the wind down (closure) of its Lyte Technology’s computer hardware business.

**New CEO:** In October 2022, the company announced that its CEO Alan Knitowski will step down in December 2022. In November 2022, the company announced Russ Buyse as its new CEO. 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.

**Solid balance sheet:** In Q2, the company had \$20 million in cash and no debt.

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

**Still early but risk/reward favorable:** The company expects 2024 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 \$20 from \$22, 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

August 31, 2024

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### Stock Data

|                                      |                |
|--------------------------------------|----------------|
| Exchange:                            | NasdaqGS       |
| 52-week Range:                       | \$3.10 – 24.50 |
| Shares Outstanding (million):        | 11             |
| Market cap (\$million):              | \$38           |
| EV (\$million):                      | \$18           |
| Debt (\$million):                    | \$0            |
| Cash (\$million):                    | \$20           |
| Avg. Daily Trading Vol. (\$million): | \$3            |
| Float (million shares):              | 11             |
| Short Interest (million shares):     | 1              |
| Dividend, annual (yield):            | \$0 (NA%)      |

### Revenues (US\$ million)

|         | <u>2024E</u><br>(Cur.) | <u>2024E</u><br>(Old) | <u>2025E</u><br>(Cur.) | <u>2025E</u><br>(Old) |
|---------|------------------------|-----------------------|------------------------|-----------------------|
| Q1 Mar  | 0.9A                   |                       | 1.3E                   |                       |
| Q2 Jun  | 1.0A                   | 1.0E                  | 1.5E                   |                       |
| Q3 Sep  | 1.4E                   |                       | 2.2E                   |                       |
| Q4 Dec  | <u>2.6E</u>            |                       | <u>4.0E</u>            |                       |
| Total   | <b>6.0E</b>            |                       | <b>9.0E</b>            |                       |
| EV/Revs | 3x                     |                       | 2x                     |                       |

### Earnings per Share (pro forma)

|        | <u>2024E</u><br>(Cur.) | <u>2024E</u><br>(Old) | <u>2025E</u><br>(Cur.) | <u>2025E</u><br>(Old) |
|--------|------------------------|-----------------------|------------------------|-----------------------|
| Q1 Mar | (0.33)A                |                       | (0.24)E                | (0.32)E               |
| Q2 Jun | (0.32)A                | (0.37)E               | (0.21)E                | (0.28)E               |
| Q3 Sep | (0.25)E                | (0.33)E               | (0.13)E                | (0.18)E               |
| Q4 Dec | <u>(0.27)E</u>         | <u>(0.36)E</u>        | <u>(0.21)E</u>         | <u>(0.28)E</u>        |
| Total  | <b>(1.14)E</b>         | <b>(1.39)E</b>        | <b>(0.80)E</b>         | <b>(1.06)E</b>        |
| 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 12.**

## **OVERVIEW**

- Phunware recently (on August 8) reported its fiscal Q2 2024 (ending June) 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 \$1.0 million (-71% y-o-y), compared to our estimates of \$1.0 million and consensus of \$1.1 million.
- EPS was \$(0.32), compared to our and consensus estimates of \$(0.37).
- There was no Q2 guidance.
- The company did not update its prior 2024 guidance (internal company target) for revenue of \$6 – 8 million.
- We are maintaining our 2024 revenue estimate of \$6.0 million, but adjusting it for EPS to \$(1.14) from \$(1.39).
- We are maintaining our 2025 revenue estimate of \$9.0 million, but adjusting it for EPS to \$(0.80) from \$(1.06).

## **ADDITIONAL DETAILS**

- Gross profit for the quarter was \$0.5 million, compared with our estimate of \$0.5 million.
- Gross margin for the quarter was 46%, versus our expectation of 50% and 13% last year.
- Operating expenses were \$3 million, versus our expectation of \$4 million.
- Operating loss was \$2.9 million, versus our expectation of a loss of \$3.0 million.
- Net loss was \$2.6 million, versus our expectation of a loss of \$3.0 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 Snavely, was named as new CEO replacing Russ Buyse. Mr. Snavely 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.

The company's balance sheet had \$20 million in cash and no debt, compared with \$22 million in cash and no debt at the end of March. In Q1, the company raised ~\$23 million selling stock (at \$4.00, \$5.00, \$12.50 per share).

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

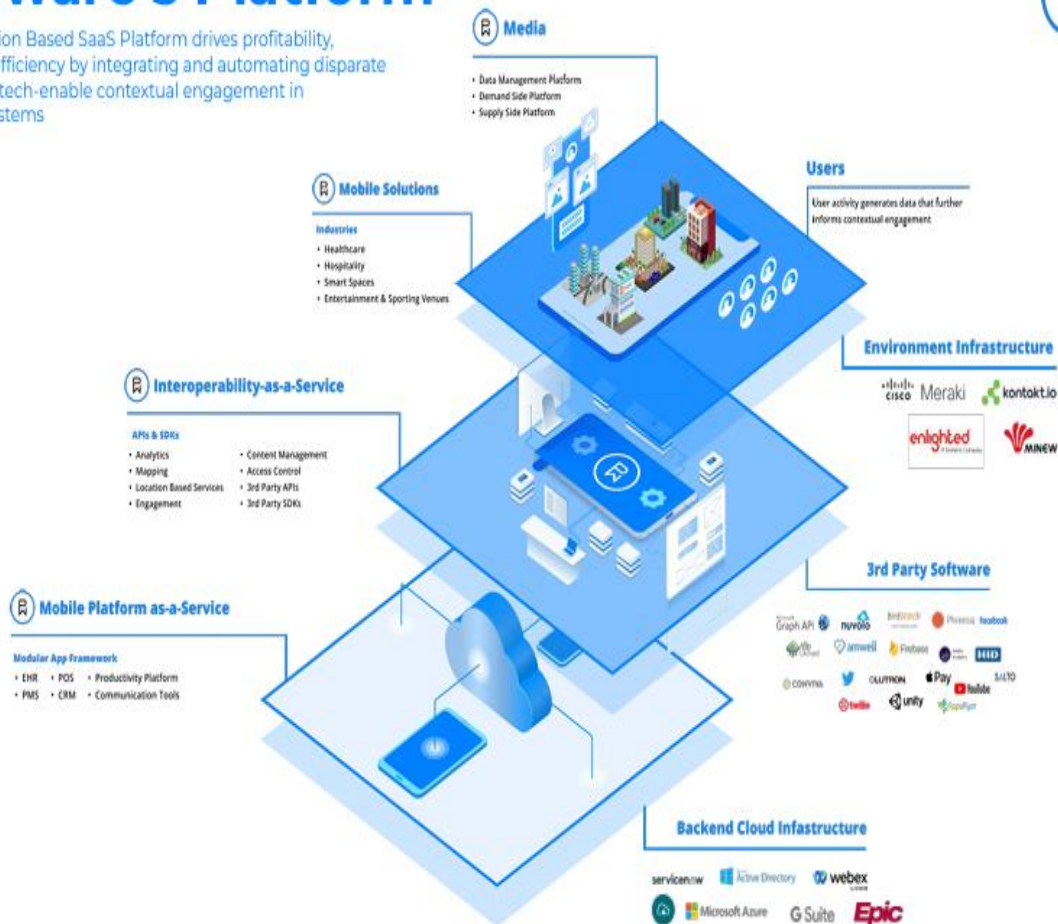


Our modules help customers better understand their users, and provide the tools to engage them at the right time in the right context.

|                                                                                                                  |                                                                               |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| <p><b>Location Based Services</b><br/>Real-time indoor blue-dot wayfinding and navigation</p>                    | <p><b>Content Management</b><br/>Manage and distribute mobile app content</p> |
| <p><b>Mobile Engagement</b><br/>Location-aware mobile app notifications</p>                                      | <p><b>Data &amp; Analytics</b><br/>Analyze real-time mobile app data</p>      |
| <p><b>Targeted Media</b><br/>Work with our team to develop and launch targeted campaigns for your mobile app</p> | <p><b>Interoperability</b><br/>Integrate third-party point solutions</p>      |

# 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 |                      |
|------------|-------------------------------------------|----------------------|
|            |                                           |                      |
|            | <th>Hospitality</th>                      | Hospitality          |
|            |                                           |                      |
|            | <th>Retail &amp; Residential</th>         | 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



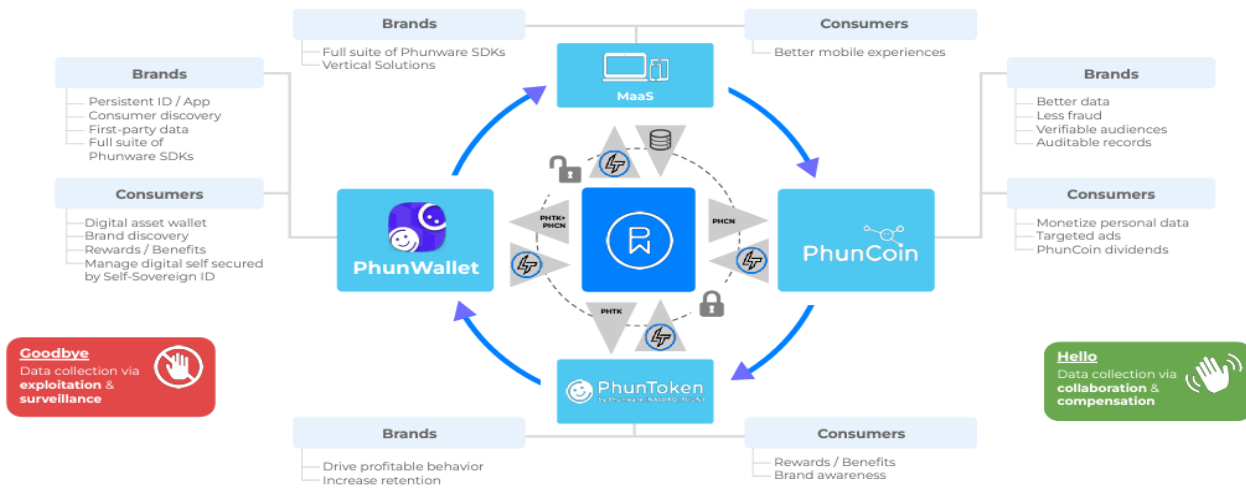
Phunware’s blockchain-enabled data exchange and mobile loyalty ecosystem are powered by two unique digital assets that help eliminate untrustworthy intermediaries and directly connect brands with consumer audiences of interest that have voluntarily opted in with their personal data and information in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



Phunware’s Phlywheel



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



**Goodbye**  
Data collection via exploitation & surveillance

**Hello**  
Data collection via collaboration & compensation

- 940M** monthly active devices worldwide
- 5B** transactions processed daily
- 5TB** of data generated daily
- \$120M+** in private financing
- 62** employees
- 3** office locations

**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 user interfaces 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.

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Source: Company reports.

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Exhibit 5: Phunware Q2 2024 and Recent Highlights

# Phunware Reports Second Quarter 2024 Financial Results

## Second quarter SaaS bookings increase 623% compared to the second quarter of 2023

AUSTIN, Texas, Aug. 08, 2024 (GLOBE NEWSWIRE) -- Phunware, Inc. ("Phunware" or the "Company") (NASDAQ: PHUN), the mobile experience platform that guides your customers through every step of their journey with you, announces its financial results for the quarter ended June 30, 2024.

"We are pleased to report solid results and continued momentum in our business for the second quarter," said Troy Reisner, Phunware CFO. "Our team continued to work hard to support our existing customers, including executing early renewals with three of our largest customers, which demonstrates the demand for and value of our product and services."

### Financial Highlights

- 623% and 939% increase in software bookings in 2Q24 and 1H24, respectively, vs. prior periods
- 10% increase in revenue to \$1.0 million during 2Q2024 vs. 1Q2024
- 49% decline in total operating expenses to \$3.4 million during 2Q24 from \$6.6 million during 2Q23
- 60% decline in net loss to \$2.6 million in 2Q24 vs. a net loss of \$6.5M in 2Q23
- (\$0.32) net loss from continuing operations per share in 2Q24 vs. a (\$2.10) net loss per share from continuing operations in 2Q23
- \$20.4 million of cash on hand at June 30, 2024, vs. \$3.9M at December 31, 2023

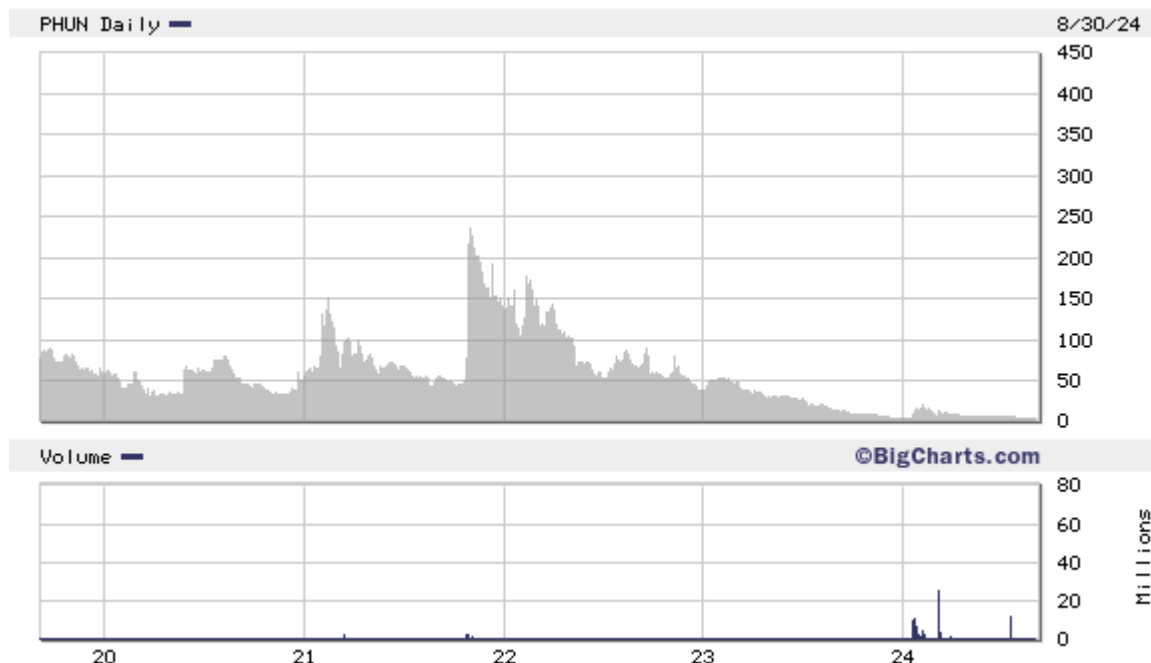
### Recent Business Highlights

- Appointed seasoned hospitality leader Paul Ruffino as strategic advisor to propel hospitality sector growth
- Added to the FTSE Russell Microcap Index after the market close on June 28, 2024

Source: Company reports.

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**Exhibit 6: Phunware, Inc. Stock Price (5-years)**



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

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

**Exhibit 7: Consensus Expectations (as of August 8, 2024)**

|        | Revenue (mils) |              |        | EPS          |              |
|--------|----------------|--------------|--------|--------------|--------------|
|        | <u>2024E</u>   | <u>2025E</u> |        | <u>2024E</u> | <u>2025E</u> |
| Q1 Mar | \$0.9A         |              | Q1 Mar | \$(0.33)A    |              |
| Q2 Jun | \$1.1E         |              | Q2 Jun | \$(0.37)E    |              |
| Q3 Sep | \$1.7E         |              | Q3 Sep | \$(0.34)E    |              |
| Q4 Dec |                |              | Q4 Dec |              |              |
| Total  | \$6.1E         | \$9.7E       | Total  | \$(1.39)E    | \$(1.23)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-22       | Jun-22       | Sep-22       | Dec-22        | 2022          | 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         |
|--------------------------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Fiscal Year End: December 31   | Q1A          | Q2A          | Q3A          | Q4A           | FY-A          | Q1A          | Q2A          | Q3A           | Q4A           | FY-A          | Q1A          | Q2A          | Q3E          | Q4E          | FY-E          | Q1E          | Q2E          | Q3E          | Q4E          | FY-E         |
| <b>Total Revenue</b>           | 6.8          | 5.5          | 4.8          | 4.8           | 21.8          | 4.7          | 3.5          | 2.8           | 0.9           | 12.0          | 0.9          | 1.0          | 1.4          | 2.6          | 6.0           | 1.3          | 1.5          | 2.2          | 4.0          | 9.0          |
| <u>Cost of Revenues</u>        | 5.0          | 4.0          | 4.0          | 3.8           | 16.7          | 4.4          | 3.0          | 2.6           | 0.5           | 10.5          | 0.4          | 0.5          | 0.6          | 1.2          | 2.8           | 0.5          | 0.5          | 0.8          | 1.2          | 3.0          |
| Gross Profit                   | 1.8          | 1.5          | 0.8          | 1.0           | 5.1           | 0.4          | 0.5          | 0.2           | 0.4           | 1.5           | 0.5          | 0.5          | 0.8          | 1.4          | 3.2           | 0.8          | 1.0          | 1.4          | 2.8          | 6.0          |
| Sales and marketing            | 1.5          | 1.9          | 1.8          | 1.6           | 6.8           | 1.1          | 1.5          | 1.0           | (0.3)         | 3.3           | 0.4          | 0.6          | 1.4          | 1.3          | 3.8           | 0.6          | 0.8          | 1.1          | 2.0          | 4.5          |
| General and administrative     | 4.3          | 5.3          | 5.2          | 4.8           | 19.6          | 4.7          | 4.8          | 3.5           | 0.8           | 13.8          | 2.5          | 2.3          | 1.8          | 2.6          | 9.2           | 2.6          | 2.3          | 1.4          | 2.4          | 8.7          |
| Research and development       | 1.0          | 1.9          | 1.7          | 1.6           | 6.1           | 1.8          | 1.2          | 1.0           | 0.4           | 4.4           | 0.5          | 0.5          | 0.3          | 0.6          | 1.9           | 0.3          | 0.4          | 0.5          | 0.9          | 2.1          |
| <u>Restructuring and other</u> |              |              |              | 2.1           | 2.1           |              | 1.2          | 13.2          | 11.4          | 25.8          |              |              |              |              | 0.0           |              |              |              |              | 0.0          |
| Total operating expenses       | 6.8          | 9.1          | 8.7          | 10.1          | 34.6          | 7.6          | 8.7          | 18.7          | 12.4          | 47.4          | 3.4          | 3.4          | 3.6          | 4.5          | 14.9          | 3.5          | 3.4          | 3.0          | 5.3          | 15.3         |
| <b>Operating income (loss)</b> | <b>(5.0)</b> | <b>(7.5)</b> | <b>(7.9)</b> | <b>(9.1)</b>  | <b>(29.5)</b> | <b>(7.3)</b> | <b>(8.2)</b> | <b>(18.5)</b> | <b>(11.9)</b> | <b>(45.9)</b> | <b>(2.9)</b> | <b>(2.9)</b> | <b>(2.8)</b> | <b>(3.1)</b> | <b>(11.7)</b> | <b>(2.7)</b> | <b>(2.4)</b> | <b>(1.6)</b> | <b>(2.5)</b> | <b>(9.3)</b> |
| Interest income (expense)      | (0.4)        | (0.3)        | (1.0)        | (0.8)         | (2.4)         | (0.5)        | (0.6)        | (0.3)         | (0.4)         | (1.7)         | (0.1)        | 0.2          | 0.0          | 0.0          | 0.1           | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <u>Other income (expense)</u>  | <u>(9.5)</u> | <u>(9.3)</u> | <u>0.9</u>   | <u>(1.1)</u>  | <u>(19.0)</u> | <u>3.5</u>   | <u>2.2</u>   | <u>(0.2)</u>  | <u>(10.7)</u> | <u>(5.1)</u>  | <u>0.7</u>   | <u>0.1</u>   | <u>0.0</u>   | <u>0.0</u>   | <u>0.8</u>    | <u>0.0</u>   | <u>0.0</u>   | <u>0.0</u>   | <u>0.0</u>   | <u>0.0</u>   |
| Income before income taxes     | (14.9)       | (17.1)       | (8.0)        | (10.9)        | (50.9)        | (4.3)        | (6.5)        | (19.0)        | (23.0)        | (52.8)        | (2.3)        | (2.6)        | (2.8)        | (3.1)        | (10.8)        | (2.7)        | (2.4)        | (1.6)        | (2.5)        | (9.3)        |
| <u>Income taxes</u>            |              |              |              | 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)              | (14.9)       | (17.1)       | (8.0)        | (10.9)        | (50.9)        | (4.3)        | (6.5)        | (19.0)        | (23.0)        | (52.8)        | (2.3)        | (2.6)        | (2.8)        | (3.1)        | (10.8)        | (2.7)        | (2.4)        | (1.6)        | (2.5)        | (9.3)        |
| Nonrecurring/noncash adjustme  | 10.8         | 9.7          |              |               | 20.6          |              |              |               |               | 0.0           |              |              |              |              | 0.0           |              |              |              |              | 0.0          |
| <b>Net income (pro forma)</b>  | <b>(4.1)</b> | <b>(7.4)</b> | <b>(8.0)</b> | <b>(10.9)</b> | <b>(30.3)</b> | <b>(4.3)</b> | <b>(6.5)</b> | <b>(19.0)</b> | <b>(23.0)</b> | <b>(52.8)</b> | <b>(2.3)</b> | <b>(2.6)</b> | <b>(2.8)</b> | <b>(3.1)</b> | <b>(10.8)</b> | <b>(2.7)</b> | <b>(2.4)</b> | <b>(1.6)</b> | <b>(2.5)</b> | <b>(9.3)</b> |
| EBITDA                         | (4.2)        | (6.6)        | (6.7)        | (5.9)         | (23.5)        | (5.6)        | (5.2)        | (4.3)         | (0.4)         | (15.5)        | (2.0)        | (2.3)        | (2.1)        | (2.4)        | (8.8)         | (2.1)        | (1.8)        | (0.9)        | (1.9)        | (6.6)        |
| Shares, Basic                  | 1.9          | 2.0          | 2.0          | 2.1           | 2.0           | 2.1          | 2.1          | 2.4           | 3.0           | 2.4           | 6.9          | 8.3          | 11.3         | 11.4         | 9.5           | 11.5         | 11.6         | 11.7         | 11.8         | 11.7         |
| Shares, Diluted                | 1.9          | 2.0          | 2.0          | 2.1           | 2.0           | 2.1          | 2.1          | 2.4           | 3.0           | 2.4           | 6.9          | 8.3          | 11.3         | 11.4         | 9.5           | 11.5         | 11.6         | 11.7         | 11.8         | 11.7         |
| EPS Basic (pro forma)          | (\$2.10)     | (\$3.76)     | (\$4.06)     | (\$5.31)      | (\$15.32)     | (\$2.07)     | (\$3.10)     | (\$7.91)      | (\$7.80)      | (\$22.18)     | (\$0.33)     | (\$0.32)     | (\$0.25)     | (\$0.27)     | (\$1.14)      | (\$0.24)     | (\$0.21)     | (\$0.13)     | (\$0.21)     | (\$0.80)     |
| EPS Diluted (pro forma)        | (\$2.10)     | (\$3.76)     | (\$4.06)     | (\$5.31)      | (\$15.32)     | (\$2.07)     | (\$3.10)     | (\$7.91)      | (\$7.80)      | (\$22.18)     | (\$0.33)     | (\$0.32)     | (\$0.25)     | (\$0.27)     | (\$1.14)      | (\$0.24)     | (\$0.21)     | (\$0.13)     | (\$0.21)     | (\$0.80)     |
| <b>Margins</b>                 |              |              |              |               |               |              |              |               |               |               |              |              |              |              |               |              |              |              |              |              |
| Gross margin                   | 26%          | 28%          | 17%          | 21%           | 23%           | 8%           | 13%          | 7%            | 47%           | 12%           | 57%          | 46%          | 55%          | 55%          | 54%           | 60%          | 65%          | 65%          | 70%          | 67%          |
| Sales and marketing            | 22%          | 35%          | 38%          | 33%           | 31%           | 24%          | 42%          | 37%           | -32%          | 28%           | 48%          | 60%          | 100%         | 50%          | 63%           | 50%          | 50%          | 50%          | 50%          | 50%          |
| General and administrative     | 64%          | 96%          | 109%         | 101%          | 90%           | 99%          | 137%         | 125%          | 88%           | 115%          | 268%         | 227%         | 125%         | 100%         | 154%          | 200%         | 150%         | 65%          | 60%          | 97%          |
| Research and development       | 15%          | 34%          | 35%          | 34%           | 28%           | 37%          | 35%          | 37%           | 45%           | 37%           | 53%          | 49%          | 23%          | 23%          | 32%           | 23%          | 23%          | 23%          | 23%          | 23%          |
| Operating margin               | -74%         | -137%        | -166%        | -190%         | -135%         | -153%        | -235%        | -664%         | -1271%        | -384%         | -312%        | -290%        | -193%        | -118%        | -195%         | -213%        | -158%        | -73%         | -63%         | -103%        |
| Tax rate, GAAP                 | 0%           | 0%           | 0%           | 0%            | 0%            | 0%           | 0%           | 0%            | 0%            | 0%            | 0%           | 0%           | 0%           | 0%           | 0%            | 0%           | 0%           | 0%           | 0%           | 0%           |
| Net margin                     | -220%        | -311%        | -169%        | -228%         | -234%         | -90%         | -187%        | -680%         | -2451%        | -441%         | -249%        | -260%        | -193%        | -118%        | -180%         | -213%        | -158%        | -73%         | -63%         | -103%        |
| <b>YY % change</b>             |              |              |              |               |               |              |              |               |               |               |              |              |              |              |               |              |              |              |              |              |
| Total Revenue                  | 312%         | 282%         | 120%         | -12%          | 105%          | -30%         | -36%         | -41%          | -80%          | -45%          | -81%         | -71%         | -48%         | 177%         | -50%          | 40%          | 53%          | 50%          | 54%          | 51%          |
| Gross margin                   | 86%          | 387%         | -30%         | -18%          | 40%           | -80%         | -70%         | -75%          | -55%          | -71%          | 45%          | 3%           | 306%         | 221%         | 121%          | 48%          | 113%         | 77%          | 96%          | 86%          |
| Sales and marketing            | 167%         | 202%         | 154%         | 42%           | 125%          | -24%         | -24%         | -44%          | -119%         | -51%          | -61%         | -59%         | 40%          | -536%        | 14%           | 46%          | 27%          | -25%         | 54%          | 19%          |
| General and administrative     | 56%          | 74%          | 57%          | 15%           | 48%           | 9%           | -9%          | -33%          | -83%          | -30%          | -48%         | -52%         | -48%         | 216%         | -33%          | 4%           | 1%           | -22%         | -8%          | -5%          |
| Research and development       | -5%          | 122%         | 44%          | 43%           | 47%           | 77%          | -35%         | -37%          | -74%          | -28%          | -73%         | -59%         | -68%         | 41%          | -57%          | -39%         | -28%         | 50%          | 54%          | 8%           |
| Operating income (loss)        | 47%          | 80%          | 95%          | 74%           | 75%           | 44%          | 9%           | 135%          | 32%           | 56%           | -60%         | -64%         | -85%         | -74%         | -75%          | -4%          | -17%         | -43%         | -18%         | -20%         |
| Net income (loss)              | 21%          | 106%         | -2255%       | -67%          | -5%           | -71%         | -62%         | 137%          | 111%          | 4%            | -46%         | -60%         | -85%         | -87%         | -80%          | 20%          | -7%          | -43%         | -18%         | -14%         |
| EPS Diluted (pro forma)        | -78%         | -35%         | -1722%       | -71%          | -57%          | -2%          | -18%         | 95%           | 47%           | 45%           | -84%         | -90%         | -97%         | -97%         | -95%          | -28%         | -34%         | -45%         | -21%         | -30%         |

Source: Company reports and Ascendant Capital Markets estimates.

Reflects a 1:50 reverse stock split in February 2024

**Phunware, Inc.**

| <b>Balance Sheet (\$ mils)</b>                    | <b>Mar-22</b> | <b>Jun-22</b> | <b>Sep-22</b> | <b>Dec-22</b> | <b>Mar-23</b> | <b>Jun-23</b> | <b>Sep-23</b> | <b>Dec-23</b> | <b>Mar-24</b> | <b>Jun-24</b> | <b>Sep-24</b> | <b>Dec-24</b> | <b>Mar-25</b> | <b>Jun-25</b> | <b>Sep-25</b> | <b>Dec-25</b> |  |
|---------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| <b>Fiscal Year End: December 31</b>               | <b>Q1A</b>    | <b>Q2A</b>    | <b>Q3A</b>    | <b>Q4A</b>    | <b>Q1A</b>    | <b>Q2A</b>    | <b>Q3A</b>    | <b>Q4A</b>    | <b>Q1A</b>    | <b>Q2A</b>    | <b>Q3E</b>    | <b>Q4E</b>    | <b>Q1E</b>    | <b>Q2E</b>    | <b>Q3E</b>    | <b>Q4E</b>    |  |
| <b>Assets</b>                                     |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |  |
| Cash and cash equivalents                         | 10.8          | 2.7           | 8.5           | 2.0           | 0.7           | 1.1           | 2.9           | 3.9           | 21.6          | 20.4          | 36.9          | 40.1          | 29.3          | 28.3          | 29.2          | 32.9          |  |
| Short term investments                            |               |               |               |               |               |               |               |               |               |               | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |  |
| Accounts receivable, net                          | 1.2           | 0.8           | 1.7           | 1.0           | 1.2           | 0.9           | 1.1           | 0.6           | 0.6           | 1.0           | 0.5           | 0.9           | 0.4           | 0.5           | 0.7           | 1.4           |  |
| Inventory                                         | 4.7           | 3.5           | 3.2           | 2.8           | 2.7           | 2.2           | 0.9           |               |               |               | 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           |  |
| Digital currencies                                | 24.2          | 12.6          | 12.6          | 10.1          | 2.5           | 0.1           | 0.1           | 0.1           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |  |
| Prepaid expenses and other                        | 1.3           | 1.2           | 0.8           | 1.0           | 0.8           | 0.6           | 0.6           | 0.4           | 0.4           | 0.3           | 0.4           | 0.8           | 0.2           | 0.3           | 0.4           | 0.7           |  |
| Total current assets                              | 42.3          | 20.8          | 26.9          | 16.9          | 7.9           | 4.8           | 5.5           | 5.0           | 22.6          | 21.7          | 37.9          | 41.8          | 30.0          | 29.2          | 30.4          | 35.0          |  |
| Property and equipment, net                       | 0.1           | 0.1           | 0.2           | 0.2           | 0.2           | 0.2           | 0.2           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |  |
| Intangibles, net                                  | 36.3          | 36.0          | 35.7          | 33.6          | 33.5          | 32.1          | 18.8          |               |               |               | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |  |
| Deferred income tax                               | 1.3           | 1.3           | 1.3           | 2.0           |               |               |               |               |               |               | 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           |  |
| Other                                             | 1.5           | 3.0           | 4.3           | 4.1           | 3.9           | 3.6           | 3.4           | 1.7           | 1.6           | 1.4           | 1.4           | 1.4           | 1.4           | 1.4           | 1.4           | 1.4           |  |
| <b>Total assets</b>                               | <b>81.4</b>   | <b>61.2</b>   | <b>68.5</b>   | <b>56.8</b>   | <b>45.5</b>   | <b>40.8</b>   | <b>27.8</b>   | <b>6.7</b>    | <b>24.3</b>   | <b>23.1</b>   | <b>39.3</b>   | <b>43.2</b>   | <b>31.5</b>   | <b>30.6</b>   | <b>31.8</b>   | <b>36.4</b>   |  |
| <b>Liabilities and stockholders' equity</b>       |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |  |
| Accounts payable                                  | 6.8           | 7.5           | 7.5           | 7.7           | 7.8           | 8.4           | 8.0           | 7.8           | 5.1           | 4.8           | 6.8           | 12.3          | 2.6           | 3.1           | 4.3           | 8.0           |  |
| Accrued expenses                                  | 7.5           | 7.6           | 6.5           | 3.8           | 3.5           | 2.5           | 2.0           | 1.3           | 0.9           | 0.7           | 1.0           | 1.9           | 1.9           | 2.3           | 3.2           | 6.0           |  |
| Deferred revenue                                  | 3.3           | 1.7           | 1.7           | 2.9           | 1.5           | 1.1           | 1.5           | 1.3           | 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           |  |
| Warrant liabilities                               | 3.8           | 1.1           | 0.3           | 0.3           | 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           |  |
| Short term debt                                   | 3.5           | 2.0           | 12.7          | 9.7           | 5.7           | 6.1           | 5.6           | 4.9           |               |               | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |  |
| <b>Total current liabilities</b>                  | <b>26.1</b>   | <b>21.2</b>   | <b>29.9</b>   | <b>25.6</b>   | <b>19.6</b>   | <b>19.2</b>   | <b>18.2</b>   | <b>16.5</b>   | <b>8.2</b>    | <b>7.7</b>    | <b>10.0</b>   | <b>16.4</b>   | <b>6.7</b>    | <b>7.6</b>    | <b>9.7</b>    | <b>16.2</b>   |  |
| Deferred income taxes                             | 1.3           | 1.3           | 1.3           | 2.0           |               |               |               |               |               |               | 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           |  |
| Other long term liabilities                       | 1.0           | 2.2           | 3.3           | 3.1           | 2.8           | 2.6           | 2.3           | 1.0           | 0.9           | 0.8           | 0.8           | 0.8           | 0.8           | 0.8           | 0.8           | 0.8           |  |
| Deferred revenue                                  | 1.0           | 0.9           | 1.2           | 1.3           | 1.1           | 1.1           | 0.7           | 0.7           | 0.6           | 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           |  |
| <b>Total other liabilities</b>                    | <b>3.3</b>    | <b>4.4</b>    | <b>5.8</b>    | <b>6.3</b>    | <b>3.9</b>    | <b>3.6</b>    | <b>3.1</b>    | <b>1.7</b>    | <b>1.5</b>    | <b>1.3</b>    | <b>1.3</b>    | <b>1.3</b>    | <b>1.3</b>    | <b>1.3</b>    | <b>1.3</b>    | <b>1.3</b>    |  |
| Preferred stock                                   |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |  |
| Common stock                                      | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.7           | 1.3           | 2.0           | 2.6           | 3.3           | 4.0           |  |
| Additional paid-in capital                        | 266.6         | 267.5         | 272.7         | 275.6         | 276.8         | 279.3         | 287.0         | 292.0         | 320.3         | 322.4         | 322.4         | 322.4         | 322.4         | 322.4         | 322.4         | 322.4         |  |
| Retained earnings                                 | (214.2)       | (231.3)       | (239.3)       | (250.2)       | (254.5)       | (261.0)       | (280.0)       | (303.0)       | (305.3)       | (307.9)       | (310.7)       | (313.8)       | (316.5)       | (319.0)       | (320.5)       | (323.1)       |  |
| Accumulated other comprehensive income            | (0.4)         | (0.5)         | (0.6)         | (0.5)         | (0.4)         | (0.4)         | (0.5)         | (0.4)         | (0.4)         | (0.4)         | (0.4)         | (0.4)         | (0.4)         | (0.4)         | (0.4)         | (0.4)         |  |
| Non-controlling interest                          |               |               |               |               |               |               |               |               |               |               | 16.0          | 16.0          | 16.0          | 16.0          | 16.0          | 16.0          |  |
| <b>Total stockholders' equity</b>                 | <b>52.0</b>   | <b>35.7</b>   | <b>32.8</b>   | <b>24.9</b>   | <b>21.9</b>   | <b>17.9</b>   | <b>6.6</b>    | <b>(11.5)</b> | <b>14.6</b>   | <b>14.1</b>   | <b>28.0</b>   | <b>25.6</b>   | <b>23.5</b>   | <b>21.7</b>   | <b>20.8</b>   | <b>18.9</b>   |  |
| <b>Total stockholders' equity and liabilities</b> | <b>81.4</b>   | <b>61.2</b>   | <b>68.5</b>   | <b>56.8</b>   | <b>45.5</b>   | <b>40.8</b>   | <b>27.8</b>   | <b>6.7</b>    | <b>24.3</b>   | <b>23.1</b>   | <b>39.3</b>   | <b>43.2</b>   | <b>31.5</b>   | <b>30.6</b>   | <b>31.8</b>   | <b>36.4</b>   |  |

**Balance Sheet Drivers**

|                                          | <b>Mar-22</b> | <b>Jun-22</b> | <b>Sep-22</b> | <b>Dec-22</b> | <b>Mar-23</b> | <b>Jun-23</b> | <b>Sep-23</b> | <b>Dec-23</b> | <b>Mar-24</b> | <b>Jun-24</b> | <b>Sep-24</b> | <b>Dec-24</b> | <b>Mar-25</b> | <b>Jun-25</b> | <b>Sep-25</b> | <b>Dec-25</b> |
|------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                          | <b>Q1A</b>    | <b>Q2A</b>    | <b>Q3A</b>    | <b>Q4A</b>    | <b>Q1A</b>    | <b>Q2A</b>    | <b>Q3A</b>    | <b>Q4A</b>    | <b>Q1A</b>    | <b>Q2A</b>    | <b>Q3E</b>    | <b>Q4E</b>    | <b>Q1E</b>    | <b>Q2E</b>    | <b>Q3E</b>    | <b>Q4E</b>    |
| Prepaid as % of total rev                | 19%           | 22%           | 17%           | 22%           | 17%           | 18%           | 21%           | 43%           | 45%           | 29%           | 29%           | 29%           | 18%           | 18%           | 18%           | 18%           |
| Accounts payable as % of total rev       | 100%          | 137%          | 158%          | 161%          | 164%          | 239%          | 285%          | 835%          | 550%          | 473%          | 473%          | 473%          | 200%          | 200%          | 200%          | 200%          |
| Accrued expenses as % of total rev       | 111%          | 138%          | 138%          | 81%           | 73%           | 72%           | 70%           | 135%          | 97%           | 71%           | 71%           | 71%           | 150%          | 150%          | 150%          | 150%          |
| <b>Activity Ratios</b>                   |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| A/R Days Sales Outstanding               | 16            | 13            | 32            | 18            | 23            | 22            | 34            | 53            | 62            | 87            | 31            | 31            | 31            | 31            | 31            | 31            |
| <b>Book &amp; Cash Value (per share)</b> |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| Book Value per Share (diluted)           | \$26.84       | \$18.26       | \$16.59       | \$12.13       | \$10.61       | \$8.52        | \$2.73        | -\$3.88       | \$2.13        | \$1.70        | \$2.48        | \$2.24        | \$2.04        | \$1.87        | \$1.78        | \$1.60        |
| Cash per Share (diluted)                 | \$5.58        | \$1.38        | \$4.32        | \$0.95        | \$0.34        | \$0.53        | \$1.19        | \$1.33        | \$3.14        | \$2.45        | \$3.27        | \$3.52        | \$2.55        | \$2.44        | \$2.50        | \$2.79        |
| Net cash per Share (diluted)             | \$3.78        | \$0.34        | -\$2.10       | -\$3.76       | -\$2.42       | -\$2.37       | -\$1.13       | -\$0.34       | \$3.14        | \$2.45        | \$3.27        | \$3.52        | \$2.55        | \$2.44        | \$2.50        | \$2.79        |

Source: Company reports and Ascendant Capital Markets estimates

**Phunware, Inc.**

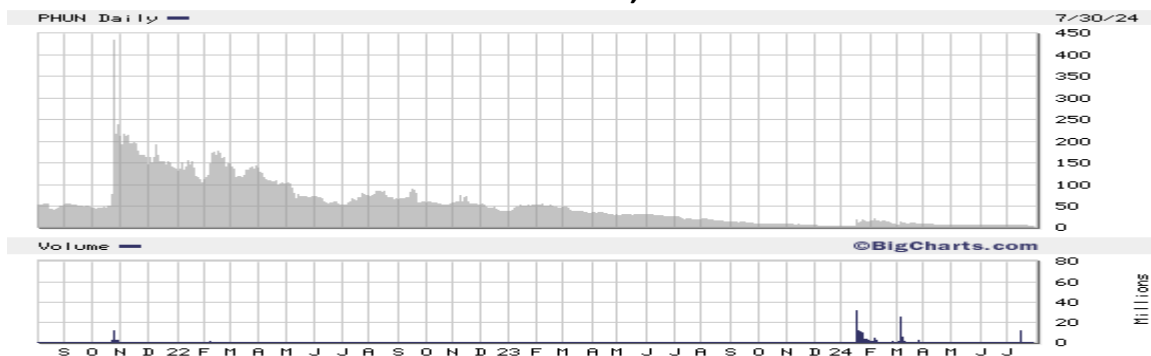
| Cash Flow Statement (\$ mils)                       | Mar-22        | Jun-22       | Sep-22       | Dec-22       | 2022          | Mar-23       | Jun-23       | Sep-23       | Dec-23       | 2023          | Mar-24       | Jun-24       | Sep-24      | Dec-24      | 2024         | Mar-25        | Jun-25       | Sep-25      | Dec-25      | 2025         |     |     |       |
|-----------------------------------------------------|---------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|-------------|-------------|--------------|---------------|--------------|-------------|-------------|--------------|-----|-----|-------|
| Fiscal Year End: December 31                        | Q1A           | Q2A          | Q3A          | Q4A          | FY-A          | Q1A          | Q2A          | Q3A          | Q4A          | FY-A          | Q1A          | Q2A          | Q3E         | Q4E         | FY-E         | Q1E           | Q2E          | Q3E         | Q4E         | FY-E         |     |     |       |
| <b>Cash flow from operating activities</b>          |               |              |              |              |               |              |              |              |              |               |              |              |             |             |              |               |              |             |             |              |     |     |       |
| Net income                                          | (14.9)        | (17.1)       | (8.0)        | (10.9)       | (50.9)        | (4.3)        | (6.5)        | (19.0)       | (23.0)       | (52.8)        | (2.3)        | (2.6)        | (2.8)       | (3.1)       | (10.8)       | (2.7)         | (2.4)        | (1.6)       | (2.5)       | (9.3)        |     |     |       |
| Depreciation                                        |               |              |              |              | 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                     | 0.2           | 0.1          | 0.4          | 0.3          | 1.0           | 0.3          | 0.4          | 0.1          | 0.3          | 1.1           |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| Stock comp                                          | 0.6           | 0.7          | 0.9          | 0.8          | 3.0           | 1.4          | 1.5          | 0.8          | 0.4          | 4.1           | 0.6          | 0.7          | 0.7         | 0.7         | 2.6          | 0.7           | 0.7          | 0.7         | 0.7         | 2.6          |     |     |       |
| 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          |     |     |       |
| Change in fair value of warrant l                   | 0.2           | (2.7)        | (0.8)        | (0.1)        | (3.3)         | (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                          | 9.4           | 12.2         |              | 1.4          | 22.9          | 0.1          | 1.2          | 13.2         | 11.4         | 25.9          |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| Other gains/losses                                  |               |              |              | 2.1          | 2.1           | (3.2)        | (2.4)        | 0.5          | (0.2)        | (5.3)         | (0.5)        |              |             |             | (0.5)        |               |              |             |             | 0.0          |     |     |       |
| Other                                               | (0.1)         | 0.4          | 0.7          | 0.5          | 1.5           | 0.4          | 0.8          | 0.8          | 8.9          | 10.8          | 0.3          | 0.1          |             |             | 0.4          |               |              |             |             | 0.0          |     |     |       |
| <b>Changes in operating assets and liabilities:</b> |               |              |              |              |               |              |              |              |              |               |              |              |             |             |              |               |              |             |             |              |     |     |       |
| Accounts receivable                                 | (0.2)         | 0.4          | (0.9)        | 0.7          | 0.0           | (0.2)        | 0.3          | (0.2)        | 0.4          | 0.2           | (0.1)        | (0.3)        | 0.5         | (0.4)       | (0.3)        | 0.5           | (0.1)        | (0.2)       | (0.6)       | (0.5)        |     |     |       |
| Inventory                                           | (2.1)         | 1.2          | 0.2          | 0.3          | (0.4)         | 0.2          | 0.2          | 1.1          | (1.5)        | 0.0           |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| Prepaid expenses & other curre                      | (0.7)         | 0.1          | 0.4          | (0.2)        | (0.5)         | 0.3          | 0.2          | 0.1          | (0.3)        | 0.3           | (0.0)        | 0.1          | (0.1)       | (0.3)       | (0.4)        | 0.5           | (0.0)        | (0.1)       | (0.3)       | 0.0          |     |     |       |
| Income tax                                          |               |              |              |              | 0.0           |              |              |              |              | 0.0           |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| Other assets                                        |               |              |              |              | 0.0           |              |              |              |              | 0.0           |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| Accounts payable                                    | 0.2           | 0.7          | 0.0          | 0.2          | 1.1           | 0.1          | 0.6          | (0.4)        | 0.3          | 0.6           | (2.9)        | (0.3)        |             | 0.0         | 0.0          | 2.0           | 5.5          | 4.4         | (9.7)       | 0.5          | 1.2 | 3.7 | (4.3) |
| Accrued expenses                                    | (1.5)         | 1.1          | (0.7)        | (0.1)        | (1.3)         | (0.1)        | (0.9)        | 0.1          | (0.3)        | (1.2)         |              |              |             | 0.3         | 0.8          | 1.1           | 0.1          | 0.4         | 0.9         | 2.8          | 4.2 |     |       |
| Deferred revenue                                    | (1.0)         | (1.7)        | 0.2          | 1.3          | (1.1)         | (1.6)        | (0.4)        | 0.1          | 1.0          | (0.9)         | (0.3)        | (0.1)        |             |             | (0.4)        |               |              |             |             | 0.0          |     |     |       |
| Other liabilities                                   | (0.2)         | (0.2)        | (0.2)        | (0.3)        | (0.9)         | (0.3)        | (0.3)        | (0.3)        | 0.0          | (1.0)         | (0.4)        | (0.2)        | 0.0         | 0.0         | (0.6)        | 0.0           | 0.0          | 0.0         | 0.0         | 0.0          |     |     |       |
| <b>Net cash (used in) provided by</b>               | <b>(10.2)</b> | <b>(4.8)</b> | <b>(7.9)</b> | <b>(4.0)</b> | <b>(26.8)</b> | <b>(7.4)</b> | <b>(5.2)</b> | <b>(3.3)</b> | <b>(2.6)</b> | <b>(18.4)</b> | <b>(5.5)</b> | <b>(2.7)</b> | <b>0.6</b>  | <b>3.2</b>  | <b>(4.5)</b> | <b>(10.8)</b> | <b>(1.0)</b> | <b>0.9</b>  | <b>3.6</b>  | <b>(7.3)</b> |     |     |       |
| <b>Cash flow from investing activities</b>          |               |              |              |              |               |              |              |              |              |               |              |              |             |             |              |               |              |             |             |              |     |     |       |
| Purchases of property and equip                     | (0.1)         | (0.1)        | (0.1)        | (0.0)        | (0.3)         | (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 investr                     | (0.5)         | (0.4)        |              | 1.3          | 0.4           | 10.8         | 4.6          | 0.0          |              | 15.4          |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| Acquisitions                                        |               | (1.1)        |              | (1.3)        | (2.4)         |              |              |              |              | 0.0           |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| Other                                               |               |              |              |              | 0.0           |              |              |              |              | 0.0           |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| <b>Net cash used in investing activ</b>             | <b>(0.6)</b>  | <b>(1.6)</b> | <b>(0.1)</b> | <b>(0.0)</b> | <b>(2.3)</b>  | <b>10.8</b>  | <b>4.6</b>   | <b>0.0</b>   | <b>(0.0)</b> | <b>15.4</b>   | <b>0.0</b>   | <b>0.0</b>   | <b>0.0</b>  | <b>0.0</b>  | <b>0.0</b>   | <b>0.0</b>    | <b>0.0</b>   | <b>0.0</b>  | <b>0.0</b>  | <b>0.0</b>   |     |     |       |
| <b>Cash flow from financing activities</b>          |               |              |              |              |               |              |              |              |              |               |              |              |             |             |              |               |              |             |             |              |     |     |       |
| Issuance of debt                                    |               |              | 11.8         |              | 11.8          |              |              |              |              | 0.0           |              |              | 0.0         | 0.0         | 0.0          | 0.0           | 0.0          | 0.0         | 0.0         | 0.0          |     |     |       |
| Repayment of debt                                   | (1.6)         | (1.6)        | (1.6)        | (3.4)        | (8.1)         | (4.3)        |              | (0.8)        | (0.0)        | (5.1)         |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| Issuance of stock                                   |               |              | 3.7          | 0.6          | 4.3           | (0.5)        | 1.0          | 6.4          | 3.6          | 10.5          | 23.2         | 1.4          | 0.0         | 0.0         | 24.6         | 0.0           | 0.0          | 0.0         | 0.0         | 0.0          |     |     |       |
| Proceeds from stock option exe                      | 0.0           |              |              | 0.0          | 0.0           | 0.1          |              | (0.5)        | 0.0          | (0.4)         |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| Other                                               |               |              |              |              | 0.0           |              |              |              |              | 0.0           |              |              | 16.0        |             | 16.0         |               |              |             |             | 0.0          |     |     |       |
| Dividends and distributions                         |               |              |              |              | 0.0           |              |              |              |              | 0.0           |              |              |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| <b>Cash provided by (used in) fina</b>              | <b>(1.6)</b>  | <b>(1.6)</b> | <b>13.9</b>  | <b>(2.7)</b> | <b>8.1</b>    | <b>(4.7)</b> | <b>1.0</b>   | <b>5.1</b>   | <b>3.6</b>   | <b>4.975</b>  | <b>23.2</b>  | <b>1.4</b>   | <b>16.0</b> | <b>0.0</b>  | <b>40.6</b>  | <b>0.0</b>    | <b>0.0</b>   | <b>0.0</b>  | <b>0.0</b>  | <b>0.0</b>   |     |     |       |
| Effect of exchange rate on cash                     | (0.0)         | (0.1)        | (0.1)        | 0.1          | (0.1)         | 0.0          | 0.0          | (0.0)        | 0.0          | 0.1           | (0.0)        | 0.0          |             |             | 0.0          |               |              |             |             | 0.0          |     |     |       |
| <b>Net increase (decrease) in cash</b>              | <b>(12.3)</b> | <b>(8.1)</b> | <b>5.8</b>   | <b>(6.6)</b> | <b>(21.2)</b> | <b>(1.3)</b> | <b>0.4</b>   | <b>1.8</b>   | <b>1.1</b>   | <b>2.0</b>    | <b>17.6</b>  | <b>(1.2)</b> | <b>16.6</b> | <b>3.2</b>  | <b>36.2</b>  | <b>(10.8)</b> | <b>(1.0)</b> | <b>0.9</b>  | <b>3.6</b>  | <b>(7.3)</b> |     |     |       |
| <b>Beginning cash and equivalents</b>               | <b>23.1</b>   | <b>10.8</b>  | <b>2.7</b>   | <b>8.5</b>   | <b>23.1</b>   | <b>2.0</b>   | <b>0.7</b>   | <b>1.1</b>   | <b>2.9</b>   | <b>2.0</b>    | <b>3.9</b>   | <b>21.6</b>  | <b>20.4</b> | <b>36.9</b> | <b>3.9</b>   | <b>40.1</b>   | <b>29.3</b>  | <b>28.3</b> | <b>29.2</b> | <b>40.1</b>  |     |     |       |
| <b>Ending cash and equivalents</b>                  | <b>10.8</b>   | <b>2.7</b>   | <b>8.5</b>   | <b>2.0</b>   | <b>2.0</b>    | <b>0.7</b>   | <b>1.1</b>   | <b>2.9</b>   | <b>3.9</b>   | <b>3.9</b>    | <b>21.6</b>  | <b>20.4</b>  | <b>36.9</b> | <b>40.1</b> | <b>40.1</b>  | <b>29.3</b>   | <b>28.3</b>  | <b>29.2</b> | <b>32.9</b> | <b>32.9</b>  |     |     |       |

Source: Company reports and Ascendant Capital Markets estimates

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Each analyst hereby certifies that the views expressed in this report reflect the analyst’s personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst’s compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

## Phunware, Inc.



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

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

| Report | Report Date | 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  |              |

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Risks to attainment of our share price target include balance sheet/liquidity risks, changes and demand for mobile technologies, investor sentiment for investing in technology stocks, and consumer sentiment and industry growth for mobile technology companies, competition, changing macroeconomic factors, and changes in government regulations.

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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.

## Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of July 12, 2024)

| Rating | Count | Percent | Investment Banking Services<br>Past 12 months |         |
|--------|-------|---------|-----------------------------------------------|---------|
|        |       |         | Count                                         | Percent |
| Buy    | 58    | 98%     | 21                                            | 36%     |
| Hold   | 0     | 0%      | 0                                             | 0%      |
| Sell   | 1     | 2%      | 0                                             | 0%      |
| Total  | 59    | 100%    | 21                                            | 36%     |

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