



Phunware, Inc.

Reports Q1. Company pivots to new AI growth areas presents strong growth potential. Raising P/T to \$12.50.

COMPANY UPDATE

Rating: **BUY**

Ticker: PHUN

Price: \$3.01

Target: \$12.50
(from \$12)

Reports Q1: Phunware recently (on May 12) reported its fiscal Q1 2025 (ending March) results. Revenue was \$0.7 million (-25% y-o-y), compared to our estimates of \$0.9 million and consensus of \$0.7 million. EPS was \$(0.18), compared to our estimates of \$(0.11) and consensus of \$(0.13). There was no Q1 guidance.

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

Adjusting estimates: We are lowering our 2025 estimates for revenue to \$2.9 million, from \$4.2 million, and for EPS to \$(0.67) from \$(0.48).

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 Q1, the company's balance sheet had \$110 million in cash and no debt so it has a very strong balance sheet.

Shares trading well below cash value: We note that the shares are selling well below cash value (~\$5 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 raising our 12-month price target to \$12.50 from \$12.00, 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

June 4, 2025

Edward Woo, CFA
(561) 327-9435
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Stock Data

Exchange:	NasdaqCM
52-week Range:	\$2.22 – 14.60
Shares Outstanding (million):	20
Market cap (\$million):	\$60
EV (\$million):	\$(50)
Debt (\$million):	\$0
Cash (\$million):	\$110
Avg. Daily Trading Vol. (\$million):	\$2
Float (million shares):	20
Short Interest (million shares):	1
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	0.7A	0.9E	0.9E	
Q2 Jun	0.7E	1.0E	0.9E	1.0E
Q3 Sep	0.7E		1.2E	1.0E
Q4 Dec	<u>0.8E</u>	<u>1.6E</u>	<u>2.1E</u>	<u>3.8E</u>
Total	2.9E	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	(0.18)A	(0.11)E	(0.14)E	(0.11)E
Q2 Jun	(0.15)E	(0.12)E	(0.14)E	(0.11)E
Q3 Sep	(0.17)E	(0.07)E	(0.19)E	(0.11)E
Q4 Dec	<u>(0.17)E</u>	<u>(0.19)E</u>	<u>(0.19)E</u>	<u>(0.36)E</u>
Total	(0.67)E	(0.48)E	(0.67)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 May 12) reported its fiscal Q1 2025 (ending March) 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 \$0.7 million (-25% y-o-y), compared to our estimates of \$0.9 million and consensus of \$0.7 million.
- EPS was \$(0.18), compared to our estimates of \$(0.11) and consensus of \$(0.13).
- There was no Q1 guidance.
- The company did not provide any forward guidance.
- We are lowering our 2025 estimates for revenue to \$2.9 million, from \$4.2 million, and for EPS to \$(0.67) from \$(0.48).
- We are adjusting our 2026 estimates for revenue to \$5.0 million, from \$6.8 million, and for EPS to \$(0.67) from \$(0.70).

ADDITIONAL DETAILS

- Gross profit for the quarter was \$0.4 million, compared with our estimate of \$0.6 million.
- Gross margin for the quarter was 52%, versus our expectation of 60% and 57% last year.
- Operating expenses were \$5.2 million, versus our expectation of \$3.0 million.
- Operating loss was \$4.8 million, versus our expectation of a loss of \$2.4 million.
- Net loss was \$3.7 million, versus our expectation of a loss of \$2.2 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 2024, 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 \$110 million in cash and no debt, compared with \$113 million in cash and no debt at the end of December.

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.

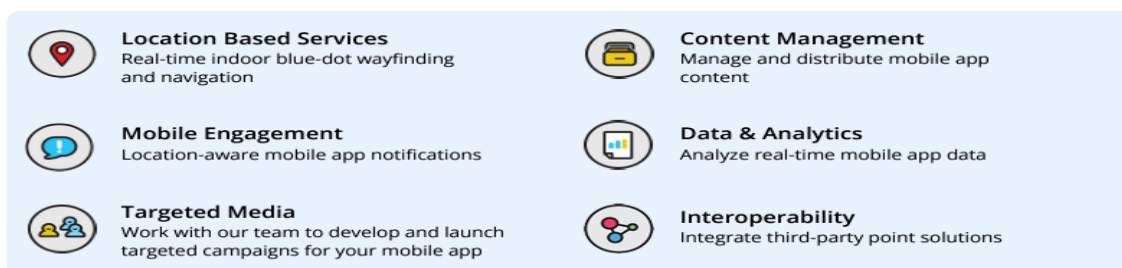
Source: Company reports.

Exhibit 2: Phunware Product Overview

Phunware's Value Proposition

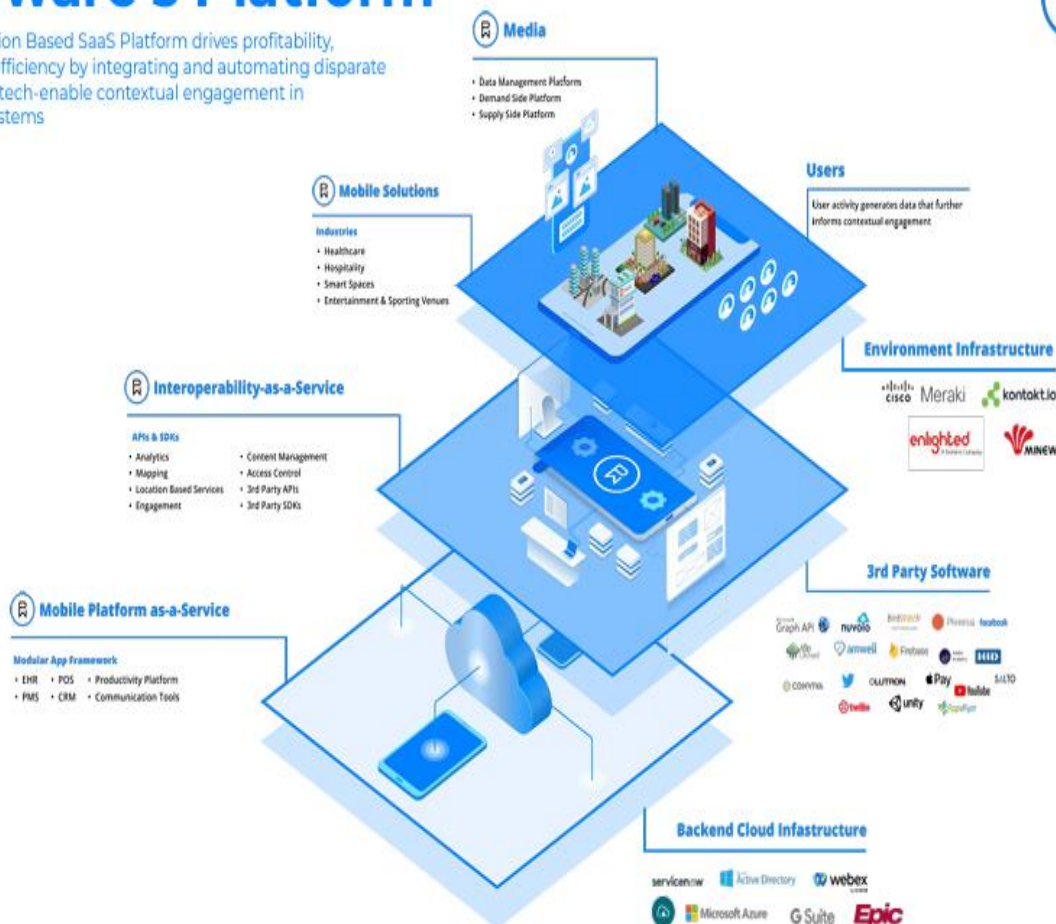


Our modules help customers better understand their users, and provide the tools to engage them at the right time in the right context.



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
Baptist Health South Florida Mount Sinai Cedars Sinai NYU Langone Health	Norfolk Southern Intel PwC US Coast Guard
MD Anderson Cancer Center YAVAPAI REGIONAL MEDICAL CENTER VHC HEALTH	ATLANTIS NORWEGIAN CRUISE LINE Wynn LAS VEGAS WAILEA BEACH RESORT MARRIOTT
MIAMI CHILDREN'S HOSPITAL MAYO CLINIC GBMC HEALTHCARE Dignity Health	GAYLORD HOTELS RYMAN
CookChildren's Health Care System Wake Forest Baptist Health Children's of Alabama PHOENIX CHILDREN'S	LOWE'S Caruso KOHL'S RESERVE BRICKELL CITY CENTRE
KAISER PERMANENTE PARKVIEW HEALTH SENTARA Nicklaus Children's Health System	ONE BUFFALO HEIGHTS MIAMI ECHO Iiuse REGENT SQUARE
	PETER COOPER VILLAGE Jade Residences

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



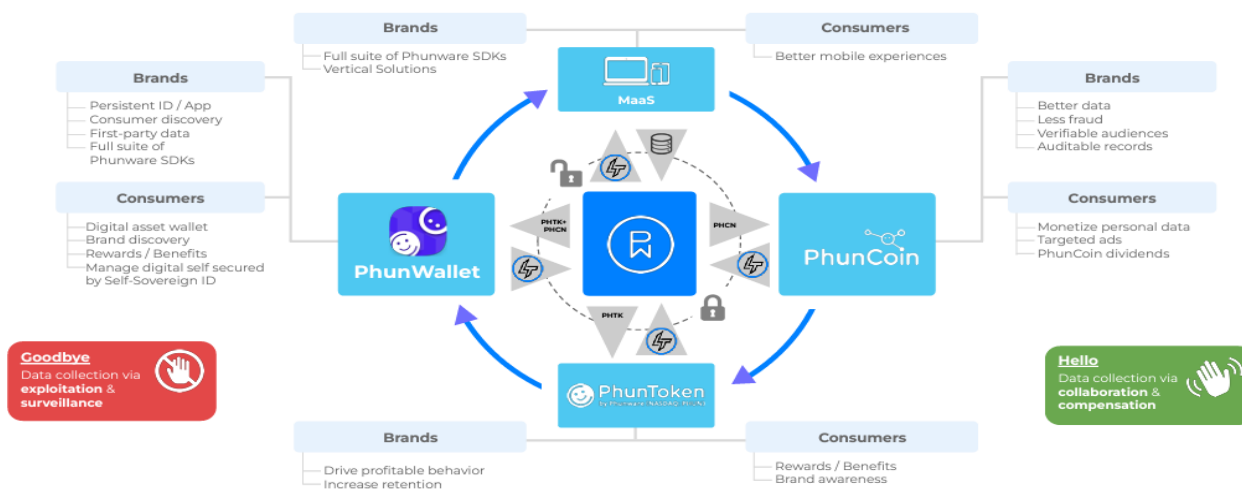
Phunware's blockchain-enabled data exchange and mobile loyalty ecosystem are powered by two unique digital assets that help eliminate untrustworthy intermediaries and directly connect brands with consumer audiences of interest that have voluntarily opted in with their personal data and information in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



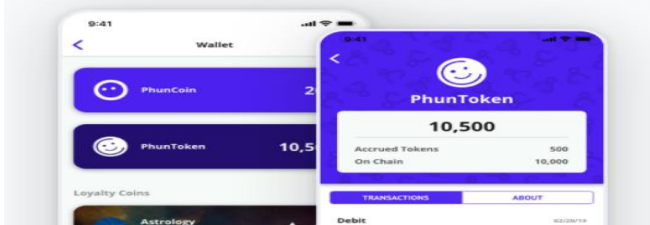
Phunware's Phlywheel



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



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.

Exhibit 5: Phunware Q1 2025 and Recent Highlights (as of May 12, 2025)

Phunware Reports First Quarter 2025 Financial Results

New Customer Launches Drive 40% Revenue Growth for Software Subscriptions and Services

Strong Balance Sheet of \$109.7 Million Powering R&D Activities in AI-Driven Customer Platform and Corporate Initiatives

AUSTIN, Texas, May 12, 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 first quarter ended March 31, 2025.

Financial Highlights

- Software subscriptions and services revenue increased 40% to \$0.6 million in Q1 2025, as compared to Q1 2024.
- Q1 2025 software and subscription bookings totaled \$0.4 million.
- Net loss was \$3.7 million for the three months ended March 31, 2025, as compared to \$2.3 million in the previous year period.
 - Primary driver for net loss increase was \$1.2 million one-time legal expenses related to the Wild Basin litigation bench trial that concluded in Q1 2025; a decision is expected in Q3 2025.
- Net loss per share improved to (\$0.18) per share in Q1 2025, as compared to (\$0.33) per share in Q1 2024.
- Net cash used in operations decreased to \$3.3 million for the three months ended March 31, 2025, compared to \$5.5 million for the previous year period.
- Cash and cash equivalents as of March 31, 2025, was \$109.7 million.

Recent Business Highlights

- During Q1 2025, added three (3) new customers in the hospitality vertical. Momentum carried into Q2, with a new \$0.5 million booking for a multi-location health care facility.
- Appointed Quyen Du to the Board of Directors, a 25-year corporate strategy and development executive with Fortune 500 consumer brands.
 - Her appointment satisfies Nasdaq Stock Market LLC ("Nasdaq") continued listing requirements for audit committee service.
- Attended investor and industry conferences including the 37th Annual ROTH Conference and upcoming 2025 Hospitality Industry Technology Exposition and Conference (HITEC®) June 16–19 in Indianapolis, Indiana.

Source: Company reports.

Exhibit 6: Phunware Q1 2025 Management Commentary (as of May 12, 2025)

Management Commentary

"The first quarter of 2025 was underscored by new customers and bookings and continued focus on our AI-related initiatives," said interim CEO Stephen Chen. "First quarter revenues

of \$0.7 million and gross margin of 52% were driven by a 40% increase in Mobile software subscriptions and services with delivered customer projects. With an existing hospitality customer, we launched an integrated conference solution including dynamic wayfinding, mobile engagement messaging, events scheduling, and content management. With a well-known resort and entertainment venue customer, we launched our hospitality industry solution application to enhance guest experiences."

"Software bookings for the first quarter were \$0.4 million and we continue to accelerate our pipeline while simultaneously shortening the sales cycle. With three new customers in the hospitality vertical during the first quarter, and a \$0.5 million multi-location health care facility booking in the second quarter, we believe customer momentum continues to accelerate."

"We were honored to appoint Quyen Du to our Board of Directors in February. Ms. Du brings 25 years' experience in strategy and corporate development as an executive at Fortune 500 consumer brands. She has an impressive record of guiding strategic growth and will add tremendous expertise to our Board for Phunware investments, M&A and new business development strategies. We are happy to announce that Ms. Du was elected to three-year term at our most recent stockholders' meeting."

"While we've seen some softness in the ad market, we are focused on new opportunities in that market and investing in marketing and research and development in generative and agentic AI initiatives, among others. We remain committed to reinforcing our core business units, identifying high-impact investment and M&A opportunities, driving operational excellence, and aligning our cost structure for long-term scalability. We are also committed to enhancing our team with experienced sales, marketing, and technology professionals to amplify market visibility and accelerate customer acquisition."

"Looking ahead, we are developing additional features and functionalities for our existing products, including AI-related features such as AI Personal Concierge for hospitality customers and their guests and Intelligent Reporting for large real property owners. We expect to launch the initial AI Personal Concierge product in mid-2025. With our leadership position in mobile app development, combined with compelling new technology improvements and AI integration, we are executing on our strategic vision to deliver our solutions globally. I look forward to additional announcements and milestones in the months 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 May 12, 2025)

	Revenue (mils)			EPS	
	2025E	2026E		2025E	2026E
Q1 Mar	\$0.7E		Q1 Mar	\$(0.13)E	
Q2 Jun	\$0.8E		Q2 Jun	\$(0.14)E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	\$3.5E	\$5.4E	Total	\$(0.55)E	\$(0.71)E

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

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	Q1A	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	0.7	0.7	0.7	0.8	2.9	0.9	0.9	1.2	2.1	5.0
<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	0.3	0.2	0.3	0.2	1.1	0.3	0.3	0.4	0.6	1.7
Gross Profit	0.4	0.5	0.2	0.4	1.5	0.5	0.5	0.3	0.1	1.5	0.4	0.5	0.5	0.6	1.9	0.5	0.6	0.8	1.5	3.3
Sales and marketing	1.1	1.5	1.0	(0.3)	3.3	0.4	0.6	0.6	0.9	2.6	0.9	0.5	0.5	0.6	2.6	0.6	0.7	0.9	1.6	3.8
General and administrative	4.7	4.8	3.5	0.8	13.8	2.5	2.3	2.3	3.4	10.5	3.5	2.8	3.3	3.2	12.8	2.6	2.7	3.6	3.1	11.9
Research and development	1.8	1.2	1.0	0.4	4.4	0.5	0.5	0.6	0.7	2.3	0.8	0.4	0.4	0.4	1.9	0.4	0.4	0.6	1.0	2.5
<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	5.2	3.7	4.2	4.2	17.3	3.7	3.8	5.0	5.7	18.2
Operating income (loss)	(7.3)	(8.2)	(18.5)	(11.9)	(45.9)	(2.9)	(2.9)	(3.2)	(4.9)	(13.9)	(4.8)	(3.3)	(3.7)	(3.6)	(15.4)	(3.1)	(3.2)	(4.3)	(4.3)	(14.8)
Interest income (expense)	(0.5)	(0.6)	(0.3)	(0.4)	(1.7)	(0.1)	0.2	0.4	1.1	1.6	1.1	0.3	0.3	0.3	1.9	0.2	0.2	0.2	0.2	0.9
<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)	(3.7)	(3.0)	(3.5)	(3.4)	(13.6)	(2.9)	(2.9)	(4.0)	(4.0)	(13.9)
<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)	(4.3)	(6.5)	(19.0)	(23.0)	(52.8)	(2.3)	(2.6)	(2.8)	(2.6)	(10.3)	(3.7)	(3.0)	(3.5)	(3.4)	(13.6)	(2.9)	(2.9)	(4.0)	(4.0)	(13.9)
<u>Nonrecurring/noncash adjustments</u>					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)	(3.7)	(3.0)	(3.5)	(3.4)	(13.6)	(2.9)	(2.9)	(4.0)	(4.0)	(13.9)
EBITDA	(5.6)	(5.2)	(4.3)	(0.4)	(15.5)	(2.0)	(2.4)	(2.9)	(3.0)	(10.3)	(4.7)	(3.2)	(3.6)	(3.5)	(15.1)	(3.1)	(3.1)	(4.2)	(4.2)	(14.5)
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	20.3	20.6	20.7	20.8	20.9	20.7
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	20.3	20.6	20.7	20.8	20.9	20.7
EPS Basic (pro forma)	(\$2.07)	(\$3.10)	(\$7.91)	(\$7.80)	(\$22.18)	(\$0.33)	(\$0.32)	(\$0.25)	(\$0.15)	(\$0.94)	(\$0.18)	(\$0.15)	(\$0.17)	(\$0.17)	(\$0.67)	(\$0.14)	(\$0.14)	(\$0.19)	(\$0.19)	(\$0.67)
EPS Diluted (pro forma)	(\$2.07)	(\$3.10)	(\$7.91)	(\$7.80)	(\$22.18)	(\$0.33)	(\$0.32)	(\$0.25)	(\$0.15)	(\$0.94)	(\$0.18)	(\$0.15)	(\$0.17)	(\$0.17)	(\$0.67)	(\$0.14)	(\$0.14)	(\$0.19)	(\$0.19)	(\$0.67)
Margins																				
Gross margin	8%	13%	7%	47%	12%	57%	46%	48%	23%	46%	52%	65%	65%	70%	63%	60%	65%	65%	70%	66%
Sales and marketing	24%	42%	37%	-32%	28%	48%	60%	93%	158%	82%	130%	75%	75%	75%	88%	75%	75%	75%	75%	75%
General and administrative	99%	137%	125%	88%	115%	268%	227%	343%	578%	328%	503%	400%	450%	400%	437%	300%	300%	300%	150%	238%
Research and development	37%	35%	37%	45%	37%	53%	49%	92%	114%	71%	118%	50%	50%	50%	66%	50%	50%	50%	50%	50%
Operating margin	-153%	-235%	-664%	-1271%	-384%	-312%	-290%	-480%	-826%	-436%	-700%	-460%	-510%	-455%	-528%	-365%	-360%	-360%	-205%	-297%
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%	-541%	-421%	-474%	-423%	-463%	-336%	-333%	-340%	-194%	-278%
Y/Y % change																				
Total Revenue	-30%	-36%	-41%	-80%	-45%	-81%	-71%	-76%	-37%	-73%	-25%	-30%	10%	35%	-8%	25%	25%	62%	160%	71%
Gross margin	-80%	-70%	-75%	-55%	-71%	45%	3%	65%	-69%	0%	-31%	-2%	48%	305%	27%	44%	25%	62%	160%	79%
Sales and marketing	-24%	-24%	-44%	-119%	-51%	-61%	-59%	-40%	-413%	-22%	102%	-13%	-11%	-36%	-1%	-28%	25%	62%	160%	46%
General and administrative	9%	-9%	-33%	-83%	-30%	-48%	-52%	-34%	315%	-24%	40%	23%	44%	-7%	22%	-26%	-6%	8%	-2%	-7%
Research and development	77%	-35%	-37%	-74%	-28%	-73%	-59%	-41%	59%	-49%	68%	-29%	-40%	-41%	-15%	-47%	25%	62%	160%	30%
Operating income (loss)	44%	9%	135%	32%	56%	-60%	-64%	-83%	-59%	-70%	68%	11%	17%	-26%	11%	-35%	-2%	14%	17%	-4%
Net income (loss)	-71%	-62%	137%	111%	4%	-46%	-60%	-85%	-89%	-80%	62%	13%	26%	28%	31%	-22%	-1%	16%	19%	3%
EPS Diluted (pro forma)	-2%	-18%	95%	47%	45%	-84%	-90%	-97%	-98%	-96%	-45%	-54%	-31%	12%	-29%	-24%	-3%	14%	17%	1%

Source: Company reports and Ascendant Capital Markets estimates.

Reflects a 1:50 reverse stock split in February 2024

Phunware, Inc.

Balance Sheet (\$ mills)	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	Q1A	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	109.7	104.6	101.3	98.1	96.3	93.5	90.5	89.2
Short term investments										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	0.7	0.2	0.3	0.3	0.3	0.3	0.4	0.7
Inventory	2.7	2.2	0.9							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
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	0.6	0.6	0.6	0.7	0.2	0.2	0.2	0.4
Total current assets	7.9	4.8	5.5	5.0	22.6	21.7	39.8	113.8	111.1	105.6	102.2	99.2	96.8	94.1	91.2	90.3
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
Deferred income tax										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
Other	3.9	3.6	3.4	1.7	1.6	1.4	1.2	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Total assets	45.5	40.8	27.8	6.7	24.3	23.1	41.0	114.8	112.0	106.5	103.2	100.1	97.8	95.0	92.1	91.3
Liabilities and stockholders' equity																
Accounts payable	7.8	8.4	8.0	7.8	5.1	4.8	4.8	3.8	4.1	1.4	1.5	1.6	1.7	1.8	2.4	4.1
Accrued expenses	3.5	2.5	2.0	1.3	0.9	0.7	3.3	0.5	0.8	0.8	0.9	0.9	1.3	1.3	1.8	3.1
Deferred revenue	1.5	1.1	1.5	1.3	1.0	1.0	1.2	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
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
Warrant liabilities	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
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
Total current liabilities	19.6	19.2	18.2	16.5	8.2	7.7	10.5	6.5	7.2	4.6	4.7	4.9	5.3	5.4	6.5	9.6
Deferred income taxes										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
Other long term liabilities	2.8	2.6	2.3	1.0	0.9	0.8	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Deferred revenue	1.1	1.1	0.7	0.7	0.6	0.5	0.7	0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Long term debt										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	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.3	0.4	0.5	0.6
Common stock	276.8	279.3	287.0	292.0	320.3	322.4	340.2	421.0	421.2	421.2	421.2	421.2	421.2	421.2	421.2	421.2
Additional paid-in capital	(254.5)	(261.0)	(280.0)	(303.0)	(305.3)	(307.9)	(310.7)	(313.3)	(317.0)	(320.0)	(323.5)	(326.9)	(329.8)	(332.7)	(336.7)	(340.8)
Retained earnings	(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)
Accumulated other comprehensive income										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interest										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	103.6	100.7	97.3	94.1	91.2	88.4	84.4	80.5
Total stockholders' equity and liabilities	45.5	40.8	27.8	6.7	24.3	23.1	41.0	114.8	112.0	106.5	103.2	100.1	97.8	95.0	92.1	91.3

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	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	17%	18%	21%	43%	45%	29%	471%	69%	85%	85%	85%	85%	18%	18%	18%	18%
Accounts payable as % of total rev	164%	239%	285%	835%	550%	473%	718%	634%	592%	200%	200%	200%	200%	200%	200%	200%
Accrued expenses as % of total rev	73%	72%	70%	135%	97%	71%	503%	78%	118%	118%	118%	118%	150%	150%	150%	150%
Activity Ratios																
A/R Days Sales Outstanding	23	22	34	53	62	87	146	42	91	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	\$5.14	\$4.97	\$4.78	\$4.59	\$4.44	\$4.28	\$4.07	\$3.86
Cash per Share (diluted)	\$0.34	\$0.53	\$1.19	\$1.33	\$3.14	\$2.45	\$3.20	\$6.35	\$5.44	\$5.16	\$4.97	\$4.79	\$4.68	\$4.52	\$4.36	\$4.27
Net cash per Share (diluted)	-\$2.42	-\$2.37	-\$1.13	-\$0.34	\$3.14	\$2.45	\$3.20	\$6.35	\$5.44	\$5.16	\$4.97	\$4.79	\$4.68	\$4.52	\$4.36	\$4.27

Source: Company reports and Ascendant Capital Markets estimates

Phunware, Inc.

Cash Flow Statement (\$ mills)	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	Q1A	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)	(3.7)	(3.0)	(3.5)	(3.4)	(13.6)	(2.9)	(2.9)	(4.0)	(4.0)	(13.9)
Depreciation					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	0.3	0.1	0.1	0.1	0.1	0.3
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
Change in fair value of warrant l	(0.3)	0.3	(0.3)		(0.3)					0.0			0.0	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)				(0.2)					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	0.1				0.1					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	(0.4)	0.5	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.3)	(0.4)
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)	(0.0)	(0.1)	(0.3)	0.5	(0.0)	(0.1)	(0.2)	0.3
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
Accounts payable	0.1	0.6	(0.4)	0.3	0.6	(2.9)	(0.3)	2.7	(2.5)	(2.9)	0.7	(2.7)	0.0	0.1	(1.8)	0.1	0.0	0.6	1.8	2.6
Accrued expenses	(0.1)	(0.9)	0.1	(0.3)	(1.2)					0.0	(0.1)	0.0	0.0	0.1	0.2	0.3	0.0	0.5	1.3	2.2
Deferred revenue	(1.6)	(0.4)	0.1	1.0	(0.9)	(0.3)	(0.1)	0.4	(0.3)	(0.3)	0.2				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
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)	(3.3)	(5.1)	(3.3)	(3.2)	(14.9)	(1.8)	(2.8)	(3.1)	(1.3)	(9.0)
Cash flow from investing activities																				
Purchases of property and equi	(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
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	0.1	0.0	0.0	0.0	0.1	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	0.1	0.0	0.0	0.0	0.1	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	(3.3)	(5.1)	(3.3)	(3.2)	(14.8)	(1.8)	(2.8)	(3.1)	(1.3)	(9.0)
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	109.7	104.6	101.3	113.0	98.1	96.3	93.5	90.5	98.1
Ending cash and equivalents	0.7	1.1	2.9	3.9	3.9	21.6	20.4	35.5	113.0	113.0	109.7	104.6	101.3	98.1	98.1	96.3	93.5	90.5	89.2	89.2

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 Date		Price
Report	Date	Rating	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
20	4/20/2025	Buy	12.00

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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.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of April 11, 2025)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	52	98%	21	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	21	40%

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