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

FORM 10-Q/A
Amendment No. 1

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

For the quarterly period ended September 30, 2024

or

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

For the transition period from ____________ to ______________

Commission file number: 001-37862

PHUNWARE, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**30-1205798** (I.R.S. Employer Identification Number)
1002 West Avenue, Austin, Texas (Address of principal executive offices)	**78701** (Zip Code)

Registrant's telephone number, including area code: **512-693-4199**

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

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Common Stock, par value $0.0001 per share	**PHUN**	**The NASDAQ Capital Market**

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

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

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

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

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

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

As of January 14, 2025, 20,170,745 shares of common stock, par value $0.0001 per share, were outstanding.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A (this "Amendment") to the Quarterly Report on Form 10-Q of Phunware, Inc. (the "Company", "we", "us" or "our") for the quarterly period ended September 30, 2024, originally filed with the U.S. Securities and Exchange Commission (the "SEC") on November 8, 2024 (the "Quarterly Report") is being filed to amend and restate (i) Part I Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" to include disclosure regarding our recent initiatives to apply artificial intelligence technology in the Company's business in the "Overview" section, and (ii) Part II Item 1A "Risk Factors" to include a risk factor addressing risks specific to the Company's use of, and reliance upon, artificial intelligence technology.

As required by Rule 12b-5 under the Securities Act of 1934, as amended (the "Exchange Act"), the certifications required by Rule 13a-14(a) under the Exchange Act are also being filed as exhibits to this Amendment. This Amendment contains only the cover page, this explanatory note, the complete amended text of Part I Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations", the complete amended text of Part II, Item 1A "Risk Factors", the exhibit list, a signature page, and the revised certifications.

Other than as expressly set forth herein, this Amendment does not, and does not purport to, amend, update or restate the information in the Quarterly Report or reflect any events that have occurred after the Quarterly Report was initially filed. Information not affected by this Amendment remains unchanged and reflects the disclosures made at the time as of which the Quarterly Report was originally filed. This Amendment should be read together with the Quarterly Report and the Company's other filings with the SEC.

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PART I - FINANCIAL INFORMATION

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

References in this section to "we," "us," "our," or "the Company" refer to Phunware, Inc. References to "management" or "management team" refer to our officers and directors.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the related notes thereto presented in "*Part I – Item 1. Financial Statements.*" As discussed in the section titled "*Special Note Regarding Forward-Looking Statements,"* the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those discussed in the section titled "*Risk Factors*" and elsewhere in this Report.

Certain figures, such as interest rates and other percentages, included in this section have been rounded for ease of presentation. Percentage figures included in this section have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this section may vary slightly from those obtained by performing the same calculations using the figures in our condensed consolidated financial statements or in the associated text. Certain other amounts that appear in this section may similarly not sum due to rounding.

Key Events & Recent Developments

On October 22, 2024, Michael Snavely tendered his resignation as Chief Executive Officer, and as a member of our Board of Directors, effective immediately. On the same date, our Board of Directors appointed Mr. Stephen Chen, our then existing Chairperson of our Board of Directors, as Interim Chief Executive Officer. In connection therewith, while Mr. Chen will continue to serve as member of the Board of Directors, effective October 22, 2024, Mr. Chen resigned as Chairperson of the Board and as a member of the Company's Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

On November 1, 2024, Troy Reisner notified the Company that he intends to step down as our Chief Financial Officer, and he departed the Company on November 30, 2024. The Company has initiated a search for potential candidates to replace Mr. Reisner.

Please see the section captioned *"Liquidity and Capital Resources"* for additional discussion on additional recent developments.

Overview

Phunware, Inc. offers a fully integrated software platform that equips companies with the products, solutions and services necessary to engage, manage and monetize their mobile application portfolios globally at scale. Our platform provides the entire mobile lifecycle of applications, media and data in one login through one procurement relationship. Our offerings include:

- Enterprise mobile software development kits (SDKs) including content management, location-based services, marketing automation, business intelligence and analytics, alerts, notifications and messaging, audience engagement and audience monetization;
- Integration of our SDK licenses into existing applications maintained by our customers;
- Cloud-based vertical solutions, which are off-the-shelf, iOS- and Android-based mobile application portfolios, solutions and services that address: the patient experience for healthcare, the shopper experience for retail, the fan experience for sports, the traveler experience for aviation, the luxury resident experience for real estate, the luxury guest experience for hospitality, the student experience for education and the generic user experience for all other verticals and applications; and
- Application transactions for mobile audience building, user acquisition, application discovery, audience engagement and monetization, including our engagement-driven digital asset PhunToken.

In October 2024, we announced the commencement of the development of a new generative AI-driven software development platform that will democratize access to world-class design, user experience and content creation so that businesses of any size can design, create, build, and deploy high-quality custom mobile applications in days or even hours. The platform is designed to harness and integrate the power of generative AI in a manner that will enable businesses to quickly develop and monetize custom mobile app solutions at a lower cost, making them accessible to small and medium-sized businesses.

The "artificial intelligence" (AI) in the context of the Company's platform will initially be generative pre-trained transformer (GPT) technology. We plan to use such artificial intelligence in various contexts within its internal systems, current product offerings and its new software development platform, including the following items:

•**Creator.phunware.com**. We have created, deployed and are testing creator.phunware.com, an online platform which is the first step in the Company's new software development platform initiative. This platform will in the future utilize generative AI (initially GPT technology) to simplify the mobile app request, submission, creation, development, customization and completion processes for customers. The platform is designed to include a Sales Companion GPT, a generative AI assistant that will guide customers step-by-step through the onboarding and sales processes, helping guide their decisions in creating, developing, customizing and completing their mobile apps, making them even more intuitive, efficient and less expensive.

•**Generative AI Tools for Internal Systems**. We actively utilize generative AI tools to streamline internal processes and workflows for mobile app creation and development. We also plan to use predictive AI tools in the future to further enhance these processes. By applying these technologies, we expect to improve the quality and personalization of its mobile apps and drastically reduce the time required to adapt its mobile app development framework to meet specific customer needs. We anticipate that these efficiencies will enable the Company to reduce mobile app development costs significantly and make high-quality customized mobile apps more accessible and affordable for small to medium sized businesses ("SMBs") and enterprises.

•**AI Features and Functionalities for Engagement and Monetization**. We are also developing AI Personal Concierge features and functionalities to serve as a human-like interface in our mobile apps for its customers and users thereof. This feature is expected to revolutionize user interaction by enhancing engagement and providing SMBs and enterprises with innovative opportunities to further monetize their products and services with users. We also intend to develop and include predictive AI features and functionalities in its mobile apps for Company customers and to use predictive AI to improve and enhance mobile apps for customer use cases and user personalization.

•**Automation Technology**. In the future, we plan to further integrate generative AI into our App Creator process to facilitate collection and evaluation of inputs - such as customer-provided content, branding materials, and other relevant information - and automatically generate necessary configuration files. We expect this to evolve into largely AI-related automated processes to build the app itself.

We intend to continue investing for long-term growth. We have invested and expect to continue investing in the expansion of our ability to market, sell and provide our current and future products and services to customers globally. We also expect to continue investing in the development and improvement of new and existing products and services to address customers' needs. We currently do not expect to be profitable in the near future.

Key Business Metrics

Our management regularly monitors certain financial measures to track the progress of our business against internal goals and targets. We believe that the most important of these measures include backlog and deferred revenue.

Bookings, Backlog and Deferred Revenue. We define these measures and purpose as follows:

•Bookings represents actual contracted value for a period, whether invoiced or not, to be invoiced and recognized as revenue over time. We believe that bookings reflects the current demand for our products and services and provides us insight into how well our sales and marketing efforts are performing.
•Backlog represents future amounts to be invoiced under our active contracts. At any point in the contract term, there can be amounts that we have not yet been contractually able to invoice. Until such time as these amounts are invoiced, they are not recorded in revenue, deferred revenue, accounts receivable or elsewhere in our condensed consolidated financial statements and are considered by us to be backlog. We expect backlog to fluctuate up or down from period to period for several reasons, including the timing and duration of customer contracts, varying billing cycles and the timing and duration of customer renewals. We reasonably expect approximately 38% of our backlog as of September 30, 2024 will be invoiced during the subsequent 12-month period, primarily due to the fact that our contracts are typically one to three years in length.
•Deferred revenue consists of amounts that have been invoiced but have not yet been recognized as revenues as of the end of a reporting period. Together, the sum of deferred revenue and backlog represents the total billed and unbilled contract value yet to be recognized in revenues and provides visibility into future revenue streams.

The following table sets forth our software and subscriptions bookings:

	Three months ended September 30,		**Nine months ended September 30,**	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Bookings – subscriptions and services	$ 476	$ 387	$ 2,222	$ 555

The follow table sets forth our deferred revenue and backlog:

(in thousands)	September 30, 2024	December 31, 2023
Backlog	$ 3,153	$ 2,750
Deferred revenue	1,866	1,909
Total backlog and deferred revenue	$ 5,019	$ 4,659

Non-GAAP Financial Measures

Adjusted Gross Profit, Adjusted Gross Margin and Adjusted EBITDA

We report our financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We also use certain non-GAAP financial measures that fall within the meaning of Securities and Exchange Commission Regulation G and Regulation S-K Item 10(e), which may provide users of the financial information with additional meaningful comparison to prior period results. Our non-GAAP financial measures include adjusted gross profit (derived from the GAAP measure of gross profit), adjusted gross margin (derived from the GAAP measure of gross margin) and adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") (derived from the GAAP measure of net loss from continuing operations) (our "non-GAAP financial measures"). Management uses these measures (i) to compare operating performance on a consistent basis, (ii) to calculate incentive compensation for our employees, (iii) for planning purposes including the preparation of our internal annual operating budget and (iv) to evaluate the performance and effectiveness of operational strategies.

Our non-GAAP financial measures should be considered in addition to, not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. They are not measurements of our financial performance under GAAP and should not be considered as alternatives to revenue or net loss, as applicable, or any other performance measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other businesses. Our non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations include:

- Non-cash compensation is and will remain a key element of our overall long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period;
- Our non-GAAP financial measures do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of ongoing operations; and
- Other companies in our industry may calculate our non-GAAP financial measures differently than we do, limiting their usefulness as comparative measures.

We compensate for these limitations to our non-GAAP financial measures by relying primarily on our GAAP results and using our non-GAAP financial measures only for supplemental purposes. Our non-GAAP financial measures include adjustments for items that may not occur in future periods. However, we believe these adjustments are appropriate because the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our business and complicate comparisons of our internal operating results and operating results of other peer companies over time. For example, it is useful to exclude non-cash, stock-based compensation expenses because the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and these expenses can vary significantly across periods due to timing of new stock-based awards. We may also exclude certain discrete, unusual, one-time, or non-cash costs in order to facilitate a more useful period-over-period comparison of our financial performance. Each of the normal recurring adjustments and other adjustments described in this paragraph help management with a measure of our operating performance over time by removing items that are not related to day-to-day operations or are non-cash expenses.

The following tables set forth the most comparable GAAP financial measures from which our non-GAAP financial measures are derived as well as the non-GAAP financial measures we monitor.

GAAP Financial Measures	Three months ended September 30,		Nine months ended September 30,	
(in thousands, except percentages)	2024	2023	2024	2023
Gross profit	$ 322	$ 631	$ 1,316	$ 1,241
Gross margin	48.4 %	50.4 %	50.7 %	31.9 %
Net loss from continuing operations	$ (2,760)	$ (13,717)	$ (7,683)	$ (21,843)

(in thousands, except percentages)	Three Months Ended September 30, 2024	2023	Nine Months Ended September 30, 2024	2023
Adjusted gross profit [1]	$ 373	$ 711	$ 1,461	$ 1,685
Adjusted gross margin [1]	56.1 %	56.8 %	56.3 %	43.3 %
Adjusted EBITDA [2]	$ (2,885)	$ (3,314)	$ (7,308)	$ (12,794)

(1)Adjusted gross profit and adjusted gross margin are non-GAAP financial measures. We believe that adjusted gross profit and adjusted gross margin provide supplemental information with respect to gross profit and gross margin regarding ongoing performance. We define adjusted gross profit as net revenues less cost of revenue, adjusted to exclude one-time revenue adjustments, stock-based compensation and amortization of intangible assets. We define adjusted gross margin as adjusted gross profit as a percentage of net revenues.

(2)Adjusted EBITDA is a non-GAAP financial measure. We believe adjusted EBITDA provides helpful information with respect to operating performance as viewed by management, including a view of our business that is not dependent on (i) the impact of our capitalization structure and (ii) items that are not part of day-to-day operations. We define adjusted EBITDA as net loss plus (i) interest expense, net of interest income (ii) income tax expense, (iii) depreciation, and further adjusted for (iv) non-cash impairment, (v) valuation adjustments and (vi) stock-based compensation expense.

Reconciliation of Non-GAAP Financial Measures

The following tables set forth a reconciliation of the most directly comparable GAAP financial measure to each of the non-GAAP financial measures discussed above.

(in thousands, except percentages)	Three Months Ended September 30, 2024	2023	Nine Months Ended September 30, 2024	2023
Gross profit	$ 322	$ 631	$ 1,316	$ 1,241
Add back: Stock-based compensation	51	80	145	444
Adjusted gross profit	$ 373	$ 711	$ 1,461	$ 1,685
Adjusted gross margin	56.1 %	56.8 %	56.3 %	43.3 %

(in thousands)	Three Months Ended September 30, 2024	2023	Nine Months Ended September 30, 2024	2023
Net loss from continuing operations	$ (2,760)	$ (13,717)	$ (7,683)	$ (21,843)
Add back: Depreciation	4	21	12	63
Add back: Interest expense	10	264	126	1,354
Less: Interest income	(381)	-	(760)	-
EBITDA	(3,127)	(13,432)	(8,305)	(20,426)
Add back: Stock-based compensation	242	838	1,532	3,662
Add back/less: Loss (gain) on extinguishment of debt	-	237	(535)	237
Add back: Impairment of goodwill	-	9,043	-	9,043
Less: Gain on sale of digital assets	-	-	-	(5,310)
Adjusted EBITDA	$ (2,885)	$ (3,314)	$ (7,308)	$ (12,794)

Components of Results of Operations

Revenue and Gross Profit

There are a number of factors that impact the revenue and margin profile of the services and technology offerings we provide, including, but not limited to, solution and technology complexity, technical expertise requiring the combination of products and types of services provided, as well as other elements that may be specific to a particular client solution.

Platform Subscriptions and Services

Subscription revenue is derived from software license fees, which are comprised of subscription fees from customers licensing our Software Development Kits (SDKs), that include access to our platform. Services revenue is derived from development services around designing and building new applications or enhancing existing applications. Support revenue is comprised of support and maintenance fees of customer applications, software updates and technical support for application development services for a support term.

Subscriptions and services gross profit is equal to subscriptions and services revenue less the cost of personnel and related costs for our support and professional services employees, external consultants, stock-based compensation and allocated overhead. Costs associated with our development and project management teams are generally recognized as incurred. Costs directly attributable to the development or support of applications relating to platform subscription customers are included in cost of sales, whereas costs related to the ongoing development and maintenance of our software platform are expensed in research and development. As a result, platform subscriptions and services gross profit may fluctuate from period to period.

Application Transaction Revenue

We also generate revenue by charging advertisers to deliver advertisements (ads) to users of digitally connected devices. Depending on the specific terms of each advertising contract, we generally recognize revenue when the ad loads onto the device of a user. We generally sell our ads by cost per thousand impressions and generally, an impression results when the user has the potential to see the ad.

Application transaction gross profit is equal to application transaction revenue less cost of revenue associated with application transactions. Application transaction gross profit is impacted by the cost of advertising traffic we pay to our suppliers and amount of traffic which we can purchase from those suppliers. As a result, our application transaction gross profit may fluctuate from period to period due to variable costs of advertising traffic.

Gross Margin

Gross margin measures gross profit as a percentage of revenue. Gross margin is generally impacted by the same factors that affect changes in the mix of platform and hardware revenue.

Operating Expenses

Our operating expenses include sales and marketing expenses, general and administrative expenses and research and development expenses. Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, stock-based compensation and, in sales and marketing expense, commissions.

Sales and Marketing Expense. Sales and marketing expense is comprised of compensation, commission expense, variable incentive pay and benefits related to sales personnel, along with travel expenses, other employee related costs, including stock-based compensation and expenses related to marketing programs and promotional activities. In order to grow revenues, we may increase the size and spend of our sales and marketing organization. As a result, our sales and marketing expenses may increase in absolute dollars but may fluctuate as a percentage of our total revenue from period to period.

General and Administrative Expense. General and administrative expense is comprised of compensation and benefits of administrative personnel, including variable incentive pay and stock-based compensation, bad debt expenses and other administrative costs such as facilities expenses, professional fees and travel expenses. We incur general and administrative expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC and listing standards of Nasdaq, additional insurance expenses, investor relations activities and other administrative and professional services. We also expect, over time, to increase the size of our general and administrative function to support the growth of our business. As a result, our general and administrative expenses may increase in absolute dollars but may fluctuate as a percentage of our total revenue from period to period.

Research and Development Expense. Research and development expenses consist primarily of employee compensation costs and overhead allocation. We believe that continued investment in our platform is important for our growth. As a result, our research and development expenses may increase in absolute dollars but may fluctuate as a percentage of revenue from period to period.

Interest Expense

Interest expense includes interest related to our outstanding debt, including amortization of discounts and deferred issuance costs.

Refer to Note 5 "*Debt*" in the notes to the condensed consolidated financial statements included Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on our debt offerings.

We also may seek additional debt financing to fund the expansion of our business or to finance strategic acquisitions in the future, which may have an impact on our interest expense.

Results of Operations

Net Revenues

(in thousands, expect percentages)	Three Months Ended September 30, 2024	2023	Change Amount	%
Revenue				
Platform subscriptions and services	$ 464	$ 697	$ (233)	(33.4) %
Application transaction	201	555	(354)	(63.8) %
Total revenue	$ 665	$ 1,252	$ (587)	(46.9) %
Platform subscriptions and services as a percentage of total revenue	69.8 %	55.7 %		
Application transactions as a percentage of total revenue	30.2 %	44.3 %		
Platform revenues as a percentage of total revenue	100.0 %	100.0 %		

(in thousands, expect percentages)	Nine Months Ended September 30, 2024	2023	Change Amount	%
Revenue				
Platform subscriptions and services	$ 1,434	$ 2,439	$ (1,005)	(41.2) %
Application transaction	1,163	1,453	(290)	(20.0) %
Total revenue	$ 2,597	$ 3,892	$ (1,295)	(33.3) %
Platform subscriptions and services as a percentage of total revenue	55.2 %	62.7 %		
Application transaction as a percentage of total revenue	44.8 %	37.3 %		
Platform revenue as a percentage of total revenue	100.0 %	100.0 %		

Net revenues decreased $0.6 million, or (46.9)%, for the three months ended September 30, 2024 compared to the corresponding period in 2023, as a result of additional development fees recognized in 2023 and timing of advertising campaigns.

Net revenues decreased $1.3 million, or (33.3)%, for the nine months ended September 30, 2024 compared to the corresponding period in 2023, primarily due to $0.3 million due to a specific customer contract termination, $0.2 million in revenue recognized in 2023 related to a customer onboarding and $0.2 million for customers who were customers in 2023, but are no longer customers in 2024. Further decreases of $0.3 million are the result of advertising campaigns.

Cost of Revenues, Gross Profit and Gross Margin

(in thousands, expect percentages)	Three Months Ended September 30, 2024	2023	Change Amount	%
Cost of Revenue				
Platform subscriptions and services	$ 270	$ 425	$ (155)	(36.5) %
Application transaction	73	196	(123)	(62.8) %
Total cost of revenue	$ 343	$ 621	$ (278)	(44.8) %
Gross Profit				
Platform subscriptions and services	$ 194	$ 272	$ (78)	(28.7) %
Application transaction	128	359	(231)	(64.3) %
Total gross profit	$ 322	$ 631	$ (309)	(49.0) %
Gross Margin				
Platform subscriptions and services	41.8 %	39.0 %		
Application transaction	63.7 %	64.7 %		
Total gross margin	48.4 %	50.4 %		

(in thousands, expect percentages)	Nine Months Ended September 30, 2024	2023	Change Amount	%
Cost of Revenue				
Platform subscriptions and services	$ 861	$ 2,151	$ (1,290)	(60.0 %)
Application transaction	420	500	(80)	(16.0 %)
Total cost of revenue	$ 1,281	$ 2,651	$ (1,370)	(51.7 %)
Gross Profit				
Platform subscriptions and services	$ 573	$ 288	$ 285	99.0 %
Application transaction	743	953	(210)	(22.0 %)
Total gross profit	$ 1,316	$ 1,241	$ 75	6.0 %
Gross Margin				
Platform subscriptions and services	40 %	12 %		
Application transaction	64 %	66 %		
Total gross margin	51 %	32 %		

Total gross profit decreased $0.3 million, or (49)%, three months ended September 30, 2024 compared to the corresponding period in 2023, primarily as a result of the issues resulting in decreased revenue described above.

Total gross profit increased $0.1 million, or 6.0%, for the nine months ended September 30, 2024 compared to the corresponding period of 2023, as a result of a decrease of $0.3 million in stock-based compensation expense. Although the Company experienced a decrease of revenue, the company improved gross margin on customer projects in 2024.

Operating Expenses

(in thousands, except percentages)	Three Months Ended September 30, 2024	2023	Change Amount	%
Operating expenses				
Sales and marketing	$ 619	$ 839	$ (220)	(26.2 %)
General and administrative	2,281	2,985	(704)	(23.6 %)
Research and development	612	1,042	(430)	(41.3 %)
Impairment of goodwill	-	9,043	(9,043)	(100.0 %)
Total operating expenses	$ 3,512	$ 13,909	$ (10,397)	(74.8 %)

(in thousands, except percentages)	Nine Months Ended September 30, 2024	2023	Change Amount	%
Operating expenses				
Sales and marketing	$ 1,671	$ 2,837	$ (1,166)	(41.1 %)
General and administrative	7,051	11,397	(4,346)	(38.1 %)
Research and development	1,592	4,023	(2,431)	(60.4 %)
Impairment of goodwill	-	9,043	(9,043)	(100.0 %)
Total operating expenses	$ 10,314	$ 27,300	$ (16,986)	(62.2 %)

Sales and Marketing

Sales and marketing expense decreased $0.2 million, or (26.2)% and $1.2 million, or (41.1)%, for the three and nine months ended September 30, 2024, respectively, compared to the corresponding periods of 2023, primarily due to a decrease in payroll and related expenses as a result of lower headcount.

General and Administrative

General and administrative expense decreased $0.7 million, or (26.3)%, for the three months ended September 30, 2024 compared to the corresponding period of 2023, due to a $0.5 million decrease in payroll and related expenses as a result of lower headcount, $0.4 million decrease in stock-based compensation expense and $0.1 million in facilities costs. These decreases were partially offset by an increase of $0.3 million decrease in professional expenses, mainly related to legal fees.

General and administrative expense decreased $4.3 million, or (38.1)%, for the nine months ended September 30, 2024 compared to the corresponding period of 2023, due to $1.8 million decrease in payroll and related expenses as a result of lower headcount, $1.5 million decrease in stock-based compensation expense, $0.7 million decrease in professional expenses, mainly related to legal fees and $0.3 million decrease in facilities expenses.

Research and Development

Research and development expense decreased $0.4 million, or (41.3)%, and $2.4 million, or (60.4)%, for the three and nine months ended September 30, 2024, respectively, compared to the corresponding periods of 2023, primarily as a result of decrease in payroll and related expenses as a result of lower headcount.

Impairment of goodwill

We recorded an impairment of goodwill related to our Phunware operating segment for the three and nine months ended September 30, 2023. Refer to Note 3, "*Supplemental Information,"* in the notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion.

Other expense

(in thousands, except percentages)	Three Months Ended September 30, 2024	2023
Other income (expense)		
Interest expense	$ (10)	$ (264)
Interest income	381	-
Gain (loss) on extinguishment of debt	-	(237)
Other income, net	59	62
Total other income (expense)	$ 430	$ (439)

(in thousands, except percentages)	Nine Months Ended September 30, 2024	2023
Other income (expense)		
Interest expense	$ (126)	$ (1,354)
Interest income	760	-
Gain (loss) on extinguishment of debt	535	(237)
Gain on sale of digital currencies	-	5,310
Other income, net	146	497
Total other income	$ 1,315	$ 4,216

During the three months ended September 30, 2024, we recorded other income of $0.4 million, primarily as a result of interest income from cash and cash equivalents. In addition, we incurred a $2.8 million charge related to a partial settlement of a lawsuit with an offsetting $2.8 million recovery to reflect proceeds to be paid by insurance carriers related to the settlement. Refer to Note 7, "*Commitments and Contingencies*," in the notes to the condensed consolidated financial statements included in Item I, Part I of this Quarterly Report on Form 10-Q for further discussion related to the settlement and insurance recovery. During the three months ended September 30, 2023, we recorded other expense of approximately $0.4 million, primarily as a result of interest expense and a loss on extinguishment of debt on our 2022 Promissory Note, as amended.

During the nine months ended September 30, 2024, we recorded other income of $1.3 million, primarily as a result of interest income and a recognized gain on the extinguishment of the 2022 Promissory Note. In addition, we incurred a $2.8 million charge related to a partial settlement of a lawsuit with an offsetting $2.8 million recovery to reflect proceeds to be paid by insurance carriers related to the settlement. Refer to Note 7, "*Commitments and Contingencies*," in the notes to the condensed consolidated financial statements included in Item I, Part I of this Quarterly Report on Form 10-Q for further discussion related to the settlement and insurance recovery. During the nine months ended September 30, 2023, we recorded other income of $4.2 million, primarily as a result of gains on sales of our digital asset holdings. This was partially offset due to interest expense related to the 2022 Promissory Note.

Liquidity and Capital Resources

As of September 30, 2024, we held total cash of $35.5 million, all of which was held in the United States. We have a history of operating losses and negative operating cash flows. As we continue to focus on growing our revenues, we expect these trends to continue into the foreseeable future.

On February 1, 2022, we filed a Form S-3, which was subsequently declared effective by the SEC on February 9, 2022, pursuant to which we could issue up to $200 million in common stock, preferred stock, warrants and units. Contained therein, was a prospectus supplement pursuant to which we could sell up to $100 million of our common stock in an "at the market offering" pursuant to an At

Market Issuance Sales Agreement we entered into with H.C. Wainwright & Co., LLC ("Wainwright") on January 31, 2022. We terminated our agreement with Wainwright effective June 3, 2024.

On July 6, 2022, we entered into a note purchase agreement and completed the sale of an unsecured promissory note (referred to herein as the 2022 Promissory Note) with an original principal amount of $12.8 million in a private placement. After deducting all transaction fees paid by us at closing, net cash proceeds to us at closing were $11.8 million. No interest was to accrue on the 2022 Promissory Note. On August 14, 2023, we entered into an amendment to the 2022 Promissory Note with the noteholder. The amendment extended the maturity date to June 1, 2024 and provided that effective August 1, 2023, we were required to make monthly amortization payments of at least $800 thousand commencing on August 31, 2023 until the 2022 Promissory Note is paid-in-full. We also granted the noteholder certain limited conversion rights, which if elected by the noteholder, would reduce the required monthly payment. The limited conversion rights were subject to advance payment and volume conditions. The amendment also provided that the outstanding balance shall accrue interest at a rate of 8% and payment deferrals are no longer permitted under the 2022 Promissory Note. During the first quarter of 2024, we issued 336,550 shares of our common stock to the holder of the 2022 Promissory Note. These conversions were made pursuant to the terms of the amended 2022 Promissory Note. In addition, conversions were made in connection with the Company granting the holder additional conversion rights. As a result of the conversions, the 2022 Promissory Note has been paid-in-full.

On August 22, 2023, we entered into a common stock purchase agreement with Lincoln Park Capital Fund, LLC ("Lincoln Park"), which provides that, upon the terms and subject to the conditions and limitations set forth therein, we have the right, but not the obligation, to sell to Lincoln Park up to $30.0 million in value of shares of our common stock from time to time over the 24-month term of the purchase agreement. Concurrently with entering into the purchase agreement, we also entered into a registration rights agreement with Lincoln Park pursuant to which the Company agreed to register the sale of the shares of the Company's common stock that have been and may be issued to Lincoln Park under the purchase agreement pursuant to the Company's existing shelf registration statement on Form S-3. During the nine months ended September 30, 2024, we did not sell any shares to Lincoln Park. On October 24, 2024, we terminated the common stock purchase agreement with Lincoln Park effective October 25, 2024.

On January 16, 2024, we entered into a definitive securities purchase agreement with certain institutional investors for the purchase and sale of an aggregate of 800,000 shares of our common stock and pre-funded warrants to purchase up to 950,000 shares of our common stock for gross proceeds of approximately $7 million. The holders of the pre-funded warrants have exercised their rights to purchase all of the underlying common stock.

On January 18, 2024, we entered into a definitive securities purchase agreement with certain institutional investors for the purchase and sale of an aggregate of 1,096,000 shares of our common stock and pre-funded warrants to purchase up to 24,000 shares of our common stock for gross proceeds of approximately $5.6 million. The holders of the pre-funded warrants have exercised their rights to purchase all of the underlying common stock.

On February 9, 2024, we consummated a registered public offering of an aggregate of 800,000 shares of our common stock. We entered into securities purchase agreements with certain institutional investors, and as a result of the registered public offering, we raised gross proceeds of approximately $10 million.

On June 4, 2024, we entered into an Equity Distribution Agreement with Canaccord Genuity LLC ("Canaccord"), as representative of certain agents, pursuant to which we may offer and sell, from time to time, shares of our common stock for aggregate gross proceeds of up to $120 million, through the agents.

During the nine months ended September 30, 2024, we sold an aggregate of 3,611,187 shares of our common stock under our At Market Issuance Sales Agreement with Wainwright and Equity Distribution Agreement with Canaccord for aggregate gross cash proceeds of approximately $22.2 million. Transaction costs were $0.7 million. From October 1, 2024 through the date of this Report, we sold additional shares of our common stock under the Equity Distribution Agreement, as amended, with Canaccord for aggregate gross proceeds $81.1 million. On November 1, 2024, we entered into an Amended and Restated Equity Distribution Agreement with Canaccord, as representative of certain agents, pursuant to which we increased the aggregate amount of shares of our common stock that we may sell under our at-the-market facility to an aggregate offering price of $171,520,779. As of the date of this Report, up to $70.8 million of shares of our common stock remain available for offer and sale pursuant to the Amended and Restated Equity Distribution Agreement with Canaccord. Refer to Note 10 "*Subsequent Events*" in the notes to the condensed consolidated financial statements included Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on our Amended and Restated Equity Distribution Agreement with Canaccord.

Although we expect to generate operating losses and negative operating cash flows in the future, based on the financing events described above, management believes it has sufficient cash on hand for at least one year following the filing date of this Quarterly Report on Form 10-Q.

Our future capital requirements will depend on many factors, including our pace of growth, subscription renewal activity, the timing and extent of spend to support development efforts, the expansion of sales and marketing activities and the market acceptance of our products and services. We believe that it is likely we will in the future enter into arrangements to acquire or invest in complementary businesses, technologies and intellectual property rights. We may be required to seek additional equity or debt financing, or issue securities under our effective registration statement described above. If additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us, or at all. If we are unable to raise additional capital when desired and/or on acceptable terms, our business, operating results and financial condition could be adversely affected.

The accompanying consolidated financial statements have been prepared assuming we will continue to operate as a going concern, which contemplates the realization of assets and settlement of liabilities in the ordinary course of business.

The following table summarizes our cash flows for the periods presented:

	Nine Months Ended September 30,			
(in thousands, except percentages)		**2024**		**2023**
Consolidated statement of cash flows				
Net cash provided used in operating activities	$	(10,590)	$	(15,869)
Net cash provided by investing activities	$	-	$	15,383
Net cash provided by financing activities	$	42,193	$	1,379

Operating Activities

The primary source of cash from operating activities is receipts from sales of our various product and service offerings to customers. The primary uses of cash from operating activities are payments to employees for compensation and related expenses, publishers and other vendors for the purchase of digital media inventory and related costs, sales and marketing expenses and general operating expenses.

We utilized $10.6 million of cash from operating activities during the nine months ended September 30, 2024, resulting in a net loss of $7.7 million. The net loss included non-cash charges of $1.6 million, primarily consisting of stock-based compensation. In addition, certain changes in our operating assets and liabilities resulted in a cash decrease of $4.3 million, primarily relating to a decrease in accounts payable and accrued expenses and lease liability payments.

We utilized $15.9 million of cash from operating activities during the nine months ended September 30, 2023, resulting in a net loss from continuing operations of $21.8 million. The net loss included non-cash charges of $9.0 million primarily related to an impairment of goodwill and stock-based compensation, offset by gain on the sale of digital assets. In addition, certain changes in our operating assets and liabilities resulted in a cash decrease of $1.7 million, primarily relating to a decrease in deferred revenue and lease liability payments. Further cash decreases were the result of $1.3 million from the discontinued operations of Lyte.

Investing Activities

Investing activities for the nine months ended September 30, 2023 consisted mainly of the sales of our digital asset holdings.

Financing Activities

Our financing activities during the nine months ended September 30, 2024 consisted of various sales of our common stock.

Our financing activities during the nine months ended September 30, 2023 consisted of $6.9 million in proceeds from the sale of our common stock. We also had payments on our 2022 Promissory Note of $5.1 million and $0.5 million for repurchases of shares of our common stock.

Refer to the notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for information on the Company's financing activities.

Contractual Obligations

Information set forth in Note 6, "*Leases,*" in the notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Off-Balance Sheet Arrangements

Through September 30, 2024, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K, such as the use of unconsolidated subsidiaries, structured finance, special purpose entities or variable interest entities.

Indemnification Agreements

In the ordinary course of business, we provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, solutions to be provided by the Company or from intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with directors and certain current and former officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of, or are related to, their status or service as directors, officers or employees.

Recent Accounting Pronouncements

Refer to Note 2, "*Summary of Significant Accounting Policies*," in the notes to the condensed consolidated financial statements included in Item I, Part I of this Quarterly Report on Form 10-Q for analysis of recent accounting pronouncements applicable to our business.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Except for the changes described in Note 2, "*Summary of Significant Accounting Policies*," in the notes to the condensed consolidated financial statements included in Item I, Part I of this Quarterly Report on Form 10-Q, there have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 15, 2024.

PART II - OTHER INFORMATION

Item 1A. Risk Factors

Important risk factors that could affect our operations and financial performance, or that could cause results or events to differ from current expectations, are described in Part I, Item 1A, "*Risk Factors*" of our Annual Report on Form 10-K filed with the SEC on March 15, 2024 for the year ended December 31, 2023 or contained elsewhere in this Report. The risks and uncertainties described within our Form 10-K for the year ended December 31, 2023 are not the only risks we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business or results of operations.

The disclosure below supplements the risk factors previously disclosed under Part I Item 1A "*Risk Factors*" of our Annual Report on Form 10-K filed with the SEC on March 15, 2024 for the year ended December 31, 2023. For the quarter ended September 30, 2024, we identified the following additional risk factor:

Artificial Intelligence is an emerging area of technology that has and may further impact various aspects of our business operations and customer interactions. We may not be successful in our artificial intelligence initiatives, which could adversely affect our business, financial condition and/or operating results.

We have made, and expect to continue making, investments in the integration of AI into our platforms, products and services. However, AI presents various risks, challenges, and potential unintended consequences that could disrupt our ability to effectively integrate and leverage these technologies. The process of refining and expanding our AI-driven offerings may involve significant costs, and there can be no assurance that our efforts will ultimately succeed.

The complexity of AI systems, coupled with rapidly evolving competition in the AI space, introduces significant uncertainty about our ability to successfully integrate and commercialize these technologies. Competitors may develop more effective or efficient AI solutions, potentially undermining our competitive position. Additionally, the regulatory environment surrounding AI is still in development, and new laws or regulations could emerge that require substantial adjustments to our business practices. These changes could impose unexpected costs or operational disruptions, and the full scope and impact of such regulatory developments remains uncertain.

Furthermore, we may rely on third-party vendors that incorporate AI in certain products and services they provide to us. As a result, we may not have full visibility or control over the quality, security, performance, or compliance of AI-powered solutions sources externally. There is also a risk that the underlying algorithms used by us or third-party vendors may be flawed, or trained on incomplete or biased datasets, leading to inaccuracies, inefficiencies or other negative consequences. Any of these factors, whether related to internal AI development, third-party dependencies, or regulatory changes, could have a material adverse effect on our business, financial condition and/or operating results.

Item 6. Exhibits

Unless otherwise noted, the exhibits listed on the accompanying Exhibit Index are filed or incorporated by reference (as stated therein) as part of this Amendment on Form 10-Q/A.

EXHIBIT INDEX

Exhibit No.	Description
31.1*	Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a)*
31.2*	Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a)*
32.1(1)	Certification of the Principal Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350*
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded with the Inline XBRL document.*
101.SCH	Inline XBRL Taxonomy Extension Schema*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

* Filed herewith

(1) The certifications attached as Exhibit 32.1 accompany this Amendment on Form 10-Q/A pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment to our Quarterly Report on From 10-Q/A to be signed on its behalf by the undersigned, thereunto duly authorized.

January 15, 2025	**Phunware, Inc.**	
	By:	*/s/ Stephen Chen*
	Name:	Stephen Chen
	Title:	Interim Chief Executive Officer (Principal Executive Officer)
January 15, 2025	By:	*/s/ J. Brendhan Botkin*
	Name:	J. Brendhan Botkin
	Title:	Vice President of Accounting & Financial Reporting (Principal Accounting and Financial Officer)

Exhibit 31.1

CERTIFICATION

I, Stephen Chen, certify that:

1. I have reviewed this Amendment to Quarterly Report on Form 10-Q/A of Phunware Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 15, 2025

/s/ Stephen Chen
Stephen Chen
Interim Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, J. Brendhan Botkin, certify that:

1. I have reviewed this Amendment to Quarterly Report on Form 10-Q/A of Phunware Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 15, 2025

/s/ J. Brendhan Botkin
J. Brendhan Botkin
Vice President of Accounting and Financial Reporting
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Stephen Chen, Interim Chief Executive Officer (Principal Executive Officer) of Phunware, Inc. (the “Company”), and J. Brendhan Botkin, Vice President of Accounting and Financial Reporting (Principal Financial and Accounting Officer) of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company’s Amendment to Quarterly Report on Form 10-Q/A for the period ended September 30, 2024, to which this Certification is attached as Exhibit 32.1 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act, and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

January 15, 2025

Phunware, Inc.

By:	*/s/ Stephen Chen*
Name:	Stephen Chen
Title:	Interim Chief Executive Officer (Principal Executive Officer)
By:	*/s/ J. Brendhan Botkin*
Name:	J. Brendhan Botkin
Title:	Vice President of Accounting and Financial Reporting (Principal Accounting and Financial Officer)

This certification accompanies the Amendment to Quarterly Report on Form 10-Q/A to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Phunware, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.