

July 20, 2023



Phunware Announces Strategic Cost Saving Measures to Accelerate Path to Profitability

AUSTIN, Texas, July 20, 2023 (GLOBE NEWSWIRE) -- [Phunware, Inc. \(NASDAQ: PHUN\)](#) (the "Company"), the pioneer of Location Based SaaS that offers the only fully integrated [enterprise cloud platform](#) for mobile that enables brands to engage, manage and monetize anyone anywhere, announced a series of strategic cost saving measures designed to improve its financial performance and to position it for sustainable, long-term success. The Company expects to realize annual run-rate cost savings upwards of \$5.0 million.

As part of its strategic cost optimization efforts, the Company has made the difficult but necessary decision to implement a reduction in force, impacting approximately 33% of Phunware's workforce across all departments. This decision is not a reflection on the dedication or performance of these team members, but rather a strategic action to refocus the Company's efforts on its most promising revenue generating opportunities and ensure Phunware's continued success in the rapidly evolving mobile technology landscape.

"We deeply appreciate the contributions of all our employees to get Phunware to where it is today, and this decision was not taken lightly," said Russ Buyse, Chief Executive Officer of Phunware. "We are providing support to those affected during this transition period and we remain committed to treating everyone with respect and dignity. Our focus now is to maximize growth opportunities by concentrating our resources on speeding adoption of our location based-platform in healthcare, hospitality, and beyond."

In addition to the workforce reduction, Phunware is implementing several other cost-cutting measures to become a leaner and more efficient company. These include streamlining operations, reducing non-essential expenses, and optimizing use of existing resources to further enhance efficiencies.

"We believe these strategic actions will significantly lower our operating costs, improve our financial performance and ultimately enhance shareholder value," said Troy Reisner, Chief Financial Officer of Phunware. "While these decisions are challenging, they are critical steps on our path to profitability and long-term corporate success."

Phunware remains committed to its mission of helping enterprises create category-defining mobile experiences and will continue to serve its global customers with the same level of quality, innovation, and dedication.

The Company will provide more detailed information about these cost reduction measures on its upcoming Q2 2023 earnings call.

Safe Harbor Clause and Forward-Looking Statements

This press release includes forward-looking statements. All statements other than statements of historical facts contained in this press release, including statements regarding our future results of operations and financial position, business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “expose,” “intend,” “may,” “might,” “opportunity,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “will,” “would” and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this press release are based on our current expectations and beliefs concerning future developments and their potential effects on us. Future developments affecting us may not be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) and other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading “Risk Factors” in our filings with the Securities and Exchange Commission (SEC), including our reports on Forms 10-K, 10-Q, 8-K and other filings that we make with the SEC from time to time. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. These risks and others described under “Risk Factors” in our SEC filings may not be exhaustive.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and developments in the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this press release. In addition, even if our results or operations, financial condition and liquidity, and developments in the industry in which we operate are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.

About Phunware, Inc.

Everything You Need to Succeed on Mobile — Transforming Digital Human Experience

Phunware, Inc. (NASDAQ: PHUN), the pioneer of Location Based SaaS that offers the only fully integrated enterprise cloud platform for mobile that enables brands to engage, manage and monetize anyone anywhere. Phunware’s Software Development Kits (SDKs) include location-based services, mobile engagement, content management, messaging, advertising, loyalty (PhunCoin & PhunToken) and analytics, as well as a mobile application framework of pre-integrated iOS and Android software modules for building in-house or channel-based mobile application and vertical solutions. Phunware helps the world’s most respected brands create category-defining mobile experiences, with approximately one billion active devices

touching its platform each month when operating at scale. For more information about how Phunware is transforming the way consumers and brands interact with mobile in the virtual and physical worlds, visit <https://phunware.com> and follow @phunware on all social media platforms.

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Source: Phunware, Inc.