Phunware Reports Second Quarter 2023 Financial Results

AUSTIN, Texas, Aug. 10, 2023 (GLOBE NEWSWIRE) -- Phunware, Inc. (NASDAQ: PHUN) (“Phunware” or the “Company,” “we,” “us” or “our”), 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, today announced financial results for the quarter ended June 30, 2023.

“This past quarter was a pivotal period for Phunware, as we right sized our workforce to an optimal amount, reduced our corporate cash burn, and have refined our sales & marketing strategy to capitalize on opportunities across the multitude of industries where our Location-Based Platform solution can make a significant impact,” said Russ Buyse, CEO of Phunware. “Spearheaded by our newly appointed CFO Troy Reisner, we are working on restructuring our existing debt and negotiating with prospective investors on more favorable terms, in tandem with reducing our cash burn to accelerate our organization toward a path of growth and profitability. As we activate our revamped sales and marketing strategy, we continue to have productive conversations with prospective clients. One of the more recent deals we executed was with Thumper Pond, a resort that is representative of the entire category of mid-market hospitality brands that can affordably and effectively use our Location-Based Platform to offer guests the best and most personalized experience. Looking ahead, we remain laser focused on commercializing our Location-Based Platform across all verticals, with a heavy emphasis on hospitality and healthcare.”

Second Quarter 2023 Financial Results

- Net revenues for the quarter totaled $3.5 million
- Platform revenues were $1.3 million
- Hardware revenues were $2.2 million
- Net loss was $(6.5) million
- Net loss per share was $(0.06)
- Non-GAAP Adjusted EBITDA loss was $(5.2) million

Recent Business Highlights

- Notable Corporate and Product Developments:
  - Filed Lawsuit Against UBS Securities for Market Manipulation
  - Announced Strategic Cost Saving Measures to Accelerate Path to Profitability
  - Exhibited the Future of Hospitality Tech at HITEC 2023 in Toronto
  - Attended the Cantor Fitzgerald Technology Conference on June 14, 2023
  - Announced CFO Transition

- Notable Customer and Partner Wins:
  - Partnered With MKT Consulting to Digitally Transform Resident Experience at New Luxury High-Rise in Houston
Launched Smart Hospitality Solution at Thumper Pond Resort
Launched AI-Enabled Mobile Engagement

Conference Call Information

Phunware management will host a conference call today (August 10, 2023) at 4:30 p.m. Eastern Time (1:30 p.m. Pacific Time) to discuss its financial results for the quarter ended June 30, 2023.

Interested parties may access the conference call by dialing 877-545-0320 in the United States, or 973-528-0002 from international locations with access code: 875894. The conference call will be broadcast live and available for replay here and via the investor relations section of the Company’s website at investors.phunware.com.

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 (the “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.

Disclosure Information

Phunware uses and intends to continue to use its Investor Relations website as a means of disclosing material nonpublic information and for complying with its disclosure obligations under Regulation FD. Accordingly, investors should monitor the Company’s Investor Relations website, in addition to following the Company’s press releases, SEC filings, public conference calls, presentations and webcasts.

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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Matt Glover and John Yi
Gateway Investor Relations
Email: PHUN@gatewayir.com
Phone: (949) 574-3860

Condensed Consolidated Balance Sheets
(In thousands, except share and per share information)
### Condensed Consolidated Balance Sheets

*(In thousands, except per share information)*

**Unaudited**

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$1,105</td>
<td>$1,955</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $100 and $198 at June 30, 2023 and December 31, 2022, respectively</td>
<td>863</td>
<td>958</td>
</tr>
<tr>
<td>Inventory</td>
<td>2,168</td>
<td>2,780</td>
</tr>
<tr>
<td>Digital assets</td>
<td>71</td>
<td>10,137</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>624</td>
<td>1,033</td>
</tr>
<tr>
<td>Total current assets</td>
<td>4,831</td>
<td>16,863</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>188</td>
<td>221</td>
</tr>
<tr>
<td>Goodwill</td>
<td>29,956</td>
<td>31,113</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>2,190</td>
<td>2,524</td>
</tr>
<tr>
<td>Right-of-use asset</td>
<td>3,258</td>
<td>3,712</td>
</tr>
<tr>
<td>Other assets</td>
<td>367</td>
<td>402</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$40,790</strong></td>
<td><strong>$54,835</strong></td>
</tr>
<tr>
<td><strong>Liabilities and stockholders’ equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$8,350</td>
<td>$7,699</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>1,542</td>
<td>2,895</td>
</tr>
<tr>
<td>Lease liability</td>
<td>968</td>
<td>954</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,092</td>
<td>2,904</td>
</tr>
<tr>
<td>PhunCoin deposits</td>
<td>1,202</td>
<td>1,202</td>
</tr>
<tr>
<td>Current maturities of long-term debt, net</td>
<td>6,094</td>
<td>9,667</td>
</tr>
<tr>
<td>Warrant liability</td>
<td>—</td>
<td>256</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>19,248</td>
<td>25,577</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,050</td>
<td>1,274</td>
</tr>
<tr>
<td>Lease liability</td>
<td>2,584</td>
<td>3,103</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>22,882</strong></td>
<td><strong>29,954</strong></td>
</tr>
<tr>
<td><strong>Commitments and contingencies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Stockholders’ equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock, $0.0001 par value; 1,000,000,000 shares authorized; 107,565,124 shares issued and 107,058,624 shares outstanding as of June 30, 2023 and 103,153,337 shares issued and outstanding as of December 31, 2022, respectively</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Treasury stock at cost; 506,500 and 0 shares at June 30, 2023 and December 31, 2022, respectively</td>
<td>(502)</td>
<td>—</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>279,837</td>
<td>275,562</td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(426)</td>
<td>(472)</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(261,012)</td>
<td>(250,219)</td>
</tr>
<tr>
<td><strong>Total stockholders’ equity</strong></td>
<td><strong>17,908</strong></td>
<td><strong>24,881</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and stockholders’ equity</strong></td>
<td><strong>$40,790</strong></td>
<td><strong>$54,835</strong></td>
</tr>
<tr>
<td></td>
<td>Three Months Ended</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------------------</td>
<td>-------</td>
</tr>
<tr>
<td></td>
<td>June 30, 2023</td>
<td>2022</td>
</tr>
<tr>
<td>Net revenues</td>
<td>$ 3,487</td>
<td>$ 5,485</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>3,031</td>
<td>3,965</td>
</tr>
<tr>
<td>Gross profit</td>
<td>456</td>
<td>1,520</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>1,472</td>
<td>1,928</td>
</tr>
<tr>
<td>General and administrative</td>
<td>4,766</td>
<td>5,251</td>
</tr>
<tr>
<td>Research and development</td>
<td>1,212</td>
<td>1,876</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>1,203</td>
<td>—</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>8,653</td>
<td>9,055</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(8,197)</td>
<td>(7,535)</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(553)</td>
<td>(273)</td>
</tr>
<tr>
<td>Impairment of digital assets</td>
<td>—</td>
<td>(12,158)</td>
</tr>
<tr>
<td>Gain on sale of digital assets</td>
<td>2,096</td>
<td>168</td>
</tr>
<tr>
<td>Fair value adjustment of warrant liability</td>
<td>3</td>
<td>2,682</td>
</tr>
<tr>
<td>Other income, net</td>
<td>127</td>
<td>45</td>
</tr>
<tr>
<td>Total other income (expense), net</td>
<td>1,673</td>
<td>(9,536)</td>
</tr>
<tr>
<td>Loss before taxes</td>
<td>(6,524)</td>
<td>(17,071)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net loss</td>
<td>(6,524)</td>
<td>(17,071)</td>
</tr>
<tr>
<td>Other comprehensive income (loss):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative translation adjustment</td>
<td>23</td>
<td>(85)</td>
</tr>
<tr>
<td>Comprehensive loss</td>
<td>$ (6,501)</td>
<td>$ (17,156)</td>
</tr>
<tr>
<td>Net loss per share, basic and diluted</td>
<td>$ (0.06)</td>
<td>$ (0.17)</td>
</tr>
<tr>
<td>Weighted-average common shares used to compute loss per share, basic and diluted</td>
<td>105,133</td>
<td>97,742</td>
</tr>
</tbody>
</table>

**Condensed Consolidated Statements of Cash Flows**

*(In thousands) (Unaudited)*
## Six Months Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net loss</strong></td>
<td>$(10,793)</td>
<td>$(31,988)</td>
</tr>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$(10,793)</td>
<td>$(31,988)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash used in operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of debt discount and deferred financing costs</td>
<td>697</td>
<td>259</td>
</tr>
<tr>
<td>Gain on change in fair value of warrant liability</td>
<td>(256)</td>
<td>(2,469)</td>
</tr>
<tr>
<td>Gain on sale of digital assets</td>
<td>(5,310)</td>
<td>(194)</td>
</tr>
<tr>
<td>Impairment of digital assets</td>
<td>50</td>
<td>21,511</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>1,203</td>
<td>—</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>2,824</td>
<td>1,270</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>1,180</td>
<td>478</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
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<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>57</td>
<td>178</td>
</tr>
<tr>
<td>Inventory</td>
<td>417</td>
<td>(892)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>444</td>
<td>(631)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>651</td>
<td>920</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>(997)</td>
<td>(386)</td>
</tr>
<tr>
<td>Lease liability payments</td>
<td>(691)</td>
<td>(347)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(2,036)</td>
<td>(2,698)</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(12,560)</td>
<td>(14,989)</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds received from sale of digital assets</td>
<td>15,390</td>
<td>—</td>
</tr>
<tr>
<td>Purchase of digital assets</td>
<td>—</td>
<td>(923)</td>
</tr>
<tr>
<td>Acquisition payment</td>
<td>—</td>
<td>(1,125)</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(9)</td>
<td>(158)</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>15,381</td>
<td>(2,206)</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments on borrowings</td>
<td>(4,270)</td>
<td>(3,132)</td>
</tr>
<tr>
<td>Proceeds from sales of common stock, net of issuance costs</td>
<td>995</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from exercise of options to purchase common stock</td>
<td>58</td>
<td>16</td>
</tr>
<tr>
<td>Payment for stock repurchase</td>
<td>(502)</td>
<td>—</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(3,719)</td>
<td>(3,116)</td>
</tr>
<tr>
<td>Effect of exchange rate on cash</td>
<td>48</td>
<td>(121)</td>
</tr>
<tr>
<td>Net decrease in cash</td>
<td>(850)</td>
<td>(20,432)</td>
</tr>
<tr>
<td>Cash at the beginning of the period</td>
<td>1,955</td>
<td>23,137</td>
</tr>
<tr>
<td>Cash at the end of the period</td>
<td>$1,105</td>
<td>$2,705</td>
</tr>
</tbody>
</table>

## Supplemental disclosure of cash flow information:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>$438</td>
<td>$408</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>$ —</td>
<td>$ —</td>
</tr>
</tbody>
</table>

## Supplemental disclosures of non-cash activities:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right-of-use assets obtained in exchange for operating lease obligations</td>
<td>$ —</td>
<td>$1,508</td>
</tr>
<tr>
<td>Non-cash exchange of digital assets</td>
<td>$557</td>
<td>$923</td>
</tr>
<tr>
<td>Issuance of common stock in connection with acquisition of Lyte Technology, Inc.</td>
<td>$ —</td>
<td>$1,125</td>
</tr>
<tr>
<td>Issuance of common stock under the 2018 Employee Stock Purchase Plan</td>
<td>$47</td>
<td>$116</td>
</tr>
<tr>
<td>Issuance of common stock for payment of bonuses previously accrued</td>
<td>$347</td>
<td>$ —</td>
</tr>
</tbody>
</table>

## Non-GAAP Financial Measures and Reconciliation

Our non-GAAP financial measures include adjusted gross profit, adjusted gross margin and
adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") (our "non-GAAP financial measures"). 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: (i) 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 its ongoing operating performance for a particular period, (ii) our non-GAAP financial measures do not reflect the impact of certain charges resulting from matters we consider not to be indicative of ongoing operations, and (iii) 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. 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.

Reconciliation of GAAP to Non-GAAP Financial Measures
(In thousands, except percentages)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th></th>
<th>Six Months Ended June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
<td>2023</td>
<td>2022</td>
</tr>
<tr>
<td>Net loss</td>
<td>$ (6,524)</td>
<td>$ (17,071)</td>
<td>$ (10,793)</td>
<td>$ (31,988)</td>
</tr>
<tr>
<td>Add back: Depreciation and amortization</td>
<td>188</td>
<td>182</td>
<td>376</td>
<td>368</td>
</tr>
<tr>
<td>Add back: Interest expense</td>
<td>553</td>
<td>273</td>
<td>1,090</td>
<td>654</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ (5,783)</td>
<td>$ (16,616)</td>
<td>$ (9,327)</td>
<td>$ (30,966)</td>
</tr>
<tr>
<td>Add Back: Stock-based compensation</td>
<td>1,462</td>
<td>706</td>
<td>2,824</td>
<td>1,270</td>
</tr>
<tr>
<td>Add Back: Impairment of digital currencies</td>
<td>—</td>
<td>12,158</td>
<td>50</td>
<td>21,511</td>
</tr>
<tr>
<td>Add Back: Impairment of goodwill</td>
<td>1,203</td>
<td>—</td>
<td>1,203</td>
<td>—</td>
</tr>
<tr>
<td>Less: Fair value adjustment for warrant liabilities</td>
<td>(3)</td>
<td>(2,682)</td>
<td>(256)</td>
<td>(2,469)</td>
</tr>
<tr>
<td>Less: Gain on sale of digital assets</td>
<td>(2,096)</td>
<td>(168)</td>
<td>(5,310)</td>
<td>(194)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ (5,217)</td>
<td>$ (6,602)</td>
<td>$ (10,816)</td>
<td>$ (10,848)</td>
</tr>
</tbody>
</table>
### Three Months Ended June 30, 2023 and 2022

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit</td>
<td>$456</td>
<td>$1,520</td>
<td></td>
<td>$817</td>
<td>$3,291</td>
</tr>
<tr>
<td>Add back: Stock-based compensation</td>
<td>$111</td>
<td>$49</td>
<td></td>
<td>$364</td>
<td>$95</td>
</tr>
<tr>
<td>Adjusted gross profit</td>
<td>$567</td>
<td>$1,569</td>
<td></td>
<td>$1,181</td>
<td>$3,386</td>
</tr>
<tr>
<td>Adjusted gross margin</td>
<td>16.3%</td>
<td>28.6%</td>
<td></td>
<td>14.3%</td>
<td>27.6%</td>
</tr>
</tbody>
</table>

### Supplemental Information

**Supplemental Information**

*(In thousands, except percentages)*

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30, 2023</th>
<th>Three Months Ended June 30, 2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platform revenue</td>
<td>$1,295</td>
<td>$1,628</td>
<td>($333) (20.5)%</td>
</tr>
<tr>
<td>Hardware revenue</td>
<td>2,192</td>
<td>3,857</td>
<td>(1,665) (43.2)%</td>
</tr>
<tr>
<td>Net revenues</td>
<td>$3,487</td>
<td>$5,485</td>
<td>($1,998) (36.4)%</td>
</tr>
<tr>
<td>Platform revenue as percentage of total revenue</td>
<td>37.1%</td>
<td>29.7%</td>
<td></td>
</tr>
<tr>
<td>Hardware revenue as percentage of total revenue</td>
<td>62.9%</td>
<td>70.3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, 2023</th>
<th>Six Months Ended June 30, 2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platform revenue</td>
<td>$2,640</td>
<td>$4,120</td>
<td>($1,480) (35.9)%</td>
</tr>
<tr>
<td>Hardware revenue</td>
<td>5,594</td>
<td>8,143</td>
<td>(2,549) (31.3)%</td>
</tr>
<tr>
<td>Net revenues</td>
<td>$8,234</td>
<td>$12,263</td>
<td>($4,029) (32.9)%</td>
</tr>
<tr>
<td>Platform revenue as percentage of total revenue</td>
<td>32.1%</td>
<td>33.6%</td>
<td></td>
</tr>
<tr>
<td>Hardware revenue as percentage of total revenue</td>
<td>67.9%</td>
<td>66.4%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Phunware, Inc.