

Flexion Mobile Plc

Q1 Report

31 March 2025

FLEXION





“We grow revenue and audiences for games”

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Flexion hits top-end of revenue guidance for Q1. Core distribution business continues to grow and generates strong cash flow while marketing revenue declines.

January-March 2025 performance

- Total revenue decreased by 2% to GBP 17.9m (18.3m)*
- Total gross profit decreased by 20% to GBP 3.2m (4.0m)
- Adjusted EBITDA[†] decreased by 57% to GBP 0.7m (1.6m)
- Operating result amounted to GBP -0.9m (-0.4m)
- EPS amounted to GBP -1.88 pence (-0.94 pence)
- Operating cash flow amounted to GBP 1.5m (2.7m)
- Cash and cash equivalents increased to GBP 14.4m (13.8m)

* Comparative figures for the year-earlier period in brackets.

[†] The Group defines adjusted EBITDA as earnings before interest, tax, depreciation, amortisation, finance costs, impairment losses, foreign exchange gains/losses, corporate acquisitions costs, fair value gains/losses and other exceptional costs.

Q1 2025

Important events during the quarter

- Launch of War Machines from Wildlife Studios
- Launch of War Robots from MY.GAMES
- Launch of Gossip Harbor from Microfun
- Launch of Candy Crush Solitaire® from King.com
- Signing of agreement with Electronic Arts (NASDAQ: EA)

Q2 2025

Important events after the quarter

- Launch of Golf Clash from Electronic Arts (NASDAQ: EA)
- Release date of Q2 report was changed to 03 September 2025
- Date of Annual General Meeting is 25 June 2025

Comments from the CEO

We began 2025 with excellent momentum and I am happy to report that we achieved the high-end of our revenue guidance for the first quarter. I am equally pleased that this momentum has continued into Q2.

Q1 marked a significant period with the launch of five high-profile games, all of which were games that we signed in Q4 2024. We have successfully launched games from industry leaders like King, EA, MY.GAMES, Wildlife Studios and Microfun. For a small company this is a great achievement. While it is still early days to see the full revenue impact, it is worth mentioning that these titles are generating over USD 20m per month on Google Play, positioning us for growth in the coming quarters.

Over the past five quarters, we have added 13 new titles, bringing our total portfolio to 35 revenue-generating games. Our ambition is to continue adding new top-grossing games at a similar pace. These additions contributed approximately 25% of our Q1 revenue. Notably, five of the 13 new games launched in this period have already surpassed USD 100,000 in monthly revenue in our channels, demonstrating both their strong potential as well as the value we bring to our partners. While some games had a slower initial ramp-up, we continue to refine our approach to signing top-grossing games, always aiming to improve our success rate.

In constant currency (USD) and according to our trading terms, our distribution revenue was up 5%. After the effects of a weaker year on year currency translation, revenue in GBP was up by only 1%, this has been impacted by the continued strengthening of GBP versus USD in the period. Our continued organic growth highlights the strength of our diversified portfolio and the resilience of our model, especially amidst broader market trends where many publishers have experienced revenue declines in Google Play. Our ability to seamlessly add new top-grossing games without major investment is a key advantage that benefits developers and channels. We are actively expanding our distribution channels, and our sales pipeline remains robust, ensuring a steady stream of promising titles in 2025. We remain selective in our game sourcing, focusing on top-tier games and optimising the portfolio with each launch for maximum success. In Q1, the average monthly revenue for our top-tier titles that are past the ramp-up period was USD 702,229 (USD 582,070). We keep growing the average revenue per top-tier game which is key and there is still room for improvement in terms of optimisation and growth.

As we predicted, recent developments on the regulatory front are very encouraging for the alternative market. Apple's legal challenges in the US, allowing developers to link to competing

payment services, and the EU's enforcement of the DMA, with substantial fines for Apple and required changes by June 2025, are paving the way for a more open and competitive market. Epic's new improved app store terms are a direct positive result of this, and we are delighted to be working on adding the Epic Game Store to our offering this year. The increasingly competitive environment benefits consumers and developers alike, fostering innovation and market growth. As in most competitive markets, some stores will not survive. During Q1, Amazon decided to close their 3rd party app store. It never really gained much market traction and the impact on Flexion will be small and limited to a few titles. Amazon's focus continues to be on its App Store for the Fire devices which do not come with Google Play. The 3rd party store will be phased out by the 20 August 2025, and we are making good progress moving users to attractive alternatives.

The evolving landscape of alternative stores and Direct-to-Consumer (D2C) strategies in particular is creating exciting opportunities for developers. We are exploring innovative ways to empower developers to use our services in channels with higher margins and ultimately through D2C, by refining our business model over time. In Q1, we have for instance, set a record on profitable paid User Acquisition in our channels. While this still represents a relatively small part of our business, there is potential for it to grow significantly, thanks to investments made by us and the channels, offering scalable and viable marketing opportunities. Most notably Samsung's Instant Play but we see this across many channels. Developers are generally excited about the opportunity as it offers another way to find meaningful and profitable growth for their games.

Our product development team continues to be laser-focused on our D2C offering powered by our new SDK, with good progress on payment integrations and supporting tools to enhance the user journey outside Google Play. We have completed several rounds of refinements to the payment flows and are now finally ready for initial tests with select games using Coda Payments in the US. We are excited to share further updates on this during the year.

Audiencly had a solid quarter with a strong gross margin of 32% and revenue of GBP 1.9m. It is positive to see that 40% of the revenue is from new accounts. In Q1, we had 50 clients booking campaigns with us which is a record, and it is great to see that we continue to diversify our client-base. This makes the business more stable and predictable. The 22% decline in revenue relates 7vsWild, which contributed significantly in Q1 2024 and ended in December 2024. We have made some organisational improvements in Audiencly and

appointed a new General Manager in Dusseldorf. Mario Lohe brings his long experience from Havas, which will really benefit us.

Looking ahead to the 2nd quarter, which is normally a bit slower, we still anticipate sales in the region of USD 22m - 25m, thanks to our newly launched games. I am also pleased to say that our ongoing focus on operational efficiency is evidenced by a 7% decline in overheads which helps underwrite our future scalability. In addition, we have fully recouped our strategic investment of USD 13m including our own margin in the extended framework deal we announced in March 2023. The deal has now reverted closer to our historic revenue share terms. This adjustment explains the reduction in gross profit and margins which was mentioned last quarter. Due to the changed terms of the framework deal, I anticipate that our overall margins will continue to decline slightly through the first half year before settling thereafter at a healthy level. So far, this investment has generated approximately USD 45m in revenue and will continue to generate strong gross profit and contribute to our free cash flow in 2025. As it is now fully amortised on the balance sheet, the new terms will not impact our operating profit. For the size of our business, the balance sheet remains extremely strong with GBP 14.4m in cash and no debt.

Finally, I can confirm that our 2024 audit is nearing completion, and we will be filing our accounts shortly, bringing us back on schedule. This will unlock new possibilities such as share-buyback that we discussed in the last update. A big thank you to the finance team for their hard work and a warm welcome to Ross Logan as our new CFO. Ross, a Chartered Accountant, began his career at PwC and brings over two decades of experience in the games industry, having previously served as CFO at companies such as Miniclip and Wooga.



Jens Lauritzson | CEO

Financial Development

JANUARY – MARCH 2025

REVENUE

Total revenue decreased by 2% year-on-year to GBP 17,894,244 (18,330,166), of which In-App Purchase (IAP) revenue increased by 1% year-on-year at GBP 15,951,160 (15,826,408) offset by Marketing Services revenue which decreased by 22% to GBP 1,924,595 (2,480,672) driven by the timing of a specific large marketing event in the prior year that carried over from 2023 to 2024. The strengthening of GBP compared to USD and EUR has also negatively impacted the year-on-year growth numbers presented in GBP.

Total revenue for the quarter decreased by 18% compared with the preceding quarter to GBP 17,894,244 (21,933,628) as per usual cyclical patterns.

GROSS PROFIT

Cost of sales increased by 3% year-on-year to GBP 14,721,225 (14,355,505).

Total gross profit decreased by 20% year-on-year to GBP 3,173,019 (3,974,661) of which IAP gross profit decreased by 18% year-on-year to GBP 2,545,674 (3,116,012). Marketing Services gross profit decreased by 27% to GBP 608,856 (835,563) due to the timing of the marketing event noted above.

Total gross profit margin decreased from 22% to 18% year-on-year, driven by a decrease in IAP gross profit margin from 20% to 16%.

Total gross profit decreased by 13% to GBP 3,173,019 compared with the preceding quarter. IAP gross profit decreased by 10% to GBP 2,545,674 and Marketing services decreased by 23% to GBP 608,856 compared with the preceding quarter. Total gross profit margin increased from 17% to 18%, with Marketing services gross profit margin increasing from 21% to 32% and IAP gross profit margin remaining at 16% compared with the preceding quarter.

GENERAL AND ADMINISTRATIVE EXPENSES AND FAIR VALUE GAINS

The total headcount increased by 12 year-on-year to 163 (151) of which, Distribution's headcount represented 112 (109) and Marketing service's headcount represented 51 (42). Adjusted staff cost for Distribution increased by 6% from GBP 1,286,171 to GBP 1,368,196 and Marketing services staff cost increased by 8% from GBP 454,288 to GBP 491,715.

Group staff and contractor costs increased by 7% year-on-year to GBP 1,859,911 (1,740,459) in line with the change in headcount.

Other overheads decreased year-on-year to GBP 489,212 (969,984) driven by a decrease in administrative costs of GBP 462,711 (953,939). The decrease in administrative costs were mainly the result of a decrease in legal and professional fees in the current period. The total amortisation of GBP 1,717,855 (1,679,659) includes GBP 1,455,112 (1,389,153) related to game distribution rights, GBP 129,681 (132,904) related to Brand, GBP 54,896 (86,025) related to customer relationships and GBP 78,114 (71,576) related to capitalised development costs.

As a result of these movements, total group general and administrative expenses decreased year-on-year by 7% to GBP 4,108,461 (4,422,959).

Total staff and contractor costs for distribution increased by 37% compared with the preceding quarter driven by capitalised development costs in the previous quarter. Adjusted staff costs for Distribution, as reported in the KPI section, increased by 1% QoQ. Staff costs for Marketing services, as reported in the KPI section, increased by 2% QoQ. Other overheads decreased by 77% compared with the preceding quarter, driven by a decrease in unrealised/realised foreign exchange losses and legal and advisory fees during the quarter.

ADJUSTED EBITDA AND NET EARNINGS

Adjusted EBITDA for the quarter amounted to GBP 703,350 (1,641,991) driven by the performance of both Distribution and Marketing Services. Operating result decreased to GBP -935,442 (-448,298) and the result after tax for this quarter amounted to GBP -996,850 (-706,467).

CASH FLOW

Operating cash flow was GBP 1,490,070 (2,729,312), the difference being partly due to working capital timing effects on both trade payables and trade receivables. Net cash flow was GBP 1,441,380 (2,694,160).

FINANCIAL POSITION

Cash amounted to GBP 14,414,494 (13,769,030) and there were no interest-bearing liabilities. During the quarter, cash increased by GBP 1,300,826. Trade and other receivables amounted to GBP 8,977,207 (10,961,768). Trade and other payables amounted to GBP 15,921,785 (17,222,401).

CHANGES IN THE NUMBER OF GAMES DURING THE QUARTER

The average monthly revenue for top-tier games past the ramp-up period decreased to USD 702,229 (921,718) compared to the preceding quarter and the number of top-tier games past ramp-up increased by 1 to 8 titles when compared to the preceding quarter.

The average monthly revenue for mid-tier games past ramp-up increased to USD 64,385 (55,396) compared to the preceding quarter and the number of mid-tier games past ramp-up increased by 3 to 13 titles.

During the quarter, the number of live top-tier games increased to 10 titles. The number of live mid-tier games increased to 15 titles.

Ross Logan
CFO

Other Information

Segmental information

IAP REVENUE

Flexion's focus is on growing its business by signing free-to-play games with In-App Purchase (IAP), integrating more channels and increasing the monetisation of existing games. IAP revenue is revenue receivable from end-user transactions where in-application items are sold within the games. Revenue represents revenue receivable by the company from end-user transactions involving the sale of in-application items managed by the Company less VAT, bad debt/refunds and discounts.

NON-IAP REVENUE

Non-IAP revenue includes revenue from integration fees and minimum guarantees and other revenue that is non-recurring. It includes recurring revenue share from in-game advertising, historical subscription revenue and legacy revenue.

MARKETING SERVICES REVENUE

Marketing services revenue includes all marketing campaigns generated as part of the influencer marketing service offered.

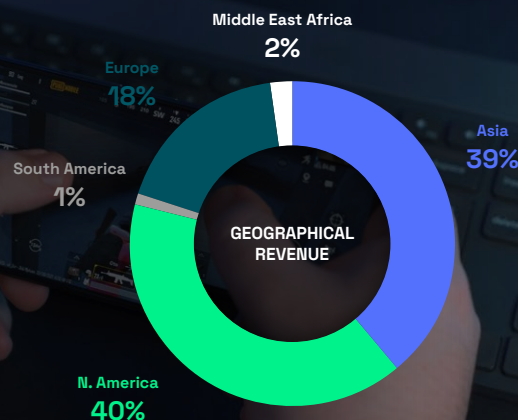
Tier-games

On a quarterly basis, Flexion's Board of Directors defines and reviews the number of live top-tier and mid-tier games based on each game's revenue potential. The key factor is each game's actual performance (or overall Android performance if not yet launched by Flexion) compared to: i) a standard six-month revenue ramp-up period for each tier class; ii) the long-term minimum revenue requirement for each tier class (USD 140,000 per month for top-tier games and USD 40,000 per month for mid-tier games); iii) contractual terms that have an impact; and iv) any future events that could affect the revenue potential of a game. A game will be redefined if its performance over a period of six consecutive months, excluding the first three months after launch, does not qualify for a specific tier class. The number of tier games and their average revenue per month is reported in the Main KPI section.

GEOGRAPHICAL REVENUE

The geographical breakdown of group revenue for the quarter ending 31 March 2025 is presented below.

The main market for group revenue during the quarter was North America with 40% market share followed by Asia with 39% market share. Europe accounted for 18%, Middle East and Africa for 2% and South America for 1%.



Review

This interim report has not been reviewed by the company's auditor.

Number of employees and long-term contractors

At the end of the reporting period the group had 163 employees and long-term contractors.

Material risks and uncertainties

The company's material risks and uncertainties include, but are not limited to, risks related to market, technology, contracts, regulatory requirements, key staff, financial requirements and counterparties. A detailed risk description of the Company is given in the audited financial statements for the year ended 31 December 2024.

Financial calendar

Q2 report - 2025 financial year	03 Sep. 2025
Q3 report - 2025 financial year	20 Nov. 2025
Q4 report - 2025 financial year	31 Mar. 2026
Q1 report - 2026 financial year	20 May. 2026

Annual general meeting

The next annual general meeting will be held at 14:00 BST on Wednesday 25 June 2025 at: Unit G5 Harbour Yard, Chelsea Harbour, London, SW10 0XD, UK.

Certified Adviser

FNCA Sweden AB, info@fnca.se, telephone: +46 8 528 00 399.

Further information

For further information please visit the company's website: www.flexion.games

MAR Publishing Statement

This statement is information that Flexion Mobile Plc is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 am CEST on 21 May 2025.

Financial reports in brief

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the quarterly period ended 31 March 2025

	Notes	QTD Mar-25 3 months Unaudited GBP	QTD Mar-24 3 months As reported* GBP	QTD Mar-24 3 months Restated* GBP	FY Dec-24 12 months Unaudited GBP
Total revenue	3	17,894,244	18,330,166	19,232,739	76,544,049
Cost of sales		(14,721,225)	(14,355,505)	(14,956,262)	(61,738,293)
Total gross profit	4	3,173,019	3,974,661	4,276,477	14,805,756
General and administrative expenses	5	(4,108,461)	(4,422,959)	(4,553,237)	(20,819,639)
Adjusted EBITDA[†]		703,350	1,641,991	1,909,162	5,019,638
Depreciation of tangible assets		41,483	32,857	32,857	166,022
Amortisation of intangible assets		1,717,855	1,679,659	1,680,166	6,831,568
Impairment losses		-	-	-	1,994,345
Foreign exchange (gain) / loss		(120,546)	(141,764)	(46,639)	443,418
Corporate acquisition related costs		-	-	-	676,220
Other exceptional costs		-	519,538	519,538	921,948
Fair value gains		-	-	-	3,653,668
Operating profit / (loss) for the period		(935,442)	(448,298)	(276,760)	(2,360,215)
Operating profit / (loss) for the period		(935,442)	(448,298)	(276,760)	(2,360,215)
Finance income		49,479	-	18,930	208,360
Finance costs		(5,698)	(230,048)	(147,624)	(555,381)
Profit / (Loss) before tax for the period		(891,661)	(678,346)	(405,454)	(2,707,236)
Tax		(105,189)	(28,121)	(27,963)	446,235
Profit / (Loss) for the period		(996,850)	(706,467)	(433,417)	(2,261,001)
Other comprehensive income					
Foreign exchange differences		(72,270)	175,687	(96,762)	(142,431)
Total comprehensive income for the period		(1,069,120)	(530,780)	(530,179)	(2,403,432)

* The restatement relates to an adjustment made in Q4-24 relating to the prior year as a result of timing differences related to material revenue and costs in Audiency being recognised in January 2024 rather than the usual scheduled timing of December.

† The Group defines adjusted EBITDA as earnings before interest, tax, depreciation, amortisation, finance costs, impairment losses, foreign exchange gains/losses, corporate acquisitions costs, fair value gains/losses and other exceptional costs.

Financial reports in brief

Consolidated Statement of Financial Position as at 31 March 2025

	Notes	Mar-25 Unaudited GBP	Mar-24 As reported* GBP	Mar-24 Restated* GBP	Dec-24 Unaudited GBP
Assets					
Non-current assets					
Property, plant and equipment	7	288,646	225,421	225,421	323,931
Intangible assets	8	13,183,837	20,820,988	20,453,609	14,782,601
Total non-current assets		13,472,482	21,046,409	20,679,030	15,106,532
Current assets					
Trade and other receivables	9	8,977,207	10,961,768	10,870,162	12,097,334
Cash and cash equivalents		14,414,494	13,778,043	13,769,030	13,113,669
Total current assets		23,391,701	24,739,811	24,639,192	25,211,003
Total assets		36,864,183	45,786,220	45,318,222	40,317,535
Equity and liabilities					
Equity					
Share capital		113,742	113,342	112,467	113,742
Share premium		17,374,546	21,333,530	17,341,512	17,374,546
Other reserves		5,488,534	640,192	5,145,411	5,573,433
Retained earnings		(4,244,853)	(3,657,015)	(964,353)	(3,553,643)
Total equity		18,731,969	18,430,049	21,635,037	19,508,078
Non-current liabilities					
Deferred Tax liabilities		1,906,119	2,415,405	2,385,892	1,895,257
Lease liabilities		211,634	138,674	138,674	217,363
Contingent consideration		-	3,679,872	3,284,773	-
Total non-current liabilities		2,117,753	6,233,951	5,809,339	2,112,620
Current liabilities					
Trade and other payables	10	15,921,785	17,222,401	17,708,677	18,576,061
Lease liabilities		92,676	77,626	77,626	120,776
Contingent consideration		-	3,822,193	87,543	-
Total current liabilities		16,014,461	21,122,220	17,873,846	18,696,837
Total liabilities		18,132,214	27,356,171	23,683,185	20,809,457
Total equity and liabilities		36,864,183	45,786,220	45,318,222	40,317,535

* The restatement relates to an adjustment made in Q4-24 relating to the prior year as a result of timing differences related to material revenue and costs in Audiency being recognised in January 2024 rather than the usual scheduled timing of December.

Financial reports in brief

Consolidated Statement of Cash Flows for the quarterly period ended 31 March 2025

	QTD Mar-25 3 months Unaudited GBP	QTD Mar-24 3 months Restated* GBP	FY Dec-24 12 months Unaudited GBP
Cash flow from operating activities			
Profit / (Loss) before tax for the period	(891,661)	(405,454)	(2,707,236)
Adjustments for:			
Foreign exchange losses	(120,546)	(46,639)	443,418
Impairment losses	-	-	1,994,345
Share based payments	(10,929)	65,987	225,213
Depreciation of tangible assets	41,483	32,875	166,022
Amortisation of intangible assets	1,717,855	1,680,166	6,831,568
Fair value gains	-	-	(3,653,668)
Interest paid	5,698	137,206	553,241
Working capital:			
Change in trade and other receivables	2,913,081	4,120,067	3,049,987
Change in trade and other payables	(2,164,911)	(2,843,599)	(2,669,851)
Net cash flow from operating activities	1,490,070	2,740,591	4,233,039
Cash flow from investing activities			
Expenditure on property, plant and equipment	(6,025)	(19,544)	(247,386)
Expenditure on intangible assets	(3,138)	-	(1,155,537)
Capitalised development cost	-	-	(354,049)
Net cash flow from investing activities	(9,163)	(19,544)	(1,756,972)
Cash flow from financing activities			
Issue of ordinary shares, net of issue costs	-	-	33,200
Payment of lease liabilities	(39,527)	(35,901)	(157,997)
Net cash flow from financing activities	(39,527)	(35,901)	(124,797)
Net change in cash and cash equivalents	1,441,380	2,685,147	2,351,270
Cash and cash equivalents at beginning of period	13,113,668	11,084,321	11,084,799
Effect of exchange rate fluctuations on cash held during the period	(140,554)	(438)	(322,400)
Cash and cash equivalents at end of period	14,414,494	13,769,030	13,113,669

* The restatement relates to an adjustment made in Q4-24 relating to the prior year as a result of timing differences related to material revenue and costs in Audienly being recognised in January 2024 rather than the usual scheduled timing of December.

Financial reports in brief

Consolidated Statement of Changes in Equity for the period ended 31 March 2025

	Share capital GBP	Share premium GBP	Other reserves GBP	Foreign currency translation reserve GBP	Merger reserve GBP	Retained earnings GBP	Total GBP
Balance at 1 January 2024	112,467	17,341,512	816,935	375,824	3,992,894	(1,025,891)	21,613,741
Adjustments to opening retained earnings	-	-	-	(8,955)	-	494,955	486,000
Loss for the period	-	-	-	(96,762)	-	(433,417)	(530,179)
Total comprehensive income	112,467	17,341,512	816,935	270,107	3,992,894	(964,353)	21,569,562
Transactions with owners, recorded directly in equity							
Share based payments	-	-	65,987	-	-	-	65,987
Deferred tax on share options	-	-	(512)	-	-	-	(512)
Issue of share capital	-	-	-	-	-	-	-
Balance at 31 March 2024 (Restated*)	112,467	17,341,512	882,410	270,107	3,992,894	(964,353)	21,635,037
Balance at 1 January 2025	113,742	17,374,546	1,031,912	233,393	4,308,128	(3,553,643)	19,508,078
Adjustments to opening retained earnings	-	-	-	(206)	-	305,640	305,434
Loss for the period	-	-	-	(72,270)	-	(996,850)	(1,069,120)
Total comprehensive income	113,742	17,374,546	1,031,912	160,917	4,308,128	(4,244,853)	18,744,392
Transactions with owners, recorded directly in equity							
Share based payments	-	-	(10,929)	-	-	-	(10,929)
Deferred tax on share options	-	-	(1,494)	-	-	-	(1,494)
Issue of share capital	-	-	-	-	-	-	-
Balance at 31 March 2025	113,742	17,374,546	1,019,489	160,917	4,308,128	(4,244,853)	18,731,969

* The restatement relates to an adjustment made in Q4-24 relating to the prior year as a result of timing differences related to material revenue and costs in Audiency being recognised in January 2024 rather than the usual scheduled timing of December.

Notes

1. Basis of preparation

The condensed financial statements for the three months ended 31 March 2025 have not been prepared in accordance with IAS 34 Interim Financial Reporting. The annual financial statements of the Group are prepared in accordance with applicable UK law and UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006. The Company's offices are in London and the registered number of Flexion Mobile is 04306881. The interim condensed consolidated financial statements are presented in GBP and have been prepared using historical cost accounting. After making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, the board of directors continue to adopt the going concern basis in preparing the interim reports.

The financial information presented herein does not constitute full statutory accounts under Section 434 of the Companies Act 2006 and was not subject to a review by the auditors. The financial information in respect of the financial year ended 31 December 2024 and for the 3-months ended 31 March 2025 is unaudited.

The interim report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2023.

2. Significant accounting policies

Except where disclosed below, the accounting policies adopted in the preparation of the interim condensed financial statements for the Group are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2023. The accounting policies applied herein are consistent with those expected to be applied in the annual financial statements for the year ended 31 December 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Revenue

Revenue disclosed in the statement of profit or loss is analysed as follows:	Mar-25 Unaudited	Mar-24 As reported	Mar-24 Restated
Revenue breakdown			
IAP Revenue	15,951,160	15,826,408	15,944,544
Non-IAP Revenue	18,489	23,086	23,086
Marketing services	1,924,595	2,480,672	3,265,109
Total Revenue	17,894,244	18,330,166	19,232,739

4. Gross profit

Gross profit disclosed in the statement of profit and loss is analysed as follows:	Mar-25 Unaudited	Mar-24 As reported	Mar-24 Restated
Gross profit breakdown			
IAP gross profit	2,545,674	3,116,012	3,234,147
Non-IAP Revenue	18,489	23,086	23,086
Marketing services	608,856	835,563	1,019,244
Total gross profit	3,173,019	3,974,661	4,276,477

5. General and administrative expenses

General and administrative expenses disclosed in the statement of profit or loss is analysed as follows:	Mar-25 Unaudited	Mar-24 As reported	Mar-24 Restated
General and administrative expenses			
Staff and contractor costs	1,859,911	1,740,459	1,740,459
Depreciation	41,483	32,857	32,857
Amortisation	1,717,855	1,679,659	1,680,166
Other overheads	489,212	969,984	1,099,755
Total	4,108,461	4,422,959	4,553,237

6. Related party transactions

The Company is not aware of any significant related party transactions during the quarter excluding PDMMR share transactions which are reported separately on the Company's website.

7. Property, plant and equipment

Property, plant and equipment comprises of office equipment and right-to-use assets according to below carrying value analysis:

	Mar-25 Unaudited	Mar-24 As reported	Mar-24 Restated
Property, plant and equipment			
Office Equipment	6,025	11,683	11,683
Leasehold improvements	3,303	5,634	5,634
Right-to-use assets	279,318	208,104	208,104
Total	288,646	225,421	225,421

In the first quarter for the year ending 31 December 2025 depreciation for property, plant equipment amounted to GBP 41,483.

8. Intangible assets

Intangible assets comprise of goodwill, capitalised development costs for internally generated software, game distribution rights, computer software, customer relationships and brand according to below carrying value analysis:

	Mar-25 Unaudited	Mar-24 As reported	Mar-24 Restated
Intangible asset			
Goodwill	7,431,929	7,319,994	7,592,931
Capitalised development costs	636,079	563,530	563,530
Game distribution rights	197,875	5,556,613	5,556,613
Computer software	3,084	-	-
Customer relationships	1,278,650	3,131,713	2,491,397
Brand	3,636,219	4,249,138	4,249,138
Total	13,183,836	20,820,988	20,453,609

In the first quarter for the year ending 31 December 2025 amortisation amounted to GBP 1,717,855.

9. Trade and other receivables

	Mar-25 Unaudited	Mar-24 As reported	Mar-24 Restated
Assets			
Trade receivables	782,721	2,980,687	2,812,141
Other receivables	849,639	430,763	507,860
Prepayments and accrued income	7,344,847	7,550,318	7,550,161
Trade and other receivables	8,977,207	10,961,768	10,870,162

10. Trade and other payables

	Mar-25 Unaudited	Mar-24 As reported	Mar-24 Restated
Liabilities			
Trade payables	2,461,884	3,932,964	4,264,271
Social security and other taxes	109,266	40,660	41,912
Accrued expenses	11,478,261	11,939,278	11,967,620
Other payables	1,872,374	1,173,756	1,309,926
Corporate tax payable	-	135,743	124,948
Trade and other payables	15,921,785	17,222,401	17,708,677

The Flexion share

The share

The share was listed in Nasdaq First North on 13 June 2018 under the trading symbol (ticker) FLEXM.

Ownership table

Top 10 shareholders as of 31 March 2025	N. of shares and votes	%	Aggregated %
Mobile Sensations Ltd	11,354,862	20.0%	20%
Morgan Stanley Smith Barney LLC	4,696,622	8.3%	28%
Palmstierna Invest AB	3,465,780	6.1%	34%
Clearstream Banking S.A.	2,243,508	3.9%	38%
Palmstierna Fredrik	1,803,000	3.2%	41%
Goldman Sachs & Co. LLC	1,787,960	3.1%	45%
IBKR Financial Services AG, W8IMY	1,668,666	2.9%	48%
SHEN CAPITAL FUND II L.P	1,618,477	2.8%	50%
Julius Baer & Co Ltd	1,604,000	2.8%	53%
The Bank of New York Mellon	1,581,512	2.8%	56%
Other shareholders	25,046,478	44.0%	100%
Total number of shares	56,870,865	100%	

Share data

	QTD Mar-25 3 months	QTD Mar-24 3 months Restated	FY Dec-24 12 months
Number of shares at period end (adjusted for share split and bonus issue)	56,360,329	56,233,265	55,912,668
Amount of weighted average shares outstanding for the period (adjusted for share split and bonus issue)	59,299,814	58,653,327	57,744,946
Profit / (Loss) per share			
– basic attributable to ordinary equity holders of the parent (pence) °	(1.88)	(0.97)	(4.26)
– diluted, attributable to ordinary equity holders of the parent (pence) °	(1.88)	(0.97)	(4.26)

° Basic and diluted earnings are considered the same where a loss has been incurred. The effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. The adjusted share options outstanding as at 31 March 2025 totalled 2,879,485 (2,670,062) and are potentially dilutive.



Main KPI numbers

Summary of the Company's Key Performance Indicators

		QTD Mar-25 3 months	QTD Dec-24 3 months	QTD Sep-24 3 months	QTD Jun-24 3 months	QTD Mar-24 3 months
Top-tier games pending launch	No.	0	2	1	1	1
Mid-tier games pending launch	No.	0	2	0	4	0
Total top-tier games live	No.	10	9	11	11	11
Total mid-tier games live	No.	15	12	15	12	12
Top-tier games average monthly gross revenue	USD	702,229	921,718	535,890	576,605	582,070
Number of games live past ramp-up period	No.	8	7	11	10	10
Mid-tier games average monthly gross revenue	USD	64,385	55,396	38,272	36,008	35,023
Number of games live past ramp-up period	No.	13	10	10	10	10
Mid-tier games pending launch						
Total revenue growth - YoY	%	(7%)	(7%)	20%	14 %	18%
Total revenue growth - QoQ	%	(18%)	23%	0%	(3 %)	(18%)
IAP gross profit growth - YoY	%	(21%)	(15%)	51%	74%	70%
IAP gross profit growth - QoQ	%	(10%)	(9%)	1%	(2%)	(4%)
IAP gross profit margin	%	16%	(15.6%)	20.3%	18.9%	20.3%
Total gross profit margin	%	17.7%	(16.5%)	22%	20.1%	22.2%
Adjusted EBITDA margin	%	3.9%	(6%)	7.8%	6.1%	9.9%
Operating profit / (loss) margin	%	(5.2%)	(0.4%)	3.3%	(4.2%)	(1.4%)
Average monthly operational cashflow	GBP	536,872	453,652	(314,231)	210,363	948,069
Headcount for Distribution services	No.	112	113	115	115	109
Headcount for Marketing services	No.	51	50	51	45	42
Adjusted staff cost for Distribution services	GBP	1,368,196	1,354,901	1,369,415	1,345,789	1,286,171
Staff cost for Marketing services	GBP	491,715	483,271	442,280	412,822	454,288
Number of shares at period end	No.	56,870,865	56,870,865	56,316,265	56,233,265	56,233,265
Amount of weighted average shares outstanding for period	No.	56,870,865	56,360,329	56,238,950	56,233,265	56,233,265
Profit / (Loss) per share (pence)	GBPp	(1.88)	(1.62)	(2.12)	(2.22)	(0.97)

Definitions

Number of top-tier games pending launch	Number of games generating at least USD 140,000 per month for which a contract has been signed but which are not live yet.
Number of mid-tier games pending launch	Number of games generating at least USD 40,000 per month for which a contract has been signed but which are not live yet. Minor games that are part of multi-games distribution contracts are also classified as mid-tier games.
Number of total top-tier games live	Number of games generating at least USD 140,000 per month, live in at least one of our distribution channels, including games in ramp-up period.
Number of total mid-tier games live	Number of games generating at least USD 40,000 per month, live in at least one of our distribution channels, including games in ramp-up period. Minor games that are part of multi-games distribution contracts are also classified as mid-tier games.
Average monthly gross revenue	Average monthly IAP revenue generated over the quarter - excluding games in initial six months ramp-up period and games not qualifying as tier games. Average number based on sales data and excluding settlement reconciliation adjustments.
Ramp-up period	Six-month period from launch date to reach a stable revenue inflow level.
Growth rates - YoY	Rates measured to the comparable period in the previous financial year.
Growth rates - QoQ	Rates measured to the comparable period in the previous quarter.
IAP gross profit margin	IAP revenue gross profit to total revenue.
Total gross profit margin	Total revenue (IAP and non-IAP) gross profit to total revenue (IAP and non-IAP).
Adjusted EBITDA margin	Adjusted EBITDA to total revenue (IAP and non-IAP).
Operating profit / (loss) margin	Operating profit/(loss) to total revenue (IAP and non-IAP).
Average monthly operational cashflow	Average operational cashflow (excl. effects of exchange rate fluctuations on cash held) divided by number of months in the measured period.
Headcount	Number of all staff plus all long-term contractors as at the end of the period.
Adjusted staff cost	Total cost of all staff and long-term contractors before any deduction for capitalised development cost.
Number of shares at period end	Number of shares at period end adjusted for share split and bonus issue.
Amount of weighted average shares outstanding for the period	Amount of weighted average shares outstanding for period, adjusted for share split and bonus issue.
Profit/(Loss) per share (pence)	Basic and diluted earnings are considered the same where a loss has been incurred. The effect of outstanding share options and warrants is considered anti-dilutive and ignored in the calculation

The background is a vibrant, abstract composition of wavy, parallel lines in shades of bright green and dark teal. These lines create a sense of depth and movement, resembling a stylized, three-dimensional landscape or a series of overlapping planes. In the center of the image, there is a solid black rectangular box. Inside this box, the word "FLEXION" is written in a bold, white, sans-serif typeface. The letters are evenly spaced and have a clean, modern appearance. The overall effect is one of dynamic energy and visual contrast.

FLEXION