# Flexion Mobile Plc

## Q2 Report - 30 June 2025

**FLEXION REPORTS AN IMPROVED OPERATING RESULT IN Q2, DEMONSTRATING CONTINUED UNDERLYING BUSINESS GROWTH IN BOTH DISTRIBUTION AND MARKETING, PROGRESS ON EFFICIENCY WHILE GROWING IN CONSTANT CURRENCY TERMS.**

## April-June 2025 performance

- Total revenue decreased by 4% to GBP 17.1m (17.7m)*
- Total revenue increased by 4% in constant currency terms (USD)
- Total gross profit decreased by 31% to GBP 2.5m (3.6m)
- Adjusted EBITDA‡ decreased by 104% to GBP -0.05m (1.1m)
- Amortisation decreased to GBP 0.3m (1.7m)#
- Operating result amounted to GBP -0.4m (-0.8m)
- EPS amounted to GBP -0.58 pence (-2.22 pence)
- Operating cash flow amounted to GBP -1.1m (0.6m)
- Cash and cash equivalents decreased to GBP 13.3m (13.9m)

## January-June 2025 performance

- Total revenue decreased by 3% to GBP 35.0m (36.0m)*
- Total revenue decreased by 2% in constant currency terms (USD)
- Total gross profit decreased by 25% to GBP 5.6m (7.5m)
- Adjusted EBITDA‡ decreased by 76% to GBP 0.7m (2.7m)
- Operating result amounted to GBP -1.4m (-1.2m)

## Important events during the quarter

- Signing of Realms of Pixel from NovaSonic Games PTE
- Signing of a Top 5 Grossing game to be fully launched in Q3
- Launch of Golf Clash from Electronic Arts (NASDAQ: EA)
- Annual General Meeting was held on 25 June 2025

## Important events after the quarter

- Launch of Realms of Pixel from NovaSonic Games PTE

** 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.*
*# The total amortisation of GBP 324,740 (1,696,491) includes GBP 65,959 (1,389,153) related to game distribution rights, GBP 131,891 (132,444) related to Brand, GBP 55,832 (104,760) related to customer relationships, GBP 70,899 (70,133) related to capitalised development costs and GBP 159 (Nil) related to computer software.*

## CEO’s Comments on Q2 2025 Performance

**A solid quarter dominated by app store rulings and FX swings.**

We started Q2 with strong momentum in distribution, building on the success of Q1’s new game launches. I am pleased to say that the new games are already contributing with more than USD 600k in revenue per month and supported our continued growth in the quarter. In USD terms, Distribution revenue was up 4% and Audiencly by 5% year-on-year. While our total reported revenue in GBP saw a 4% decline due to a weaker USD, this does not reflect our underlying performance. Audiencly’s return to profitability in Q2 came on the back of a record number of clients served in Q1 with an average margin for the first half of the year at approximately 30%. Despite the typically slower summer period and a challenging market for games, we met our revenue guidance. Notably, our game portfolio and channels significantly outperformed its Google Play equivalents which experienced a 27% decline in the same period based on AppMagic figures, underscoring the clear shift towards alternative markets, including direct-to-consumer (D2C) channels.

In Q2, we made progress on game launches and sourcing. We successfully signed ”Realms of Pixel” and officially launched EA’s ”Golf Clash.” We also secured another top 5 grossing game, yet to be fully launched. Looking ahead to Q3, our game portfolio now features 34 games and is expected to include four Top 10 grossing games (based on Google Play ranking). The average monthly revenue of our top tier games in Q2 was USD 700k. Having secured 4 out of 10 top grossing games is a major achievement for Flexion, making us uniquely attractive to existing and new distribution channels, as well as marketing and payment partners. This strategic advantage should help us maintain current momentum and secure more new deals into the autumn. I anticipate performance to pick up towards the end of Q3 once the summer period concludes, expecting revenue in the range of USD 21-24 million for the quarter.

As highlighted in Q1, the amortization of our game distribution rights has significantly decreased, with our largest deal now fully amortized, leading to a closer alignment between our adjusted EBITDA and operating result. As our largest deal transitioned back to standard terms, our distribution gross margin declined as expected, reflecting the contractual shift in economics once our investment in the game was recouped. This outcome underscores both our commitment to bringing successful titles to alternative app stores and the underlying strength of these top-grossing games. Meanwhile, Audiencly’s gross margin improved, contributing to a consolidated company gross margin of 14%. I am also pleased to report that we have successfully extended and renewed several crucial developer agreements, providing greater revenue visibility over the next few years. We are in a strong financial position, with GBP 13.3 million in the bank and no debt, enabling us to continue strategic investments such as in our D2C initiatives. Total investment in product development so far this year is approximately GBP 0.4m.

The alternative market continues to be shaped by pivotal legal decisions, with court rulings against Apple and Google in the US, alongside enforcement actions by the EU and other regulatory bodies in major mobile games markets. It is unequivocally clear that the long-standing ”walls” of control on both iOS (Apple) and Android (Google Play) are coming down, and this shift is irreversible. This paradigm creates unprecedented new market opportunities for game developers and service providers. The growth of the mobile games market has long been constrained by Google and Apple’s strict control. We firmly believe it is now poised to re-enter a period of growth, as increased developer freedoms, higher margins, and intensified competition will collectively drive significant investment and expansion in game marketing. For example, we are seeing increased capital investment activity in D2C payment and web store startups. For instance, Appcharge, a payments company we are working with, recently raised USD 58 million, bringing their total funding over the past nine months to USD 89 million. Besides continued investment in our SDK, our support for D2C includes integrations with Appcharge for in-app payments, alongside Xsolla and Coda Payments. On the product development side, we are also adding support for the Epic Games Store this year.

Over the past 12 months, we have streamlined operations in Distribution, reducing headcount by 8% while improving overall efficiency. At the same time, we continue to invest in product development.

Our teams recently returned from China Joy, Asia's largest game show and Gamescom in Europe, and the trend is clear: alternative stores are now firmly integrated into most game developers' user acquisition strategies, as return on ad spend (ROAS) can be higher due to more attractive payouts from these stores. This is a very important first step as the pace of change will depend heavily on paid user acquisition being funnelled through to new and high margin stores and D2C. We continue to develop expertise in user acquisition for the alternative markets and are seeing strong performance with certain games and channel combinations. For both existing and new stores, the ability to offer their services through Google Play thanks to the recent rulings will be tremendously beneficial, significantly reducing user friction and greatly assisting with user acquisition. We believe this will lead to an increased number of stores and empower developers to transform their web stores into powerful distribution channels over time. We are actively building for this open, competitive market, which represents a multi-billion dollar opportunity for developers. With our strong game and store partnerships, we are exceptionally well-positioned to capitalise on these emerging opportunities, and it is crucial that we continue to strategically invest in our robust service offering to remain at the forefront as the market transitions.

I will continue to update you on our progress in these areas in Q3 and wish you a happy end to the summer season.

CEO Jens Lauritzson

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## Financial Development

**APRIL – JUNE 2025**

**REVENUE**

Total revenue decreased by 4% year-on-year to GBP 17,084,997 (17,709,498), of which Distribution revenue decreased by 4% year-on-year at GBP 15,509,790 (16,183,636) offset by Marketing Services revenue which increased by 4% to GBP 1,566,826 (1,502,763). The strengthening of GBP compared to USD and EUR has also negatively impacted the year-on-year growth numbers presented in GBP. In constant currency (USD), underlying Distribution revenue increased by 3.6% year-on-year.

Total revenue for the quarter decreased by 5% compared with the preceding quarter to GBP 17,084,997 (17,894,244) as per usual cyclical patterns.

**GROSS PROFIT**

Cost of sales increased by 3% year-on-year to GBP 14,615,144 (14,144,653).

Total gross profit decreased by 31% year-on-year to GBP 2,469,853 (3,564,845) of which Distribution gross profit decreased by 47% year-on-year to GBP 1,619,053 (3,058,556). Marketing Services gross profit increased by 74% to GBP 842,419 (483,189).

Total gross profit margin decreased from 20% to 15% year-on-year, driven by a decrease in Distribution gross profit margin from 19% to 10%.

Total gross profit decreased by 22% to GBP 2,469,853 compared with the preceding quarter. Distribution gross profit decreased by 43% to GBP 1,619,053 and Marketing services increased by 155% to GBP 842,419 compared with the preceding quarter. Total gross profit margin decreased from 18% to 15%, with Marketing services gross profit margin increasing from 17% to 54% and Distribution gross profit margin decreasing from 18% to 10% compared with the preceding quarter.

**GENERAL AND ADMINISTRATIVE EXPENSES AND FAIR VALUE GAINS**

The total headcount decreased by 5 year-on-year to 155 (160) of which, Distribution's headcount represented 106 (115) and Marketing service's headcount represented 49 (45). Adjusted staff cost for Distribution decreased by 3% from GBP 1,345,789 to GBP 1,302,172 and Marketing services staff cost increased by 27% from GBP 412,822 to GBP 522,940.

Group staff and contractor costs increased by 4% year-on-year to GBP 1,825,112 (1,758,612) in line with the change in headcount in Marketing services.

Other overheads decreased year-on-year to GBP 727,324 (829,424), mainly driven by a favourable foreign exchange movement of GBP 76,689.

The total amortisation of GBP 324,740 (1,696,491) includes GBP 65,959 (1,389,153) related to game distribution rights, GBP 131,891 (132,444) related to Brand, GBP 55,832 (104,760) related to customer relationships, GBP 70,899 (70,133) related to capitalised development costs and GBP 159 (Nil) related to computer software.

As a result of these movements, total group general and administrative expenses decreased year-on-year by 32% to GBP 2,916,078 (4,317,093).

Total staff and contractor costs for Distribution decreased by 5% compared with the preceding quarter. Staff costs for Marketing services, as reported in the KPI section, increased by 6% compared with the preceding quarter. Other overheads increased by 49% to GBP 727,324 compared with the preceding quarter, driven by an unfavourable foreign exchange movement of GBP 155,288 and increased UA costs of GBP 60,447.

**ADJUSTED EBITDA AND NET EARNINGS**

Adjusted EBITDA for the quarter amounted to GBP -47,841 (1,088,234) mainly driven by the expected reduction in gross margin as a result of the contractual shift with our largest developer. Operating result increased to GBP -446,225 (-752,248) and the result after tax for this quarter amounted to GBP -410,377 (-902,137).

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**CASH FLOW**

Operating cash flow was GBP -1,120,382 (583,780), the difference being partly due to working capital timing effects on both trade payables and trade receivables. Net cash flow was GBP -1,169,490 (156,733).

**FINANCIAL POSITION**

Cash amounted to GBP 13,294,616 (13,916,157) and there were no interest-bearing liabilities. During the quarter, cash decreased by GBP 1,119,879. Trade and other receivables amounted to GBP 12,041,124 (11,418,995). Trade and other payables amounted to GBP 18,142,621 (17,578,798).

**CHANGES IN THE NUMBER OF GAMES DURING THE QUARTER**

The average monthly revenue for top-tier games past the ramp-up period was flat at USD 700,719 (702,229) compared to the preceding quarter and the number of top-tier games past ramp-up remained unchanged at 8 titles when compared to the preceding quarter.

The average monthly revenue for mid-tier games past ramp-up increased to USD 76,762 (64,385) compared to the preceding quarter and the number of mid-tier games past ramp-up decreased by 3 to 10 titles.

During the quarter, the number of live top-tier games remained at 10 titles. The number of live mid-tier games decreased to 12 titles.

**H1 2025 vs H1 2024**

The first six months of the financial year ending December 2025 showed a 3% decrease in total revenue, resulting in GBP 34,979,242 (36,039,664). Distribution revenue decreased 3% to GBP 31,460,950 (32,313,603) and Marketing services revenue decreased by 27% to GBP 3,491,421 (4,767,872). Gross profit decreased by 25% to GBP 5,642,872 (7,539,506) during the period. General and administrative expenses decreased by 20% to GBP 7,024,539 (8,740,052). Adjusted EBITDA decreased by 76% to GBP 655,509 (2,730,225). The result after tax improved to GBP -1,407,227 (-1,608,603).

Ross Logan – CFO

## Other information

**SEGMENTAL INFORMATION**

**DISTRIBUTION revenue**

Flexion's focus is on growing its business by signing free-to-play games with In-App Purchases (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.

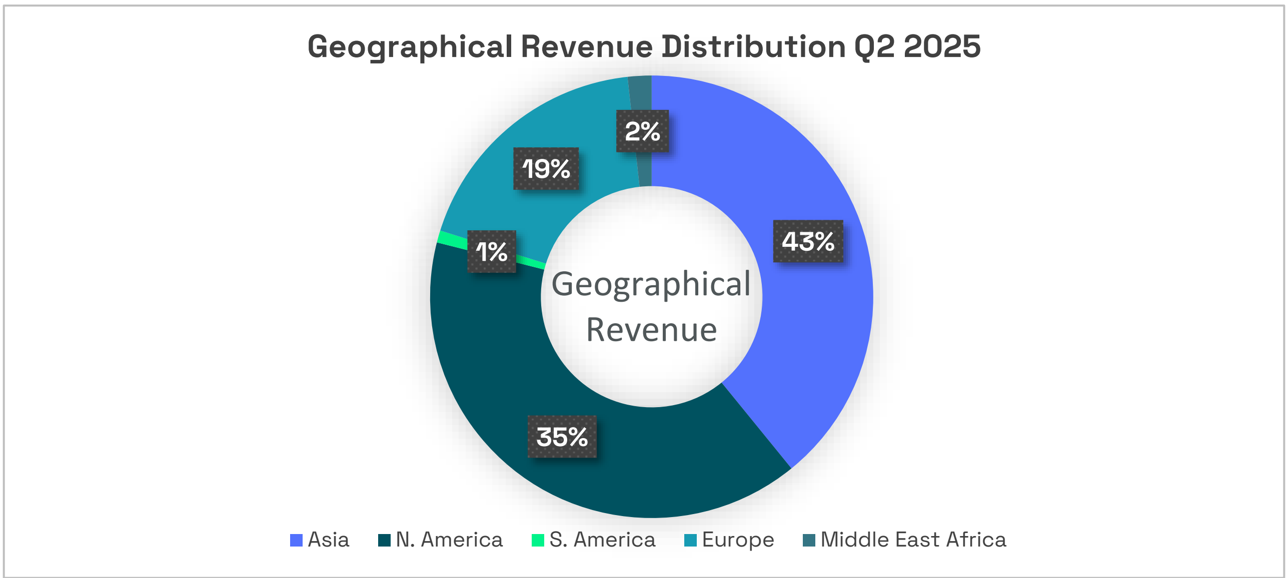
Non-IAP revenue includes revenue from integration fees and minimum guarantees and other revenue that is non-recurring. It includes recurring revenue share from in-game advertising, historical subscription revenue and legacy revenue.

**MARKETING SERVICES revenue**

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

**GEOGRAPHICAL revenue**

The geographical breakdown of group revenue for the quarter ending 30 June 2025 is presented below.




The main market for group revenue during the quarter was Asia with 43% market share, followed by N. America with 35% market share. Europe accounted for 19%, Middle East and Africa for 2% and South America for 1%.

**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.

### 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 155 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

| | |
|---|---|
| Q3 report - 2025 financial year | 20 Nov. 2025 |
| Q4 report - 2025 financial year | 19 Mar. 2026 |
| Q1 report - 2026 financial year | 20 May. 2026 |
| Q2 report - 2026 financial year | 28 Aug. 2026 |

### CERTIFIED ADVISER

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### 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 29 August 2025.

## Financial reports in brief

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTERLY PERIOD ENDED 30 JUNE 2025**

| | Notes | QTD Jun-25 3 months Unaudited GBP | QTD Jun-24 3 months As reported* GBP | QTD Jun-24 3 months Restated* GBP | YTD Jun-25 6 months Unaudited GBP | YTD Jun-24 6 months As reported* GBP | YTD Jun-24 6 months Restated* GBP | FY Dec-24 12 months Audited GBP |
|---|---|---|---|---|---|---|---|---|
| Total revenue | 3 | 17,084,997 | 17,709,498 | 17,894,930 | 34,979,242 | 36,039,664 | 37,127,668 | 76,754,313 |
| Cost of sales | | (14,615,144) | (14,144,653) | (14,144,653) | (29,336,369) | (28,500,158) | (29,100,915) | (62,850,071) |
| **Total gross profit** | **4** | **2,469,853** | **3,564,845** | **3,750,276** | **5,642,872** | **7,539,506** | **8,026,753** | **13,904,241** |
| General and administrative expenses | 5 | (2,916,078) | (4,317,093) | (4,428,484) | (7,024,539) | (8,740,052) | (8,981,720) | (20,586,461) |
| **Adjusted EBITDA**‡ | | **(47,841)** | **1,088,234** | **1,240,967** | **655,509** | **2,730,225** | **3,150,128** | **4,233,932** |
| Depreciation of tangible assets | | 38,902 | 32,566 | 32,566 | 80,385 | 65,423 | 65,423 | 166,022 |
| Amortisation of intangible assets | | 324,740 | 1,696,491 | 1,677,964 | 2,042,595 | 3,376,150 | 3,358,129 | 6,831,568 |
| Impairment losses | | - | - | - | - | - | - | 1,994,345 |
| Foreign exchange loss / (gain) | | 34,742 | 111,425 | 208,644 | (85,804) | (30,340) | 162,005 | 326,048 |
| Corporate acquisition related costs | | - | - | - | - | - | - | - |
| Other exceptional costs | | - | - | - | - | 519,538 | 519,538 | 1,598,168 |
| Fair value gains | | - | - | - | - | - | - | 3,653,668 |
| **Operating loss for the period** | | **(446,225)** | **(752,248)** | **(678,207)** | **(1,381,666)** | **(1,200,546)** | **(954,967)** | **(3,028,552)** |
| Finance income | | 53,284 | - | 56,559 | 102,763 | - | 75,489 | 208,360 |
| Finance costs | | (5,147) | (125,070) | (181,630) | (10,845) | (355,118) | (329,254) | (555,381) |
| **Loss before tax for the period** | | **(398,087)** | **(877,318)** | **(803,278)** | **(1,289,748)** | **(1,555,664)** | **(1,208,732)** | **(3,375,573)** |
| Tax | | (12,290) | (24,819) | (30,599) | (117,479) | (52,940) | (58,562) | 641,733 |
| **Loss for the period** | | **(410,377)** | **(902,137)** | **(833,877)** | **(1,407,227)** | **(1,608,603)** | **(1,267,294)** | **(2,733,839)** |
| **Other comprehensive income** | | | | | | | | |
| Foreign exchange differences | | 78,266 | (346,926) | (63,740) | 5,996 | (171,239) | (160,502) | (162,976) |
| **Total comprehensive loss for the period** | | **(332,111)** | **(1,249,063)** | **(897,617)** | **(1,401,231)** | **(1,779,842)** | **(1,427,796)** | **(2,896,815)** |

‡ *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.*

* *The restatement relates to timing adjustments of revenue and costs made relating to the prior year as a result of information identified during the finalisation of the accounts.*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

| | Notes | Jun-25 Unaudited GBP | Jun-24 As reported* GBP | Jun-24 Restated* GBP | Dec-24 Audited GBP |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 7 | 258,005 | 192,199 | 192,199 | 323,931 |
| Intangible assets | 8 | 13,145,758 | 19,387,604 | 19,044,476 | 14,782,601 |
| **Total non-current assets** | | **13,403,763** | **19,579,803** | **19,236,675** | **15,106,532** |
| | | | | | |
| **Current assets** | | | | | |
| Trade and other receivables | 9 | 12,041,124 | 11,418,995 | 11,472,339 | 14,070,494 |
| Cash and cash equivalents | | 13,294,616 | 13,916,157 | 13,906,012 | 13,112,701 |
| **Total current assets** | | **25,335,740** | **25,335,152** | **25,378,350** | **27,183,195** |
| **Total assets** | | **38,739,503** | **44,914,955** | **44,615,025** | **42,289,727** |
| | | | | | |
| **Equity and liabilities** | | | | | |
| **Equity** | | | | | |
| Share capital | | 113,742 | 112,467 | 112,467 | 113,742 |
| Share premium | | 17,374,546 | 17,341,512 | 17,341,512 | 17,374,546 |
| Other reserves | | 5,589,828 | 4,606,186 | 5,140,536 | 5,552,889 |
| Retained earnings | | (4,308,623) | (4,801,125) | (1,497,412) | (2,914,196) |
| **Total equity** | | **18,769,492** | **17,259,040** | **21,097,103** | **20,126,981** |
| | | | | | |
| **Non-current liabilities** | | | | | |
| Deferred Tax liabilities | | 1,555,266 | 2,311,534 | 2,289,587 | 1,576,025 |
| Lease liabilities | | 205,751 | 131,737 | 131,737 | 217,363 |
| Contingent consideration | | - | - | 3,284,773 | - |
| **Total non-current liabilities** | | **1,761,017** | **2,443,271** | **5,706,097** | **1,793,388** |
| | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 10 | 18,142,621 | 17,578,798 | 17,568,734 | 20,248,582 |
| Lease liabilities | | 66,373 | 54,457 | 54,457 | 120,776 |
| Contingent consideration | | - | 7,579,390 | 188,635 | - |
| **Total current liabilities** | | **18,208,994** | **25,212,645** | **17,811,825** | **20,369,358** |
| **Total liabilities** | | **19,970,011** | **27,655,916** | **23,517,922** | **22,162,746** |
| **Total equity and liabilities** | | **38,739,503** | **44,914,955** | **44,615,025** | **42,289,727** |

* *The restatement relates to timing adjustments of revenue and costs made relating to the prior year as a result of information identified during the finalisation of the accounts.*

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## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTERLY PERIOD ENDED 30 JUNE 2025

| | QTD Jun-25 3 months Unaudited | QTD Jun-24 3 months As reported* | QTD Jun-24 3 months Restated* | YTD Jun-25 6 months Unaudited | YTD Jun-24 6 months As reported* | YTD Jun-24 6 months Restated* | FY Dec-24 12 months Audited |
|---|---|---|---|---|---|---|---|
| **Cash flow from operating activities** | | | | | | | |
| Loss before tax for the period | (398,087) | (877,318) | (803,278) | (1,289,748) | (1,555,664) | (1,208,732) | (3,375,573) |
| Adjustments for: | | | | | | | |
| Foreign exchange losses | 34,742 | (47,309) | 208,644 | (85,804) | (162,205) | 162,005 | 326,048 |
| Impairment losses | - | - | - | - | - | - | 1,994,345 |
| Share based payments | 28,269 | 36,442 | 63,089 | 17,340 | 69,740 | 129,076 | 225,213 |
| Depreciation of tangible assets | 38,902 | 32,566 | 32,566 | 80,385 | 65,423 | 65,423 | 166,022 |
| Amortisation of intangible assets | 324,740 | 1,696,491 | 1,677,964 | 2,042,595 | 3,376,150 | 3,358,129 | 6,831,568 |
| Fair value gains | - | - | - | - | - | - | (3,653,668) |
| Interest expense | 5,102 | 136,234 | 136,234 | 10,800 | 374,793 | 273,440 | 553,241 |
| Working capital: | | | | | | | |
| Change in trade and other receivables | (883,712) | (600,885) | (226,452) | 2,029,370 | 2,803,913 | 3,893,615 | 1,537,921 |
| Change in trade and other payables | (270,337) | 207,558 | (535,535) | (2,435,249) | (1,659,059) | (3,379,134) | (554,351) |
| **Net cash flow from operating activities** | **(1,120,382)** | **583,780** | **553,232** | **369,688** | **3,313,091** | **3,293,823** | **4,050,766** |
| **Cash flow from investing activities** | | | | | | | |
| Expenditure on property, plant and equipment | (8,749) | 2,293 | - | (14,774) | 3,043 | (19,544) | (14,677) |
| Expenditure on intangible assets | (3,071) | (395,751) | (395,751) | (6,209) | (395,751) | (395,751) | (1,155,537) |
| Capitalised development cost | - | - | - | - | - | - | (354,049) |
| **Net cash flow from investing activities** | **(11,820)** | **(393,458)** | **(395,751)** | **(20,982)** | **(392,708)** | **(415,295)** | **(1,524,263)** |
| **Cash flow from financing activities** | | | | | | | |
| Issue of ordinary shares, net of issue costs | - | - | - | - | - | - | 33,200 |
| Payment of lease liabilities | (37,288) | (33,590) | (1,880) | (76,815) | (69,490) | (37,780) | (167,438) |
| **Net cash flow from financing activities** | **(37,288)** | **(33,590)** | **(1,880)** | **(76,815)** | **(69,490)** | **(37,780)** | **(134,238)** |
| **Net change in cash and cash equivalents** | **(1,169,490)** | **156,733** | **155,601** | **271,891** | **2,850,893** | **2,840,748** | **2,392,265** |
| Cash and cash equivalents at beginning of period | 14,414,495 | 13,778,044 | 13,769,031 | 13,113,668 | 11,084,799 | 11,084,321 | 11,084,799 |
| Effect of exchange rate fluctuations on cash held during the period | 49,612 | (18,619) | (18,619) | (90,943) | (19,534) | (19,057) | (364,364) |
| **Cash and cash equivalents at end of period** | **13,294,616** | **13,916,157** | **13,906,012** | **13,294,616** | **13,916,158** | **13,906,012** | **13,112,701** |

* *The restatement relates to timing adjustments of revenue and costs made relating to the prior year as a result of information identified during the finalisation of the accounts.*

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

| | Share capital<br>GBP | Share premium<br>GBP | Share based payment reserve<br>GBP | Foreign currency translation reserve<br>GBP | Merger reserve<br>GBP | Retained earnings<br>GBP | Total<br>GBP |
|---|---|---|---|---|---|---|---|
| Balance at 1 January 2024 | 112,467 | 17,341,512 | 816,935 | 375,824 | 3,992,894 | (180,356) | 21,613,741 |
| Adjustments to opening retained earnings | - | - | - | (13,207) | - | (49,762) | (62,969) |
| Loss for the period | - | - | - | (160,502) | - | (1,267,294) | (1,427,796) |
| **Total comprehensive income** | **112,467** | **17,341,512** | **816,935** | **202,115** | **3,992,894** | **(1,497,412)** | **20,968,510** |
| **Transactions with owners, recorded directly in equity** | | | | | | | |
| Share based payments | - | - | 129,076 | - | - | - | 129,076 |
| Deferred tax on share options | - | - | (484) | - | - | - | (484) |
| Issue of share capital | - | - | - | - | - | - | - |
| **Balance at 30 June 2024 Restated*** | **112,467** | **17,341,512** | **945,528** | **202,115** | **3,992,894** | **(1,497,412)** | **21,097,103** |
| | | | | | | | |
| Balance at 1 January 2025 | 113,742 | 17,374,546 | 1,031,912 | 212,848 | 4,308,128 | (2,914,196) | 20,126,981 |
| Adjustments to opening retained earnings | - | - | - | 15,571 | - | 12,800 | 28,371 |
| Loss for the period | - | - | - | 5,996 | - | (1,407,227) | (1,401,231) |
| **Total comprehensive income** | **113,742** | **17,374,546** | **1,031,912** | **234,415** | **4,308,128** | **(4,308,623)** | **18,754,120** |
| **Transactions with owners, recorded directly in equity** | | | | | | | |
| Share based payments | - | - | 17,340 | - | - | - | 17,340 |
| Deferred tax on share options | - | - | (1,968) | - | - | - | (1,968) |
| Issue of share capital | - | - | - | - | - | - | - |
| **Balance at 30 June 2025** | **113,742** | **17,374,546** | **1,047,284** | **234,415** | **4,308,128** | **(4,308,623)** | **18,769,492** |

* *The restatement relates to timing adjustments of revenue and costs made relating to the prior year as a result of information identified during the finalisation of the accounts.*

## Notes

### 1. BASIS OF PREPARATION

The condensed financial statements for the three months ended 30 June 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 for the 6-months ended 30 June 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 2024.

### 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 2024. The accounting policies applied herein are consistent with those expected to be applied in the annual financial statements for the year ended 31 December 2025. 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:

| | Jun-25 | Jun-24 | Jun-24 |
|---|---|---|---|
| **Revenue breakdown** | **Unaudited** | **As reported** | **Restated** |
| IAP Revenue | 15,509,790 | 16,183,636 | 16,369,068 |
| Non-IAP Revenue | 8,382 | 23,099 | 23,099 |
| Marketing services | 1,566,826 | 1,502,763 | 1,502,763 |
| **Total Revenue** | **17,084,997** | **17,709,498** | **17,894,930** |

### 4. GROSS PROFIT

Gross profit disclosed in the statement of profit and loss is analysed as follows:

| | Jun-25 | Jun-24 | Jun-24 |
|---|---|---|---|
| **Gross profit breakdown** | **Unaudited** | **As reported** | **Restated** |
| IAP gross profit | 1,619,053 | 3,058,556 | 3,243,988 |
| Non-IAP Revenue | 8,382 | 23,099 | 23,099 |
| Marketing services | 842,419 | 483,189 | 483,189 |
| **Total gross profit** | **2,469,853** | **3,564,845** | **3,750,276** |

FLEXION

## 5. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses disclosed in the statement of profit or loss is analysed as follows:

| | Jun-25 | Jun-24 | Jun-24 |
|---|---|---|---|
| **General and administrative expenses** | **Unaudited** | **As reported** | **Restated** |
| Staff and contractor costs | 1,825,112 | 1,758,612 | 1,763,942 |
| Depreciation | 38,902 | 32,566 | 32,566 |
| Amortisation | 324,740 | 1,696,491 | 1,677,964 |
| Other overheads | 727,324 | 829,424 | 954,012 |
| **Total** | **2,916,078** | **4,317,093** | **4,428,484** |

## 6. RELATED PARTY TRANSACTIONS

The Company is not aware of any significant related party transactions during the quarter excluding PDMR 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:

| | Jun-25 | Jun-24 | Jun-24 |
|---|---|---|---|
| **Property, plant and equipment** | **Unaudited** | **As reported** | **Restated** |
| Office Equipment | 7,715 | 9,390 | 9,390 |
| Leasehold improvements | 2,720 | 5,051 | 5,051 |
| Right-to-use assets | 247,570 | 177,758 | 177,758 |
| **Total** | **258,005** | **192,199** | **192,199** |

In the second quarter for the year ending 31 December 2025 depreciation for property, plant equipment amounted to GBP 38,902.

## 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:

| | Jun-25 | Jun-24 | Jun-24 |
|---|---|---|---|
| **Intangible asset** | **Unaudited** | **As reported** | **Restated** |
| Goodwill | 7,600,829 | 7,253,170 | 7,526,107 |
| Capitalised development costs | 565,180 | 493,397 | 493,397 |
| Game distribution rights | 131,916 | 4,563,211 | 4,563,211 |
| Computer software | 6,209 | - | - |
| Customer relationships | 1,252,545 | 2,999,052 | 2,382,987 |
| Brand | 3,589,079 | 4,078,774 | 4,078,774 |
| **Total** | **13,145,758** | **19,387,604** | **19,044,476** |

In the second quarter for the year ending 31 December 2025 amortisation amounted to GBP 324,740.

FLEXION

## 9. TRADE AND OTHER RECEIVABLES

| | Jun-25 Unaudited | Jun-24 As reported | Jun-24 Restated |
|---|---|---|---|
| Trade receivables | 1,638,292 | 2,242,730 | 2,007,582 |
| Other receivables | 2,441,527 | 601,105 | 1,511,743 |
| Prepayments and accrued income | 7,961,305 | 8,575,160 | 7,953,013 |
| **Trade and other receivables** | **12,041,124** | **11,418,995** | **11,472,339** |

## 10. TRADE AND OTHER PAYABLES

| | Jun-25 Unaudited | Jun-24 As reported | Jun-24 Restated |
|---|---|---|---|
| Trade payables | 4,801,930 | 2,867,584 | 3,284,457 |
| Social security and other taxes | (65,125) | (31,702) | (25,111) |
| Accrued expenses | 11,529,534 | 12,956,870 | 12,853,242 |
| Other payables | 1,876,281 | 1,640,028 | 1,332,339 |
| Corporate tax payable | - | 146,019 | 123,807 |
| **Trade and other payables** | **18,142,621** | **17,578,798** | **17,568,734** |

## 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 30 June 2025 | N. of shares and votes | % | Aggregated % |
|---|---|---|---|
| LLC Pershing | 11,342,667 | 19.9% | 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% |
| Shen Capital Fund II L.P. | 2,237,899 | 3.9% | 42% |
| IBKR Financial Services AG | 1,845,299 | 3.2% | 45% |
| The Bank Of New York Mellon Sa/nv | 1,821,854 | 3.2% | 49% |
| Fredrik Palmstierna | 1,803,000 | 3.2% | 52% |
| Without Bank Julius Baer & co LTD | 1,604,000 | 2.8% | 55% |
| The Bank Of New York Mellon | 1,581,512 | 2.8% | 57% |
| Other shareholders | 24,228,724 | 42.6% | 100% |
| **Total number of shares** | **56,870,865** | **100.0%** | |

| | QTD Jun-25 Unaudited 3 months | QTD Jun-24 As reported 3 months | QTD Jun-24 Restated 3 months | FY Dec-24 Audited 12 months |
|---|---|---|---|---|
| Number of shares at period end (adjusted for share split and bonus issue) | 56,870,865 | 56,233,265 | 56,233,265 | 56,870,865 |
| Amount of weighted average shares outstanding for the period (adjusted for share split and bonus issue) | 56,870,865 | 56,233,265 | 56,233,265 | 56,303,934 |
| Profit / (Loss) per share | | | | |
| – basic attributable to ordinary equity holders of the parent (pence) ◊ | (0.58) | (2.22) | (1.64) | (5.14) |
| – diluted, attributable to ordinary equity holders of the parent (pence) ◊ | (0.58) | (2.22) | (1.64) | (5.14) |

◊ *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 30 June 2025 totalled 3,367,912 (2,984,485) and are potentially dilutive.*

## Main KPI numbers

**SUMMARY OF THE COMPANY'S KEY PERFORMANCE INDICATORS**

| | | QTD Jun-25 3 months | QTD Mar-25 3 months | QTD Dec-24 3 months | QTD Sep-24 3 months | QTD Jun-24 3 months |
|---|---|---|---|---|---|---|
| Top-tier games pending launch | No. | 2 | 0 | 2 | 1 | 1 |
| Mid-tier games pending launch | No. | 0 | 0 | 2 | 0 | 4 |
| Total top-tier games live | No. | 10 | 10 | 9 | 11 | 11 |
| Total mid-tier games live | No. | 12 | 15 | 12 | 15 | 12 |
| Top-tier games average monthly gross revenue | USD | 700,719 | 702,229 | 921,718 | 535,890 | 576,605 |
| Number of games live past ramp-up period | No. | 8 | 8 | 7 | 11 | 10 |
| Mid-tier games average monthly gross revenue | USD | 76,762 | 64,385 | 55,396 | 38,272 | 36,008 |
| Number of games live past ramp-up period | No. | 10 | 13 | 10 | 10 | 10 |
| Total number of games | No. | 34 | 34 | 30 | 30 | 26 |
| Total revenue growth - YoY | % | (5%) | (7%) | (7%) | 20% | 14 % |
| Total revenue growth - QoQ | % | (5%) | (18%) | 23% | 0% | (3 %) |
| IAP gross profit growth - YoY | % | (50%) | (21%) | (15%) | 51% | 74% |
| IAP gross profit growth - QoQ | % | (36%) | (10%) | (9%) | 1% | (2%) |
| IAP gross profit margin | % | 10.4% | 16% | (15.6%) | 20.3% | 18.9% |
| Total gross profit margin | % | 14.5% | 17.7% | (16.5%) | 22% | 20.1% |
| Adjusted EBITDA margin | % | (0.3%) | 3.9% | (6%) | 7.8% | 6.1% |
| Operating (loss) / profit margin | % | (2.6%) | (5.2%) | (0.4%) | 3.3% | (4.2%) |
| Average monthly operational cashflow | GBP | (385,041) | 536,872 | 453,652 | (314,231) | 210,363 |
| Headcount for Distribution services | No. | 106 | 112 | 113 | 115 | 115 |
| Headcount for Marketing services | No. | 49 | 51 | 50 | 51 | 45 |
| Adjusted staff cost for Distribution services | GBP | 1,302,172 | 1,368,196 | 1,354,901 | 1,369,415 | 1,345,789 |
| Staff cost for Marketing services | GBP | 522,940 | 491,715 | 483,271 | 442,280 | 412,822 |
| Number of shares at period end | No. | 56,870,865 | 56,870,865 | 56,870,865 | 56,316,265 | 56,233,265 |
| Amount of weighted average shares outstanding for period | No. | 56,870,865 | 56,870,865 | 56,360,329 | 56,238,950 | 56,233,265 |
| Loss per share (pence) | GBPp | (0.58) | (1.88) | (1.62) | (2.12) | (2.22) |

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 |