



Q3 Report — 30 September 2021

Flexion sees its best-ever quarter in terms of game signings and continues to grow its quarterly revenue by 26% and gross profit by 27% year on year.

July 2021 to September 2021 performance

- Total revenue increased by 26% to GBP 7.8m (GBP 6.2m)*
- Gross profit increased by 27% to GBP 1.0m (GBP 0.8m)
- Adjusted EBITDA[‡] remained flat at GBP 0.07m (GBP 0.11m)
- Operating result remained flat at GBP -0.02m (GBP 0.05m)
- Earnings per share amounted to GBP -0.07 pence (GBP 0.08 pence)
- Cash amounted to GBP 15.1m (GBP 3.7m)

April 2021 to September 2021 performance

- Total revenue increased by 42% to GBP 15.6m (GBP 11.0m)*
- Gross profit increased by 30% to GBP 2.0m (GBP 1.5m)
- Adjusted EBITDA[‡] decreased by 26% to GBP 0.09m (GBP 0.1m)
- Operating result remained flat at GBP -0.07m (GBP 0.01m)

Important events during the quarter

- Launch of Legendary Game of Heroes and Guardians of Cloudia
- Signing of Evony: The King's Return from Top Games Inc.
- Signing of The Ants: Underground Kingdom from StarUnion
- Signing of Puzzles & Survival from 37Games
- Signing of a top grossing game as part of a seven-game deal

Important events after the quarter

- Launch of Evony: The King's Return
- Alignment of the financial year with the calendar year by closing the current financial year after 9 months in December 2021

* Comparable number for the same quarter of the previous financial year in brackets

[‡] The Company defines adjusted EBITDA as earnings before interest, tax, depreciation, amortisation, finance costs, impairment losses and other income. Adjusted EBITDA (adjusting operating profit for several non-cash items) is used by the Company for internal performance analysis to assess the execution of our strategies. Management believe that this adjusted measure is a more appropriate metric to understand the underlying performance of the Company

Notes from the CEO



"Without exaggerating, as a distributor, we now have the strongest portfolio of games in the history of Android." These were the exact words of our Chief Revenue Officer at one of our recent weekly company meetings and I think it really captures how we feel as a company right now.

We started the financial year with focus on strengthening our portfolio of top games while reducing the launch time for new games. We have delivered on both points by i) signing four very large titles; ii) securing a two-year extension for six of our existing games; and iii) launching three new titles with significantly reduced time to market. I am extremely proud of what we have signed this year and pleased with how well we continue to execute on our strategy. It has been a real team effort.

The underlying growth potential in our portfolio should not be underestimated. The four newly signed titles are making a massive USD 36m per month in Google Play and this becomes even more significant when considering our current live portfolio, which is making USD 40m per month in Google Play. This results in a total of USD 76m per month for our portfolio in Google Play. We have already reached an average of 10% compared to Google Play for our live portfolio, which means that once the new titles are live, we could potentially double our portfolio revenue over time. This will fuel our revenue growth and gross profit for the coming years and allow us to strengthen our focus on top earning games. In addition, this allows us to gradually phase out lesser-performing games which will help us drive efficiency gains and improve our EBITDA margin.

Looking at the quarterly performance, we had a solid quarter without any major events. The beginning of the quarter was relatively slow, but September was strong and back to our high-water mark. Total revenue remained in line with our record-breaking June quarter, resulting in a 26% quarterly growth YoY. Total gross profit grew by 9%

QoQ and 27% YoY to GBP 1.0m, driven by our improved margin on the back of the seven-game deal signed in September. We are now gearing up for the traditionally strong fourth quarter with a lot of major game promotions and early positive effects from some of our newly launched games. We maintain our revenue growth target as set out at the beginning of the year and really look forward to the most exciting quarter of the year.

With the new game additions, we now hold 5 top 40 grossing games, a total of 17 games within the top 250 grossing games and a total of 27 top 500 grossing games, based on Google Play rankings in North America and EMEA. It adds a new dimension to our sales and marketing and helps strengthen our co-operation with existing channels. We are now in a prime position when talking to new stores and this allows us to start looking at expanding our current service offering.

We continue to see how the changes to IDFA is impacting paid user acquisition for most of the bigger spending game publishers and it is a general driver for change in the market. We expect this to continue to have a positive impact on the alternative distribution market and help drive awareness for our services. We also see some large new entrants to the market with Microsoft launching support for Android games in Windows 11 through their partnership with Amazon Appstore. Netflix has also announced that it will be launching a new mobile game service. All new entrants will be looking to add content which puts Flexion in pole position with our strong game portfolio. We expect the trend to continue as the ecosystem gradually opens for new participants.

Another big driver for change is the legal battle between EPIC and Apple. It will lead to new and increased competition for payments inside app stores and games, something which is good for alternative markets who already offer higher pay-outs to developers.

I am very pleased with how we have executed our core strategy. Thanks to our size and being a first mover in the alternative market, we have been able to build our business on organic traffic and this will continue. We are now ready to shift some of our attention to non-organic traffic from new and unique traffic sources. This will cement our leading position and allow us to scale revenue faster. We are working on a detailed plan for the commercial, technical, and operational requirements needed for new initiatives. In addition, we are also scouting the market for potential targets which, through acquisitions or strategic co-operation, would add value to our business and support our mission. As the market trends are new, our targets are typically relatively small and profitable companies, which are attracted by our story, market position, developer partnerships and close relationship with the channels, all adding a lot of mutual synergies.

To summarise, we had our most successful quarter in terms of game signings, and we will be able to reap the benefit from these for the years ahead.

Jens Lauritzson – CEO

Financial Development



July 2021 to September 2021

REVENUE

IAP (In-App Purchase) revenue grew by 26% YoY to GBP 7,793,649 (GBP 6,173,071). Non-IAP revenue, which includes store integration fees and non-IAP related revenue from games, increased to GBP 15,275 (GBP 5,930). Total revenue grew by 26% YoY to GBP 7,808,924 (GBP 6,179,001).

Over the quarter (QoQ), both IAP revenue and total revenue remained flat.

GROSS PROFIT

Cost of sales increased by 26% YoY to GBP 6,784,820 (GBP 5,372,297). IAP gross profit grew by 26% YoY to GBP 1,008,829 (GBP 800,774), non-IAP gross profit increased to GBP 15,275 (GBP 5,930) and total gross profit grew by 27% YoY to GBP 1,024,104 (GBP 806,704). All non-IAP revenue carried 100% margin to Flexion.

IAP gross profit grew by 10% QoQ. Total gross profit grew by 9% QoQ. Total gross profit margin improved QoQ from 12.0% to 13.1% and IAP gross profit margin improved from 11.7% to 12.9%. This was driven by favourable FX adjustments and improved margin contribution from the seven-game deal signed in September.

GENERAL AND ADMINISTRATIVE EXPENSES

Headcount increased by 10 to 66 (56) YoY. Staff and contractors' costs increased by 18% YoY to GBP 664,077 (GBP 563,808). Other overheads increased by 94% YoY to GBP 378,218 (GBP 194,636), primarily driven by FX movements. This has resulted in an increase in general and administrative expenses of 37% YoY to GBP 1,042,295 (GBP 758,444).

Over the quarter, the headcount increased by 3, all related to our existing core strategy. Staff and contractors costs decreased by 7% or GBP 47,589 QoQ, due to increased capitalisation of development costs. Adjusted staff cost as reported in the KPI section remained flat over the quarter. Other overheads increased by 35% or GBP 98,381 QoQ, driven by FX movements.

ADJUSTED EBITDA AND NET RESULT

Adjusted EBITDA for the quarter amounted to GBP 66,018 (GBP 110,346) driven by increased overheads and offset by increased gross profit. Operating loss (EBIT) reduced by 65% QoQ to GBP -18,191 (GBP -51,840) and loss after tax decreased by 46% QoQ to GBP -35,186 (GBP -65,158).

CASH FLOW

Operating cash flow decreased by GBP 657,619 YoY to GBP -423,260 (GBP 234,359).

FINANCIAL POSITION

Cash amounted to GBP 15,062,189 (GBP 3,719,171) and no interest-bearing debt was held. Over the quarter, cash decreased by GBP 546,983, driven by short-term working capital movements. Trade and other receivables amounted to GBP 3,793,981 YoY (GBP 3,743,484). Trade and other payables amounted to GBP 7,506,411 YoY (GBP 5,567,326).

CHANGES IN NUMBER OF GAMES DURING THE QUARTER

The average monthly revenue for top-tier games remained flat at USD 558,429 (USD 565,818) QoQ. The average monthly revenue for mid-tier games increased to USD 56,524 (USD 55,403) QoQ.

Over the quarter, the number of live top-tier games remained flat at 5 games and the number of live mid-tier games increased by 2 to 17 titles. 2 mid-tier games were moved out of the tier classification. Number of signed top-tier games yet to be launched increased to 4 and number of signed mid-tier games yet to be launched reduced to 1 game.

April 2021 to September 2021

The first six months of the period ending December 2021 showed steady revenue growth with IAP revenue increasing by 44% to GBP 15,580,016 (GBP 10,839,201). Total revenue grew by 42% to GBP 15,620,088 (GBP 11,016,870). Gross profit increased by 30% to GBP 1,963,767 (GBP 1,508,000) over the period. General and administrative expenses increased by 36% to GBP 2,033,798 (GBP 1,497,283). Adjusted EBITDA decreased by 26% to GBP 94,806 (GBP 128,416). Profit after tax decreased by 384% to GBP -100,342 (GBP 35,334).

Niklas Koresaar – CFO

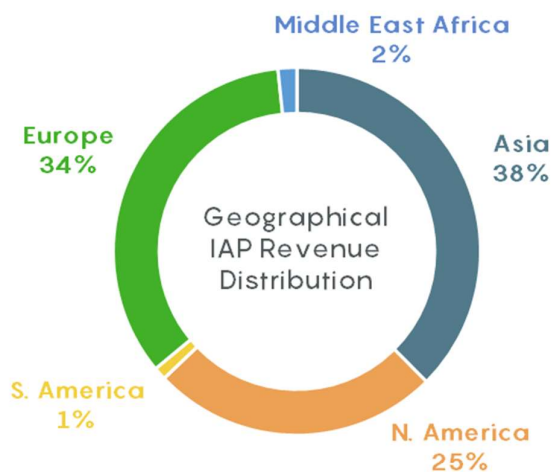
Other Information

Segmental information

IAP REVENUE

Flexion's focus is to grow its business by signing free2play games with In-App Purchase (IAP), integrating more channels and increasing monetization of existing games. IAP revenue is revenue receivable from end-user transactions of sold in-application items within the games. Revenue represents revenue receivable by the Company in respect of end-user transactions of sold in-application items managed by the Company less VAT, bad debt/refunds and discounts.

The geographical breakdown of IAP revenue for the quarter ending 30th September 2021 is presented below.



The main market for IAP revenue during the quarter was Asia (which includes Russia) with 38% market share followed by Europe with 34% market share. North America amounted to 25%, Middle East and Africa amounted to 2% and South America amounted to 1%.

NON-IAP REVENUE

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

Tier-games

On a quarterly basis, Flexion's board 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) impacting contractual terms; and iv) any future events which may affect the revenue potential of a game. A game will be redefined if its performance over a

consecutive six-month period, 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 staff and long-term contractors

At the end of the reporting period the company had 66 staff and long-term contractors.

Material risks and factors of uncertainty

Material risks and uncertainties of the company 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 31st March 2021.

Financial calendar

Q3 report for FY Dec-21	18 th November 2021
Q4 report for FY Dec-21	16 th March 2022
Q1 report for FY Dec-22	18 th May 2022
Q2 report for FY Dec-22	23 rd August 2022

Certified Adviser

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

Further information

For further information, contact CFO Niklas Koresaar at +44 207 351 59 44 or ir@flexionmobile.com or visit the company's website: www.flexionmobile.com.

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 08:00 CET on 18th November 2021.

Financial reports in brief

Statement of profit or loss and other comprehensive income for the quarterly period ended 30 September 2021

	Notes	QTD Sep-21 3 months 2021 Unaudited GBP	QTD Sep-20 3 months 2020/21 Unaudited GBP	YTD Sep-21 6 months 2021 Unaudited GBP	YTD Sep-20 6 months 2020/21 Unaudited GBP	FY Mar-21 12 months 2020/21 Audited GBP
Total revenue	3	7,808,924	6,179,001	15,620,088	11,016,870	24,437,486
Cost of sales		(6,784,820)	(5,372,297)	(13,656,321)	(9,508,870)	(21,200,477)
Total gross profit	4	1,024,104	806,704	1,963,767	1,508,000	3,237,009
General and administrative expenses	5	(1,042,295)	(758,444)	(2,033,798)	(1,497,283)	(3,316,917)
Adjusted EBITDA[‡]		66,018	110,346	94,806	128,416	98,684
Depreciation of tangible assets		18,690	18,690	37,380	37,380	74,760
Amortization of intangible assets		65,519	43,396	127,457	80,318	187,952
Impairment write back		-	-	-	-	(84,120)
Operating (loss) / profit for the period		(18,191)	48,260	(70,031)	10,717	(79,908)
Finance costs		(2,252)	(3,757)	(4,583)	(7,500)	(12,867)
(Loss) / Profit before tax for the period		(20,443)	44,503	(74,614)	3,217	(92,775)
Tax		(14,742)	(12,901)	(25,728)	32,117	(49,431)
(Loss) / Profit after tax for the period		(35,185)	31,602	(100,342)	35,334	(142,206)
Attributable to:						
Equity holders of the parent		(35,185)	31,602	(100,342)	35,334	(142,206)
(Loss) / Profit for the period		(35,185)	31,602	(100,342)	35,334	(142,206)
Other comprehensive income						
Foreign exchange differences		-	-	-	-	-
Total comprehensive (loss) / profit for the period		(35,185)	31,602	(100,342)	35,334	(142,206)
Attributable to:						
Equity holders of the parent		(35,185)	31,602	(100,342)	35,334	(142,206)
(Loss) / Profit for the period		(35,185)	31,602	(100,342)	35,334	(142,206)

[‡]The Company defines adjusted EBITDA as earnings before interest, tax, depreciation, amortisation, finance costs, impairment losses and other income. Adjusted EBITDA (adjusting operating profit for several non-cash items) is used by the Company for internal performance analysis to assess the execution of our strategies. Management believe that this adjusted measure is a more appropriate metric to understand the underlying performance of the Company.

Statement of financial position as at 30 September 2021

	Notes	Sep-21 2021 Unaudited GBP	Sep-20 2020/21 Unaudited GBP	Mar-21 2020/21 Audited GBP
Assets				
Non-current assets				
Property, plant and equipment	7	93,443	168,203	130,823
Intangible assets	8	1,022,126	842,565	961,580
Deferred tax assets		33,057	66,085	59,712
Total non-current assets		1,148,626	1,076,853	1,152,115
Current assets				
Trade and other receivables	9	3,793,981	3,743,484	2,859,203
Cash and cash equivalents		15,062,189	3,719,171	14,708,551
Total current assets		18,856,170	7,462,655	17,567,754
Total assets		20,004,796	8,539,508	18,719,869
Equity and liabilities				
Equity				
Share capital		100,049	82,998	99,849
Share premium		14,917,283	5,092,481	14,841,496
Other reserves		366,328	323,393	364,602
Retained earnings		(2,972,033)	(2,694,151)	(2,871,691)
Total equity		12,411,627	2,804,721	12,434,256
Non-current liabilities				
Lease liabilities		-	86,757	44,163
Total non-current liabilities		-	86,757	44,163
Current liabilities				
Lease liabilities		86,758	80,704	83,676
Trade and other payables	10	7,506,411	5,567,326	6,157,774
Total current liabilities		7,593,169	5,648,030	6,241,450
Total liabilities		7,593,169	5,734,786	6,285,613
Total equity and liabilities		20,004,796	8,539,508	18,719,869

Statement of cash flows for the quarterly period ended 30 September 2021

	QTD Sep-21 3 months 2021 Unaudited	QTD Sep-20 3 months 2020/21 Unaudited	YTD Sep-21 6 months 2021 Unaudited	YTD Sep-20 6 months 2020/21 Unaudited	YTD Mar-21 12 months 2020/21 Audited
Cash flow from operating activities					
(Loss) / Profit before tax for the period – continuing operations	(20,443)	44,503	(74,614)	3,217	(92,774)
(Loss) / Profit before tax for the period	(20,443)	44,503	(74,614)	3,217	(92,774)
Adjustments for:					
Effect of exchange rate fluctuations on cash held during the period	62,603	45,680	87,275	33,953	77,955
Impairment loss	-	-	-	-	(84,120)
Share based payments	1,404	13,053	17,043	25,770	52,588
Depreciation of tangible assets	18,690	18,690	37,380	37,380	74,760
Amortisation of intangible assets	65,519	43,396	127,457	80,318	187,952
Working capital:					
Change in trade and other receivables	(196,205)	(961,368)	(934,777)	(1,774,896)	(802,257)
Change in trade and other payables	(354,828)	1,030,405	1,334,247	2,916,785	3,442,211
Operating cash flow	(423,260)	234,359	594,011	1,322,527	2,856,315
Grant payment	-	-	-	-	-
Net cash flow from operating activities	(423,260)	234,359	594,011	1,322,527	2,856,315
Cash flow from investing activities					
Capitalised development cost	(116,380)	(144,201)	(188,003)	(273,673)	(500,322)
Net cash flow from investing activities	(116,380)	(144,201)	(188,003)	(273,673)	(500,322)
Cash flow from financing activities					
Issue of ordinary shares, net of issue costs	75,987	9,920	75,987	9,920	9,775,786
Interest paid	2,252	3,757	4,583	7,500	12,912
Payment of lease liabilities	(22,978)	(23,037)	(45,665)	(45,715)	(90,750)
Net cash flow from financing activities	55,261	(9,360)	34,905	(28,295)	9,697,948
Net change in cash and cash equivalents	(484,379)	80,798	440,913	1,020,559	12,053,941
Cash and cash equivalents at beginning of period	15,609,171	3,684,053	14,708,551	2,732,565	2,732,565
Effect of exchange rate fluctuations on cash held during the period	(62,603)	(45,680)	(87,275)	(33,953)	(77,955)
Cash and cash equivalents at end of period	15,062,189	3,719,171	15,062,189	3,719,171	14,708,551

Statement of changes in equity for the period ended 30 September 2021

	Share capital GBP	Share premium GBP	Other reserves GBP	Retained earnings GBP	Total GBP
Balance at 1 April 2020	82,941	5,082,618	107,166	(2,729,485)	2,543,240
Profit for the period	-	-	-	33,334	33,334
Total comprehensive income	82,941	5,082,618	107,166	(2,694,151)	2,578,574
Transactions with owners, recorded directly in equity					
Share based payments	-	-	25,770	-	25,770
Deferred tax on share options	-	-	190,457	-	190,457
Issue of share capital	57	9,863	-	-	9,920
Balance at 30 September 2020	82,998	5,092,481	323,393	(2,694,151)	2,804,721
Balance at 1 April 2021	99,849	14,841,496	364,602	(2,871,691)	12,434,256
Loss for the period	-	-	-	(100,342)	(100,342)
Total comprehensive income	99,849	14,841,496	364,602	(2,972,033)	12,333,913
Transactions with owners, recorded directly in equity					
Share based payments	-	75,787	17,043	-	92,830
Deferred tax on share options	-	-	(15,316)	-	(15,316)
Issue of share capital	200	-	-	-	200
Balance at 30 September 2021	100,049	14,917,283	366,328	(2,972,033)	12,411,627

Notes

1. Basis of preparation

The condensed financial statements for the six months ended 30th September 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting. The annual financial statements of the Company are prepared in accordance with IFRS as adopted by the European Union. 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 year ended 31st March 2021 has been extracted from the statutory accounts which have been delivered to the Registrar of Companies. The Company's Independent Auditor's report on those accounts was unqualified, did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006. The financial information for the six months ended 30th September 2020 and 30th September 2021 is unaudited. The financial information for the twelve months ended 31st March 2021 is audited.

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 Company's financial statements for the year ended 31st March 2021.

2. Significant accounting policies

Except where disclosed below, the accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31st March 2021. The accounting policies applied herein are consistent with those expected to be applied in the financial statements for the year ended 31st December 2021. The Company 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:

	Sep-21	Sep-20
	2021	2020/21
Revenue breakdown	Unaudited	Unaudited
IAP Revenue	7,793,649	6,173,071
Non-IAP Revenue	15,275	5,930
Total Revenue	7,808,924	6,179,001

4. Gross profit

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

	Sep-21	Sep-20
	2021	2020/21
Gross profit breakdown	Unaudited	Unaudited
IAP gross profit	1,008,829	800,774
Non-IAP gross profit	15,275	5,930
Total gross profit	1,024,104	806,704

5. General and administrative expenses

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

	Sep-21	Sep-20
	2021	2020/21
General and administrative expenses	Unaudited	Unaudited
Staff and contractor costs	664,077	563,808
Depreciation	18,690	18,690
Amortization	65,519	43,396
Other overheads	294,009	132,550
Total	1,042,295	758,444

6. Related party transactions

On 24/08/2021, Carl Palmstierna sold 100,000 shares through Palmstierna Invest AB, decreasing his total interest in the share capital of the Company to 6.71%.

On 24/08/2021 & 25/08/2021, Mikael Pawlo acquired 100,000 & 12,000 shares respectively.

7. Property, plant and equipment

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

	Sep-21 2021	Sep-20 2020/21
Property, plant and equipment	Unaudited	Unaudited
Right-to-use assets	93,443	168,203
Total	93,443	168,203

In the third quarter for the year ending 31st December 2021 depreciation for property, plant equipment amounted to GBP 18,690.

8. Intangible assets

Intangible assets comprise of capitalized development costs for internally generated software and had a carrying value of GBP 1,022,126 (2020: GBP 842,565). In the third quarter for the year ending 31st December 2021 amortization amounted to GBP 65,519.

9. Trade and other receivables

	Sep-21 2021	Sep-20 2020/21
Assets	Unaudited	Unaudited
Trade receivables	-	26,132
Other receivables	137,139	869,092
Prepayments and accrued income	3,656,842	2,848,260
Trade and other receivables	3,793,981	3,743,484

Other receivables include GBP nil of minimum guarantees (2020: GBP 480,838), GBP nil (2020: GBP 215,714) of corporation tax receivable, GBP 110,415 (2020: GBP 145,273) of advances and GBP 26,724 (2020: GBP 27,267) of other non-material items.

10. Trade and other payables

	Sep-21 2021	Sep-20 2020/21
Liabilities	Unaudited	Unaudited
Trade payables	1,481,488	454,370
Social security and other taxes	86,436	76,068
Accrued expenses	5,849,798	4,729,996
Other payables	88,689	306,892
Trade and other payables	7,506,411	5,567,326

11. Contingent liabilities

The Company has entered into minimum guarantee commitments with certain developers whereby the Company guarantees: a minimum, pre-defined, monthly amount of revenue to the developer over a defined guarantee period. As the Company has the right to recover any guarantee payments made over the guarantee period if the relevant game's revenue generation exceeds the guaranteed amount and Flexion's entitled revenue share, these guarantees will not be capitalized but treated as current assets subject to periodic impairment reviews.

At the period end the Company was committed to making the following minimum guarantee payments under ongoing minimum guarantees:

	Sep-21 2021	Sep-20 2020/21
Contingent MG payments	Unaudited	Unaudited
Minimum guarantees which expire:		
Within one year	-	422,190
Within two to five years	-	-
Total minimum guarantees	-	422,190

12. Events after the reporting period

There are no material events to be disclosed after the reporting period.

The Flexion share

The share

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

Ownership table

Top 10 shareholders as of 30 th September 2021	N. of shares and votes	%	Aggregated %
Mobile Sensations Ltd	10,997,181	21.98%	22%
BNY Mellon NA	3,601,381	7.20%	29%
Palmstierna Invest AB	3,355,280	6.71%	36%
Palmstierna Fredrik	2,298,172	4.59%	40%
JP Morgan Bank	1,978,000	3.95%	44%
Julius Baer & Co Ltd	1,771,888	3.54%	48%
Joachim Odqvist	1,560,415	3.12%	51%
Industrial Equity AB	1,188,792	2.38%	53%
Avanza Pension	1,042,132	2.08%	56%
HSBC Bank Plc	924,250	1.85%	57%
Other shareholders	21,307,181	42.59%	100%
Total number of shares	50,024,672	100%	

Share data

	QTD Sep-21 3 months 2021	QTD Sep-20 3 months 2020/21	YTD Mar-21 12 months 2020/21
Number of shares at period end (adjusted for share split and bonus issue)	50,024,672	41,498,958	49,924,672
Amount of weighted average shares outstanding for the period (adjusted for share split and bonus issue)	49,948,848	41,479,516	43,706,362
Profit/(Loss) per share — basic and diluted, attributable to ordinary equity holders of the parent (pence) [∅]	(0.07)	0.08	(0.33)

[∅] Basic and diluted earnings are considered the same, since where a loss is 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 30th September 2021 totalled 3,255,062 (2020: 3,730,750) and are potentially dilutive.

Main KPI numbers

Summary of the Company's Key Performance Indicators

		QTD Sep-21 3 months 2021	QTD Jun-21 3 months 2021	QTD Mar-21 3 months 2020/21	QTD Dec-20 3 months 2020/21	QTD Sep-20 3 months 2020/21
Top-tier games pending launch	No.	4	2	1	1	1
Mid-tier games pending launch	No.	1	2	4	3	2
Total top-tier games live	No.	5	5	6	7	8
Total mid-tier games live	No.	17	15	13	13	11
Top-tier games average monthly gross revenue	USD	558,429	565,818	399,720	469,011	393,086
Number of games live past ramp-up period	No.	5	5	6	5	5
Mid-tier games average monthly gross revenue	USD	56,524	55,403	51,941	56,145	52,579
Number of games live past ramp-up period	No.	13	11	11	10	7
Total revenue growth - YoY	%	26%	61%	136%	176%	168%
Total revenue growth - QoQ	%	0%	19%	(4%)	11%	28%
IAP gross profit growth - YoY	%	26%	73%	174%	215%	238%
IAP gross profit growth - QoQ	%	10%	14%	(6%)	7%	51%
IAP gross profit margin	%	12.9%	11.7%	12.3%	12.6%	13.0%
Total gross profit margin	%	13.1%	12.0%	12.5%	13.2%	13.1%
Adjusted EBITDA margin	%	0.8%	0.4%	(2.4%)	2%	2%
Operating profit / (loss) margin	%	(0.2%)	(0.7%)	(2%)	1%	1%
Average monthly operational cashflow	GBP	(161,955)	330,866	211,855	284,737	62,893
Headcount	No.	66	63	58	55	56
Of which headcount for new strategies	No.	3	3	N/A	N/A	N/A
Adjusted staff cost	GBP	780,457	783,290	747,043	704,078	708,009
Number of shares at period end	No.	50,024,672	49,924,672	49,924,672	48,260,972	41,498,958
Amount of weighted average shares outstanding for period	No.	49,948,848	49,924,672	48,917,336	43,050,928	41,479,516
Profit/(Loss) per share — basic and diluted, attributable to ordinary equity holders of the parent (pence)	GBP	(0.07)	(0.13)	(0.29)	0.13	0.08

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
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
Average monthly gross revenue	Average IAP revenue generated in a calendar month - 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 loss margin	Operating 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 - basic and diluted, attributable to ordinary equity holders of the parent	Basic and diluted earnings are considered the same since, where a loss is incurred, the effect of outstanding share options and warrants is considered anti-dilutive and ignored in the calculation

Quarterly figures

Income statement

GBP, 000	Dec 2021			2020/21			2019/20	
	Q3	Q2	Q4	Q3	Q2	Q1	Q4	Q3
	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
IAP revenue	7,794	7,786	6,542	6,812	6,173	4,666	2,684	2,475
Non-IAP revenue	15	25	15	52	6	172	91	11
Total revenue	7,809	7,811	6,557	6,864	6,179	4,838	2,775	2,486
IAP gross profit	1,009	915	806	856	801	530	294	272
Non-IAP gross profit	15	25	15	52	6	171	90	9
Total gross profit	1,024	940	821	908	807	701	384	281
Adjusted EBITDA	66	29	(154)	126	110	18	(210)	(522)
Operating profit / (loss) (EBIT)	(18)	(52)	(146)	57	48	(38)	(1,339)	(569)
Finance cost	(2)	(2)	(3)	(3)	(4)	(4)	(4)	-
Loss before tax	(20)	(54)	(148)	54	45	(41)	(1,344)	(569)
Tax	(15)	(11)	(85)	4	(13)	45	25	18
Profit / (Loss) after tax	(35)	(65)	(234)	58	32	4	(1,318)	(550)

Balance Sheet

GBP, 000	Dec 2021			2020/21			2019/20	
	Q3	Q2	Q4	Q3	Q2	Q1	Q4	Q3
	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
Property, plant and equipment	93	112	131	150	168	187	206	-
Intangible assets	1,022	971	962	920	843	742	649	554
Other non-current assets	33	41	60	239	66	-	-	-
Total non-current assets	1,149	1,124	1,152	1,309	1,077	929	855	554
Trade and other receivables	3,794	3,598	2,859	3,889	3,743	2,850	1,982	2,944
Cash and cash equivalents	15,062	15,609	14,709	12,394	3,719	3,684	2,733	2,436
Total current assets	18,856	19,207	17,568	16,283	7,463	6,534	4,715	5,381
Total equity	12,412	12,367	12,434	11,028	2,805	2,613	2,543	3,850
Total non-current liabilities	-	22	44	66	87	163	233	86
Trade and other payables	7,506	7,857	6,158	6,416	5,567	4,608	2,716	1,999
Lease liabilities	87	85	84	82	81	79	78	-
Total current liabilities	7,593	7,942	6,241	6,498	5,648	4,687	2,793	1,999

Cash flow

GBP, 000	Dec 2021			2020/21			2019/20	
	Q3	Q2	Q4	Q3	Q2	Q1	Q4	Q3
	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
Cash flow from operating activities before changes in working capital	128	67	(19)	57	165	19	(137)	(578)
Changes in working capital	(551)	951	777	719	69	1,073	638	(113)
Operating cash flow before grant payments	(423)	1,017	758	776	234	1,092	501	(692)
Grant payments	-	-	-	-	-	-	-	-
Cash flow from net operating activities	(423)	1,017	758	776	234	1,092	501	(692)
Cash flow from investing activities	(116)	(72)	(98)	(128)	(144)	(129)	(125)	(98)
Cash flow from financing activities	55	(20)	1,777	7,949	(9)	(23)	(14)	70
Net change in cash and cash equivalents	(484)	925	2,437	8,597	81	940	362	(719)
Cash and cash equivalents at end of the period	15,062	15,609	14,709	12,394	3,719	3,684	2,733	2,436