

Flexion Q3 2026: Trading Update

Flexion signs 3 new games and delivers third consecutive quarter of positive Adjusted EBITDA in 2026

LONDON, UK – 28 October 2026 – Flexion (Nasdaq First North Growth Market: FLEXM)

Financial Highlights Q3-26

- **Total Revenue:** GBP 16.5m (16.5m)¹, flat year-on-year from Q3 2025
- **Total Gross Profit:** GBP 2.1m (1.8m), +19% year-on-year from Q3 2025
- **Gross Profit Margin:** 12.9% (10.9%)
- **Adjusted EBITDA:** GBP 0.29m (-0.55m)², up GBP 0.84m year-on-year from Q3 2025
- **Total Staff Costs:** GBP 1.4m (1.8m), -22% year-on-year from Q3 2025
- **Total Headcount:** 115 (155)
- **Total General Administration Expenses:** GBP 2.2m (2.5m), -12% year-on-year from Q3 2025
- **Operating Result:** GBP -0.09m (-0.74m), an improvement of GBP 0.65m year-on-year from Q3 2025
- **Net Loss:** GBP -0.15m (-0.71m), a reduction of GBP 0.56m year-on-year from Q3 2025
- **Operating Cash Flow:** GBP -1.38m (0.78m)³
- **Cash Position:** As of 30 September 2026, cash reserve of GBP 12.9m (13.7m), no debt

Financial Highlights YTD Sep-26

- **Total Revenue:** GBP 51.4m (51.5m)¹, flat year-on-year from YTD Sep-25
- **Total Gross Profit:** GBP 6.5m (6.3m)⁴, +4% year-on-year from YTD Sep-25
- **Adjusted EBITDA:** GBP 0.70m (-1.06m)^{2/4}, up GBP 1.76m year-on-year from YTD Sep-25
- **Total Staff Costs:** GBP 4.6m (5.5m), -17% year-on-year from YTD Sep-25
- **Total General Administration Expenses:** GBP 6.0m (8.2m)⁴, -27% year-on-year from YTD Sep-25
- **Operating Result:** GBP 0.53m (-1.90m)⁴, an improvement of GBP 2.43m year-on-year from YTD Sep-25
- **Net Profit / (Loss):** GBP 0.48m (-1.89m)⁴, an improvement of GBP 2.37m year-on-year from YTD Sep-25
- **Operating Cash Flow:** GBP -0.27m (1.15m)

Explanatory Financial Notes:

1. Comparative figures for the prior-year period in brackets.
2. Flexion 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. Adjusted EBITDA for the quarter ended 30 September 2026 was GBP 0.29m, which is operating loss of GBP -0.09m before depreciation of GBP 0.03m, amortisation of GBP 0.05m and a foreign exchange loss of GBP 0.30m. Adjusted EBITDA for the nine months ended 30 September 2026 was GBP 0.70m, which is operating profit of GBP 0.53m before depreciation of GBP 0.10m, amortisation of GBP 0.14m and a foreign exchange gain of GBP -0.07m.
3. The movement in operating cash flow for the quarter is primarily driven by the timing of working capital requirements, with trade and other payables reducing by GBP 2.1m as trade debts were settled, partly offset by a GBP 0.4m reduction in trade and other receivables.
4. Year-to-date comparative figures have been normalised, consistent with the H1 2026 Interim Report, to exclude the effects of the capitalised development costs in the Markets segment in H1 2025, to show the like for like comparison between YTD Sep-25 and YTD Sep-26. GBP 1.2m has been removed from gross profit (previously reported at GBP 7.4m) and GBP 1.4m has been removed from amortisation (previously reported at GBP 2.4m under general and administrative expenses of GBP 9.6m). Q3 2025 comparatives were not affected and are shown as previously reported.

Business Update

Operational & Strategic Progress

The third quarter was our first full quarter operating as a single, integrated organisation, following the launch of Exprexion. On flat revenue of GBP 16.5m, gross profit rose 19% year-on-year to GBP 2.1m and Adjusted EBITDA reached GBP 0.29m, our strongest quarterly result of 2026 and an improvement of GBP 0.84m on Q3 2025. Adjusted EBITDA has now been positive in every quarter of 2026, totalling GBP 0.70m for the first nine months compared with a normalised loss of GBP 1.06m in the same period last year.

The leaner cost base continues to drive this improvement. Total headcount stood at 115 at the end of September, compared with 155 a year ago, and staff costs fell 22% year-on-year to GBP 1.4m. General and administrative expenses decreased 12% to GBP 2.2m. The operating result of GBP -0.09m (-0.74m) and net result of GBP -0.15m (-0.71m) for the quarter include a non-cash foreign exchange loss of GBP 0.30m, compared with a gain of GBP 0.22m in Q3 2025. Operating cash flow was GBP -1.38m, mainly reflecting the settlement of trade payables, and we closed the quarter with a cash reserve of GBP 12.9m and no debt.

Segment Performance & Commentary

1. Exprexion Markets & Direct

Our core distribution business delivered its highest gross margin of the year in Q3. During the quarter we implemented a new structure that establishes dedicated account management built to drive cross-selling and upselling, where expanding relationships and onboarding additional games from existing developer partners represents our most efficient growth driver entering 2027. Revenue rose 1.3% year-on-year to GBP 15.4m (15.2m), while gross profit increased 21% to GBP 1.8m (1.5m), lifting gross margin to 11.7% (9.8%). Adjusted EBITDA was GBP 0.39m, up from GBP 0.29m in Q2. For the first nine months, revenue grew 2.4% to GBP 47.8m (46.7m) and Adjusted EBITDA was GBP 1.03m, confirming that the streamlining of this unit is delivering results.

Exprexion Markets & Direct (GBP) ³	Q3-26	Q2-26	Q1-26	YTD Sep-26
Revenue	15.4m	15.6m	16.8m	47.8m
Gross Profit	1.8m	1.8m	1.7m	5.3m
Gross Margin ¹	11.7%	11.5%	10.1%	11.1%
Adjusted EBITDA	0.39m	0.29m	0.35m	1.03m
Headcount ²	90	89	104	90

2. Exprexion Creators

Revenue and gross profit for the third quarter were GBP 1.2m and GBP 0.3m, respectively. Despite a slight Adjusted EBITDA loss of GBP -0.10m, the unit covered its share of fixed corporate costs. Under new leadership, ongoing streamlining of team structures and operations is expected to result in further headcount reductions in Q4, positioning the segment for improved financial performance moving forward.

Exprexion Creators (GBP) ³	Q3-26	Q2-26	Q1-26	YTD Sep-26
Revenue	1.2m	1.2m	1.2m	3.6m
Gross Profit	0.3m	0.5m	0.4m	1.2m
Gross Margin ¹	25.0%	41.6%	33.3%	33.3%
Adjusted EBITDA	-0.10m	-0.09m	-0.15m	-0.34m
Headcount ²	25	24	30	25

Explanatory Financial Notes:

1. Gross margin is calculated on unrounded revenue and gross profit.
2. Headcount at the end of each period; the YTD column shows headcount at 30 September 2026.
3. Figures may not sum due to rounding.

Operational Progress & AI Efficiency Gains

- **Games Portfolio & Signings:**
 - **Tier-1 Launch:** *Hero Wars: Alliance* successfully launched in Q3 and is exhibiting positive initial performance indicators.
 - **Pipeline Execution:** We signed 3 titles in Q3, including *Pines Peak* from Vizor Games—their newest Merge title and the successor to *Klondike Adventures* in our portfolio. With this addition we expand our position in the high-LTV Merge genre alongside anchors like *Gossip Harbour* and *Seaside Escape*. This brings our total active contracted portfolio to 40 games (37 live and 3 pending launch). Converting active Q4 opportunities is expected to leave us just short of our 50 games target.
- **AI-Assisted Operations & Onboarding:** Within Exprexion Markets, we continue to optimize operational efficiency by introducing AI-assisted workflows. A primary focus area is client onboarding, where historical timelines have been a key factor behind delayed game launches. With these new AI work flows including a newly developed MCP server which supports developers with agentic SDK integration, we aim to significantly reduce onboarding time and accelerate pipeline conversion. Further demonstrating these capabilities, we also recently launched a new developer portal built entirely using AI-assisted development tools.
- **Organization & Synergies:** The Client Success Organization is fully operational within Markets and is slated for completion across Creators during Q4/Q1. This creates a unified framework that accelerates cross-selling Creator services into the core Markets partner base.

Capital Reduction Update

Following the court-approved capital reduction completed in August, GBP 11.0m of the GBP 12.9m held in a temporary reserve for the protection of existing trade creditors had been released as of 30 September 2026, as the related trade debts were settled. This unwinding has cleared the historical accumulated deficit and created GBP 1.87m in distributable capacity as at 30 September 2026.

The remaining GBP 1.9m of the temporary reserve is expected to be released in Q4 as the outstanding protected trade debts are paid, unlocking the full GBP 12.9m and further increasing distributable reserves for potential future shareholder returns. The capital reduction has no effect on cash or daily operations.

Market Trends & Regulatory Evolution

- Legal & Regulatory Landscape:** Following the full US court order taking effect, Google introduced a restructured global developer policy framework setting base service fees at 20% alongside a 5% charge for Google Play billing—representing, in effect, a modest 5% reduction for most major developers. The framework also assesses 10–20% charges on external web store purchases. While regional enforcement has expanded across the US, UK, EEA, and Australia—reaching Asia by year-end—Google's new fees eliminate previous zero-fee web payment arbitrage for developers during the US court injunctions. Subjecting web links to platform fees plus payment processing overhead will renew developer demand for friction-free alternative distribution, as this will be the only way for developers to fully avoid paying Google from now on. While initial friction in user experience remains under judicial scrutiny, we maintain our expectation of a ~12-month window before commercial benefits from the new regulations fully materialize across the industry.
- Store Ecosystem Diversification:** Enforcing fees on web stores and external payment links in Google Play directly reinforces our Exprexion Markets & Direct value propositions. By pairing direct in-app payment SDK integrations (including Xsolla) with our automated alternative store framework, Flexion remains uniquely positioned to provide alternative app store access to top-tier games while enabling developers to maximize gross margins. As a result of the new regulations, we are seeing new stores entering the market. We currently have an exciting pipeline of new partner stores lined up for operational trials.

Outlook for Q4 2026

Three quarters into 2026, Flexion has delivered positive Adjusted EBITDA in every quarter on a right-sized cost base, with Markets & Direct growing both revenue and margin. Our priorities for the final quarter are to accelerate the conversion of our sales pipeline into new live titles, to return Exprexion Creators to profitable growth through our key accounts, and to position Exprexion to fully capitalize as the Android ecosystem opens to competing stores and alternative payment solutions.

Jens Lauritzson, CEO

Financial Calendar

Reporting Event	Expected Date
FY 2026 Annual Results	17 February 2027
Q1 2027 Trading Update	28 April 2027
H1 2027 Interim Report	04 August 2027

Review:

This trading update has not been reviewed by the company's auditor.

Investor Relations:

Andrew Shen, Chairman
ir@flexionmobile.com

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

About Flexion Mobile PLC

Flexion brings games to new audiences and markets, helping game developers grow revenue and engagement with minimal cost and risk. With over a decade of expertise in alternative distribution, Flexion works with leading platforms including Amazon, Huawei, Samsung, Xiaomi, and ONE Store. Flexion is listed on Nasdaq First North Growth Market, Shortname: FLEXM.