

Flexion Q1 2026: Trading Update

Sustained Q1 Momentum Driven by Portfolio Expansion and Service Integration

LONDON, UK – 20 May 2026 – Flexion (NASDAQ: FLEXM)

Financial Highlights

- **Total Revenue:** GBP 18.0m (17.9m)¹, flat year-on-year from Q1 2025.
- **Total gross profit:** GBP 2.1m (2.0m)², + 7% year-on-year from Q1 2025.
- **Adjusted EBITDA:** GBP 0.21m (- 0.46m)^{2,3}, + 145% year-on-year from Q1 2025.
- **Total Staff costs:** GBP 1.5m (1.9m), - 19% year-on-year from Q1 2025.
- **Total Headcount:** 134 (163)
- **Total General administration expenses:** GBP 2.1m (2.7m)², - 19% year-on-year from Q1 2025.
- **Operating result:** GBP - 0.01m (- 0.65m), + 99% year-on-year from Q1 2025.
- **Net profit:** GBP 0.03m (- 0.71m), + 105% year-on-year from Q1 2025.
- **Operating cash flow:** GBP - 0.05m (1.49m)⁴
- **Cash position:** As of 31 March 2026, cash reserve of GBP 13.9m (14.4m), no debt.

Explanatory financial notes:

- ¹ Comparative figures for the year-earlier period in brackets.
- ² All comparative figures have been normalised, to exclude the effects of the capitalised development costs in the Markets segment, to show the like for like comparison between Q1-25 and Q1-26. GBP 1.2m has been removed from gross profit (previously reported at GBP 3.2m) and GBP 1.5m has been removed from amortisation (previously reported under general and administrative expenses at GBP 4.1m).
- ³ 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 31 March 2026 was GBP 0.21m, which is operating profit of GBP -0.01m before depreciation of GBP 0.03m, amortisation of GBP 0.05m and foreign exchange loss of GBP 0.13m.
- ⁴ The movement in operating cash flow for the quarter is primarily driven by the timing of working capital requirements and one-off costs associated with the ongoing restructuring of the Creators segment.

Business Progress

“We started 2026 with a clear goal: centralizing our brands and sharpening our operations to help us scale profitably. Following last year’s review, we’ve brought our business units together under one service brand. Launched on 7 May, **Expresion** combines our influencer marketing and distribution services into one powerful suite for developers looking to grow in the open market.

The new brand covers three areas. They’re all performing well on their own, but together, they offer something unique to our partners.

- **Expresion Markets:** An automated distribution service that helps game developers unlock new revenue streams with higher margins on alternative app stores
- **Expresion Creators:** Centered on influencer-led strategy and social media engagement, this service specializes in capturing premium audiences via authentic and high-impact marketing channels
- **Expresion Direct:** Empowers studios to engage directly with their audience across multiple channels, offering freedom over pricing and higher margins, including using Xsolla payments.

Bringing services together: Audiency is joining Exprexion Creators. We're also moving ahead with divesting non-gaming assets, and expect to close the German entity by the end of the year.

Working smarter: Our new team structure reduces overhead significantly and speeds up delivery. We are combining marketing and outreach and where possible we use AI to make our workflows even more efficient. Year on year we have reduced headcount by 18%.

Expanding portfolio: The number of games we have under contract is growing. We currently have 37 games—35 are live and earning revenue, and 2 more are set to launch in the upcoming months.

- **New launches:** We brought two titles to market in Q1. Building on the runaway success of *Gossip Harbour*, we launched Microfun's *Seaside Escape*. This partnership strengthens our position in the Merge game genre and is attracting more partners.
- **New games signed:** We signed 3 new games this quarter, including *Hero Wars: Alliance*. Our sales pipeline is getting stronger again and we are still on track to reach 50 games by the end of the year.
- **Exprexion synergies:** New influencer campaigns were delivered to one of our top-tier clients with great results. This is early validation of our new service strategy and repositioning. We intend to continue our focus on expanding existing high value accounts through our unified service model.

Segment Performance

Exprexion Markets & Exprexion Direct, both delivered by the same team, experienced revenue growth of 5% in GBP (9% in constant currency) during Q1 2026, while the **Exprexion Creators** division continued its strategic shift away from non-gaming verticals. The results continue to be negatively impacted in Q1. Financial benefits arising from the Audiency restructuring are not expected to manifest fully until H2 2026.

- **Exprexion Markets & Direct:**
 - Revenue: GBP 16.8m (15.9m)¹
 - Gross Profit: GBP 1.8m (1.7m)²
 - Gross Margin: 10.4%
 - Adjusted EBITDA: GBP 0.35m (- 0.04m)²
 - Headcount: 104 (112)
- **Exprexion Creators:**
 - Revenue: GBP 1.2m (1.9m)
 - Gross Profit: GBP 0.4m (0.3m)
 - Gross Margin: 32.8%
 - Adjusted EBITDA: GBP - 0.15m (- 0.42m)
 - Headcount: 30 (51)

Explanatory financial notes:

- 1 Comparative figures for the year-earlier period in brackets.
- 2 All comparative figures have been normalised, to exclude the effects of the capitalised development costs in the Markets segment, to show the like for like comparison between Q1-25 and Q1-26. GBP 1.2m has been removed from gross profit (previously reported at GBP 3.2m) and GBP 1.5m has been removed from amortisation (previously reported under general and administrative expenses at GBP 4.1m).

Market Trends

New regulations continue to drive demand for independent stores and payments. We are excited about this and are strategically positioned to capitalize on a wave of new stores as a result of stronger market regulations. In Q1, we launched a few games on the new Epic Mobile Game Store. Our product and marketing partnership with Xsolla also puts us in a great position to meet this new demand through **Exprexion Direct**. Our updated SDK gives studios easy access to top-tier payment services, a unique integration that includes app stores distribution. Its value is already being validated by several big titles currently testing it out.

Google vs. Epic Games Update

Despite a tentative global settlement in March 2026, U.S. District Judge James Donato has signaled skepticism regarding the revised fee structures. We anticipate potential court mandates for further concessions this summer to support more competition from alternative app stores following the 2023 monopoly ruling.

Apple vs. Epic Developments

With the US Supreme Court declining Apple’s appeal, the focus shifts back to the District Court to establish lawful commission rates that Apple can charge developers for out of store payments.

These legal precedents are very encouraging and the market needs clarity as they remain critical for our industry. We will continue to monitor and update you on their impact throughout 2026.”

Jens Lauritzson

CEO, Flexion Mobile PLC

Financial Calendar

Reporting Event	Expected Date
Q2 2026 Interim Report	28 August 2026
Q3 2026 Trading Update	28 October 2026
Q4 2026 Annual Results	24 March 2027
Q1 2027 Trading Update	19 May 2027

Investor Relations:

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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.