Flexion Mobile Plc

Q4 Report - 31 December 2025

FLEXION

FLEXION'S CORE DISTRIBUTION BUSINESS CONTINUES TO GROW REVENUE IN Q4 BY 6%. TOTAL REVENUE IS DOWN BY 4% DUE TO WEAK CONTRIBUTION FROM INFLUENCER MARKETING.

October-December 2025 performance

- Total revenue decreased by 4% to GBP 21.1m (22.1m)*
- Distribution revenue increased by 6% to GBP 19.3m (18.2m) or by 12% in constant currency (USD)
- Marketing Services Revenue (Audiencly) decreased by 53% to GBP 1.8m (3.8m)
- Total gross profit increased by 9% to GBP 2.4m (2.2m)
- Adjusted EBITDA‡ increased by 114% to GBP 15k (-107k)
- Non-cash impairment losses of GBP 12.2m related to Audiencly
- Amortisation decreased to GBP 0.3m (1.7m)#
- Operating result, including impairment loss of GBP 12.2m, amounted to GBP -12.5m (-1.2m)
- EPS amounted to GBP -18.63 pence (-0.71 pence)
- Operating cash flow amounted to GBP 0.4m (1.6m)
- Cash and cash equivalents increased to GBP 14.2m (13.1m)β

January-December 2025 performance

- Total revenue decreased by 5% to GBP 72.6m (76.8m)*
- Distribution revenue increased by 1% to GBP 65.9m (65.5m) or by 4% in constant currency (USD)
- Marketing Services Revenue decreased by 41% to GBP 6.7m (11.2m)
- Total gross profit decreased by 30% to GBP 9.8m (13.9m)
- Adjusted EBITDA‡ decreased by 97% to GBP 0.1m (4.2m)
- Operating result, including impairment loss of GBP 12.2m, amounted to GBP -14.6m (-3.0m)

Important events during the quarter

- Project initiated to focus and streamline games marketing services
- Legal dispute settled with developer in line with estimates

Important events after the quarter

- Launch of Seaside Escape, a top 50 grossing game from Microfun Limited, on Google Play
- Signing of Hero Wars: Alliance from Nexters Global Ltd (part of GDEV)
- Signing of a further 2 titles
- As of the date of this report, Flexion has 37 games under contract

** Comparative restated 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 312,490 (1,734,169) includes GBP 65,959 (1,455,112) related to game distribution rights, GBP 135,877 (129,239) related to Brand, GBP 57,519 (84,146) related to customer relationships, GBP 52,423 (65,672) related to capitalised development costs and GBP 712 (Nil) related to computer software.

Chairman's Statement

I am pleased to report that our core distribution business maintained its growth trajectory through Q4, with revenue increasing 6% year-on-year (12% in constant currency), capped off by growth in our gaming distribution customers. We have successfully signed several new games, including our second title from Microfun, which we officially launched in Q1 2026. Their first title, Gossip Harbour, continues to be a standout performer and is now firmly established as one of our top-tier games. This momentum means we now represent four of the Top 10 grossing titles on Google Play – a clear testament to our market position as we ramp up game sourcing in line with our 2026 targets. As noted in our Q3 report, the number of games we work with is our north star for our success. I am pleased to report that at today's date we are making progress towards that goal at 37 games under contract, which include games pending launch.

As part of our commitment to focus, we have concluded our strategic review of Audiencly. We've decided to fully integrate our influencer marketing capabilities into our core marketing services, allowing us to offer a more unified and powerful User Acquisition (UA) suite to our developer partners. Consequently, we are phasing out all non-gaming operations and will close the Audiencly legal entity in Germany during 2026. While this strategic realignment contributed to a significant decline in marketing services revenue during 2025, it was a necessary step toward focusing the overall business. We have made a £12.2m non-cash impairment charge to our balance sheet related to the acquisition of Audiencly, which explains the negative impact on our Q4 operating result. Excluding the impairment, our operating loss for Q4 narrowed to GBP 273k, with the remaining gap to our positive Adjusted EBITDA of GBP 15k attributable to depreciation and amortisation. I expect the slimmer, integrated teams to generate predictable profitability once the restructuring concludes in Q3 2026.

Beyond restructuring, we are relentlessly focused on internal efficiency and scalability of our service delivery. Every team is currently reviewing their processes to introduce AI to improve quality and speed. I am pleased to see that our cost structure is trending down as our core distribution revenue grows. To keep this momentum, the board has decided to move to Quarterly Trading Updates starting in Q1 2026. This shift will allow our finance team to spend less time on manual reporting and more time on efficiency improvements, while still providing the market with timely updates on our performance KPIs.

Looking at the broader landscape, the market trend continues to validate our strategy. We view the global settlement between Epic and Google as a significant positive for the alternative app store market, effectively separating store access from payment processing. We understand a decision from the US courts may be expected around April 2026 regarding the specific implementation of these changes. In the meantime, this shift is already fuelling demand for our services. Our timely partnership with payment specialist Xsolla puts us in a prime position to capitalise on these changes, and I look forward to sharing more on that in our next update.

Andrew Shen
Chairman

Financial Development

OCTOBER – DECEMBER 2025

REVENUE

Total revenue decreased by 4% year-on-year to GBP 21,123,430 (22,049,673), of which Distribution revenue increased by 6% year-on-year to GBP 19,325,630 (18,217,670) and Marketing Services revenue which decreased by 53% to GBP 1,797,800 (3,832,003). 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 12% year-on-year.

Total revenue for the quarter increased by 28% compared with the preceding quarter to GBP 21,123,430 (16,529,286) as per usual cyclical patterns.

GROSS PROFIT

Cost of sales decreased by 6% year-on-year to GBP 18,760,611 (19,878,974).

Total gross profit increased by 9% year-on-year to GBP 2,362,819 (2,170,699) of which Distribution gross profit decreased by 23% year-on-year to GBP 2,017,721 (2,637,511), mainly driven by the expected reduction in gross margin because of the contractual shift with our largest developer. Marketing Services gross profit increased by 174% to GBP 345,098 (-466,812).

Total gross profit margin increased from 10% to 11% year-on-year, driven by an increase in Marketing Services profit margin from -12% to 19% and a decrease in Distribution gross profit margin from 14% to 10%.

Total gross profit increased by 32% to GBP 2,362,819 compared with the preceding quarter. Distribution gross profit increased by 35% to GBP 2,017,721 and Marketing services increased by 17% to GBP 345,098 compared with the preceding quarter. Total gross profit margin remained at 11%, with Distribution gross profit margin remaining at 10% and Marketing services gross profit margin decreasing from 22% to 19% compared with the preceding quarter.

GENERAL AND ADMINISTRATIVE EXPENSES AND FAIR VALUE GAINS

The total headcount decreased by 23 year-on-year to 140 (163) of which, Distribution's headcount represented 98 (113) and Marketing service's headcount represented 42 (50). Adjusted staff cost for Distribution decreased by 11% from GBP 1,354,901 to GBP 1,207,001 and Marketing services staff cost decreased by 8% from GBP 483,271 to GBP 446,224.

Group staff and contractor costs increased by 12% year-on-year to GBP 1,653,225 (1,469,722), driven by the decision to not capitalise development costs in the year (354,049).

Other overheads decreased year-on-year to GBP 628,461 (1,787,583), mainly driven by a decrease in legal and consulting fees and favourable foreign exchange movement of GBP 287,408.

The total amortisation of GBP 312,490 (1,734,169) includes GBP 65,959 (1,455,112) related to game distribution rights, GBP 135,877 (129,239) related to Brand, GBP 57,519 (84,146) related to customer relationships, GBP 52,423 (65,672) related to capitalised development costs and GBP 712 (Nil) related to computer software.

During the quarter, the Group performed a carrying value assessment of its holdings and associated assets. Consequently, the Group has recognised an impairment loss of £12,176,000 relating to its investment in Audiencly and related intangible assets. This non-cash charge reflects a revision in the projected recoverable amounts for these specific assets as of the period end.

As a result of these movements, total group general and administrative expenses increased year-on-year by 110% to GBP 14,811,548 (7,054,073).

Total staff and contractor costs for Distribution decreased by 8% compared with the preceding quarter. Staff costs for Marketing services, as reported in the KPI section, decreased by 15% compared with the preceding quarter. Other overheads increased by 123% to GBP 628,461 compared with the preceding quarter, driven by an unfavourable foreign exchange movement of GBP 154,591 and increased UA costs of GBP 72,083.

FLEXION

ADJUSTED EBITDA AND NET EARNINGS

Adjusted EBITDA for the quarter amounted to GBP 14,693 (-107,009). Operating result decreased to GBP -12,448,729 (-1,229,706) and the result after tax for this quarter amounted to GBP -10,624,685 (-503,036).

CASH FLOW

Operating cash flow was GBP 428,448 (1,578,384), the difference being partly due to working capital timing effects on both trade payables and trade receivables. Net cash flow was GBP 387,272 (886,472).

FINANCIAL POSITION

Cash amounted to GBP 14,179,108 (13,112,701) and there were no interest-bearing liabilities. During the quarter, cash increased by GBP 520,169. Trade and other receivables amounted to GBP 14,425,593 (14,070,494). Trade and other payables amounted to GBP 21,798,366 (20,248,582).

CHANGES IN THE NUMBER OF GAMES DURING THE QUARTER

The average monthly revenue for top-tier games past the ramp-up period increased to USD 806,976 (624,399) compared to the preceding quarter and the number of top-tier games past ramp-up remained at 9 titles when compared to the preceding quarter.

The average monthly revenue for mid-tier games past ramp-up increased to USD 82,109 (76,517) compared to the preceding quarter and the number of mid-tier games past ramp-up remained at 13 titles.

During the quarter, the number of live top-tier games remained at 9 titles. The number of live mid-tier games remained at 13 titles.

FY 2025 vs FY 2024

The financial year ending December 2025 showed a 5% decrease in total revenue, resulting in GBP 72,631,957 (76,754,313). Distribution revenue increased 1% to GBP 65,965,422 (65,562,726) and Marketing services revenue decreased by 41% to GBP 6,652,355 (11,191,587). Gross profit decreased by 30% to GBP 9,794,749 (13,904,242) during the period. General and administrative expenses increased by 18% to GBP 24,365,963 (20,586,461), driven by an impairment loss of GBP 12,176,000. Adjusted EBITDA decreased by 97% to GBP 119,483 (4,233,932). The result after tax amounted to GBP -12,741,717 (-2,733,839).

William Gregory
VP Finance

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.

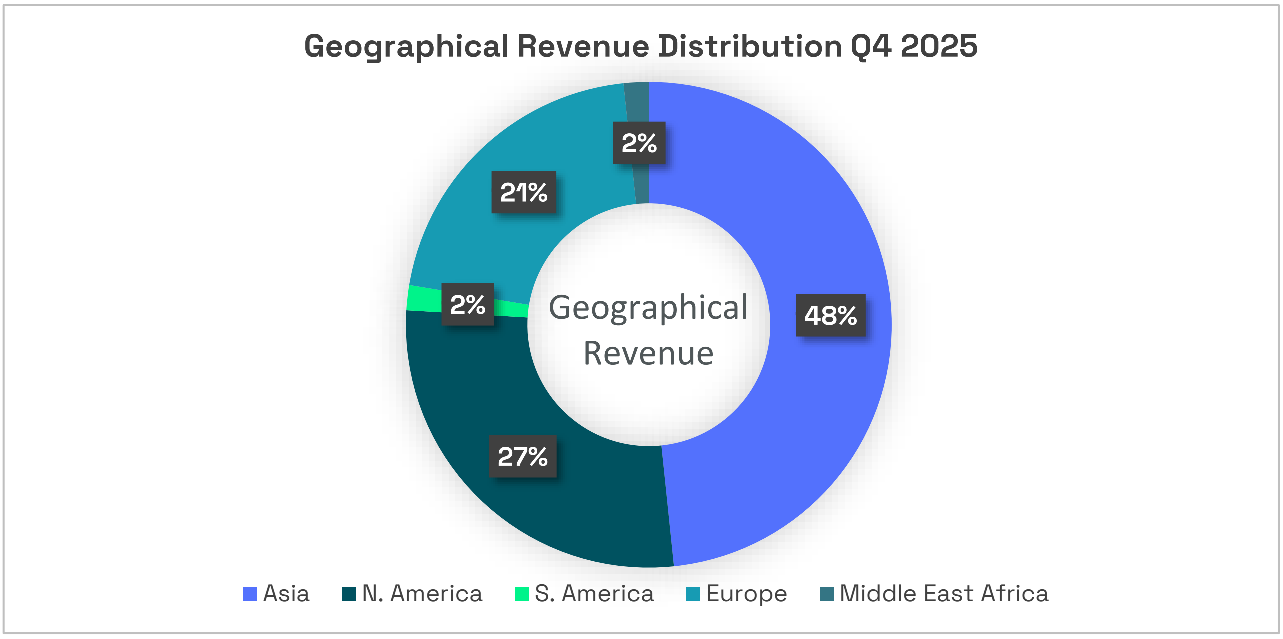
Non-IAP revenue includes revenue from integration fees and minimum guarantees and other revenue that is non-recurring. It includes recurring revenue share from in-game advertising, historical subscription revenue and legacy revenue.

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 31 December 2025 is presented below.



The main market for group revenue during the quarter was Asia with 48% market share, followed by N. America with 27% market share. Europe accounted for 21%, Middle East and Africa for 2% and South America for 2%.

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 140 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

Q1 trading update - 2026 financial year	20 May. 2026
Q2 report - 2026 financial year	28 Aug. 2026
Q3 trading update - 2026 financial year	18 Nov. 2026
Q4 report - 2026 financial year	31 Mar. 2027

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 31 March 2026.

Financial reports in brief

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTERLY PERIOD ENDED 31 DECEMBER 2025

	Notes	QTD Dec-25 3 months Unaudited GBP	QTD Dec-24 3 months As reported* GBP	QTD Dec-24 3 months Restated* GBP	FY 25 12 months Unaudited GBP	FY 24 12 months As reported* GBP	FY 24 12 months Audited GBP
Total revenue	3	21,123,430	21,933,628	22,049,673	72,631,957	76,544,049	76,754,313
Cost of sales		(18,760,611)	(18,306,904)	(19,878,974)	(62,837,208)	(61,738,293)	(62,850,071)
Total gross profit	**4**	**2,362,819**	**3,626,724**	**2,170,699**	**9,794,749**	**14,805,756**	**13,904,242**
General and administrative expenses	5	(14,811,548)	(7,372,222)	(7,054,073)	(24,365,963)	(20,819,639)	(20,586,461)
Adjusted EBITDA[‡]		**14,693**	**1,309,414**	**(107,009)**	**119,483**	**5,019,638**	**4,233,932**
Depreciation of tangible assets		41,372	68,254	68,254	160,226	166,022	166,022
Amortisation of intangible assets		312,490	1,734,169	1,734,169	2,727,747	6,831,568	6,831,568
Impairment losses		12,176,000	1,994,345	1,994,345	12,176,000	1,994,345	1,994,345
Foreign exchange loss / (gain)		(66,440)	499,514	220,967	(373,276)	443,418	326,048
Corporate acquisition related costs		-	676,220	676,220	-	676,220	-
Other exceptional costs		-	82,410	82,410	-	921,948	1,598,168
Fair value gains		-	3,653,668	3,653,668	-	3,653,668	3,653,668
Operating loss for the period		**(12,448,729)**	**(91,831)**	**(1,229,706)**	**(14,571,214)**	**(2,360,215)**	**(3,028,551)**
Finance income		75,605	208,360	70,981	232,889	208,360	208,360
Finance costs		(3,848)	(228,533)	(91,148)	(19,181)	(555,381)	(555,381)
Loss before tax for the period		**(12,376,972)**	**(112,004)**	**(1,249,873)**	**(14,357,506)**	**(2,707,236)**	**(3,375,572)**
Tax		1,752,287	584,876	746,837	1,615,789	446,235	641,733
Loss for the period		**(10,624,685)**	**472,872**	**(503,036)**	**(12,741,717)**	**(2,261,001)**	**(2,733,839)**
Other comprehensive income							
Foreign exchange differences		31,082	440,945	103,256	(160,778)	(142,431)	(162,976)
Total comprehensive loss for the period		**(10,593,603)**	**913,817**	**(399,780)**	**(12,902,495)**	**(2,403,432)**	**(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 31 DECEMBER 2025

	Notes	Dec-25 Unaudited GBP	Dec-24 As reported* GBP	Dec-24 Audited GBP
Assets				
Non-current assets				
Property, plant and equipment	7	198,303	323,931	323,931
Intangible assets	8	514,453	14,782,601	14,782,601
Total non-current assets		**712,756**	**15,106,532**	**15,106,532**
Current assets				
Trade and other receivables	9	14,425,593	12,097,334	14,070,494
Cash and cash equivalents		14,179,108	13,113,669	13,112,701
Total current assets		**28,604,701**	**25,211,003**	**27,183,195**
Total assets		**29,317,457**	**40,317,535**	**42,289,727**
Equity and liabilities				
Equity				
Share capital		113,742	113,742	113,742
Share premium		17,374,546	17,374,546	17,374,546
Other reserves		5,423,923	5,573,434	5,552,889
Retained earnings		(15,655,913)	(3,553,643)	(2,914,196)
Total equity		**7,256,298**	**19,508,079**	**20,126,981**
Non-current liabilities				
Deferred Tax liabilities		58,010	1,895,257	1,576,025
Lease liabilities		131,353	217,363	217,363
Contingent consideration		-	-	-
Total non-current liabilities		**189,363**	**2,112,620**	**1,793,388**
Current liabilities				
Trade and other payables	10	21,798,366	18,576,061	20,248,582
Lease liabilities		73,430	120,776	120,776
Contingent consideration		-	-	-
Total current liabilities		**21,871,796**	**18,696,837**	**20,369,358**
Total liabilities		**22,061,159**	**20,809,457**	**22,162,746**
Total equity and liabilities		**29,317,457**	**40,317,536**	**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.

FLEXION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTERLY PERIOD ENDED 31 DECEMBER 2025

	QTD Dec-25 3 months Unaudited	QTD Dec-24 3 months As reported*	QTD Dec-24 3 months Restated*	FY 25 12 months Unaudited	FY 24 12 months As reported*	FY 24 12 months Audited
Cash flow from operating activities						
Loss before tax for the period	(12,376,972)	(112,004)	(1,249,873)	(14,357,506)	(2,707,236)	(3,375,572)
Adjustments for:						
Foreign exchange losses	(66,440)	394,265	220,967	(373,276)	443,418	326,048
Impairment losses	12,176,000	1,994,345	1,994,345	12,176,000	1,994,345	1,994,345
Share based payments	2,908	41,780	46,032	33,780	225,213	225,213
Depreciation of tangible assets	41,372	68,254	68,254	160,226	166,022	166,022
Amortisation of intangible assets	312,490	1,734,169	1,734,169	2,727,747	6,831,568	6,831,568
Fair value gains	-	(3,653,668)	(3,653,668)	-	(3,653,668)	(3,653,668)
Interest expense	3,848	145,300	145,294	19,137	553,241	553,241
Working capital:						
Change in trade and other receivables	(2,859,730)	(115,534)	(2,321,500)	(355,099)	3,049,987	1,537,921
Change in trade and other payables	3,194,972	1,258,313	4,594,364	1,549,784	(2,669,851)	(554,352)
Net cash flow from operating activities	**428,448**	**1,755,220**	**1,578,384**	**1,580,793**	**4,233,039**	**4,050,766**
Cash flow from investing activities						
Expenditure on property, plant and equipment	-	(251,638)	4,867	(14,774)	(247,386)	(14,677)
Expenditure on intangible assets	-	(249,303)	(249,303)	(6,209)	(1,155,537)	(1,155,537)
Capitalised development cost	-	(354,049)	(354,049)	-	(354,049)	(354,049)
Net cash flow from investing activities	**-**	**(854,990)**	**(598,485)**	**(20,983)**	**(1,756,972)**	**(1,524,263)**
Cash flow from financing activities						
Issue of ordinary shares, net of issue costs	-	-	33,200	-	33,200	33,200
Payment of lease liabilities	(41,177)	(54,746)	(126,626)	(152,492)	(157,997)	(167,438)
Net cash flow from financing activities	**(41,177)**	**(54,746)**	**(93,426)**	**(152,492)**	**(124,797)**	**(134,238)**
Net change in cash and cash equivalents	**387,272**	**845,484**	**886,472**	**1,407,319**	**2,351,270**	**2,392,266**
Cash and cash equivalents at beginning of period	13,658,940	12,405,384	12,404,913	13,112,701	11,084,799	11,084,799
Effect of exchange rate fluctuations on cash held during the period	132,898	(137,200)	(178,684)	(340,912)	(322,400)	(364,364)
Cash and cash equivalents at end of period	**14,179,108**	**13,113,668**	**13,112,701**	**14,179,108**	**13,113,669**	**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 31 DECEMBER 2025

	Share capital GBP	Share premium GBP	Share based payment reserve GBP	Foreign currency translation reserve GBP	Merger reserve GBP	Retained earnings GBP	Total GBP
Balance at 1 January 2024	**112,467**	**17,341,512**	**816,935**	**375,824**	**3,992,894**	**(180,356)**	**22,459,276**
Loss for the period	-	-	-	(162,976)	-	(2,733,839)	(2,896,815)
Total comprehensive income	**-**	**-**	**-**	**(162,976)**	**-**	**(2,733,839)**	**(2,896,815)**
Transactions with owners, recorded directly in equity							
Share based payments	-	-	225,213	-	-	-	225,213
Deferred tax on share options	-	-	(10,236)	-	-	-	(10,236)
Issue of share capital	1,275	33,034	-	-	315,235	-	349,544
Balance at 31 December 2024	**113,742**	**17,374,546**	**1,031,912**	**212,848**	**4,308,128**	**(2,914,196)**	**20,126,981**
Balance at 1 January 2025	**113,742**	**17,374,546**	**1,031,912**	**212,848**	**4,308,128**	**(2,914,196)**	**20,126,980**
Loss for the period	-	-	-	(160,778)	-	(12,741,717)	(12,902,495)
Total comprehensive income	**-**	**-**	**-**	**(160,778)**	**-**	**(12,741,717)**	**(12,902,495)**
Transactions with owners, recorded directly in equity							
Share based payments	-	-	33,780	-	-	-	33,780
Deferred tax on share options	-	-	(1,967)	-	-	-	(1,967)
Balance at 31 December 2025	**113,742**	**17,374,546**	**1,063,725**	**52,070**	**4,308,128**	**(15,655,913)**	**7,256,298**

* *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 31 December 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 12-months ended 31 December 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:

	Dec-25	Dec-24	Dec-24
Revenue breakdown	**Unaudited**	**As reported**	**Restated**
IAP Revenue	19,322,277	18,061,242	18,195,820
Non-IAP Revenue	3,353	21,850	21,850
Marketing services	1,797,800	3,850,536	3,832,003
Total Revenue	**21,123,430**	**21,933,628**	**22,049,673**

4. GROSS PROFIT

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

	Dec-25	Dec-24	Dec-24
Gross profit breakdown	**Unaudited**	**As reported**	**Restated**
IAP gross profit	2,014,368	2,816,024	2,615,661
Non-IAP Revenue	3,353	21,850	21,850
Marketing services	345,098	788,850	(466,812)
Total gross profit	**2,362,819**	**3,626,724**	**2,170,699**

5. GENERAL AND ADMINISTRATIVE EXPENSES

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

General and administrative expenses	Dec-25 Unaudited	Dec-24 As reported	Dec-24 Restated
Staff and contractor costs	1,653,225	1,484,123	1,469,722
Impairment loss	12,176,000	1,994,345	1,994,345
Depreciation	41,372	68,254	68,254
Amortisation	312,490	1,734,169	1,734,169
Other overheads	628,461	2,091,331	1,787,583
Total	**14,811,548**	**7,372,222**	**7,054,073**

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:

Property, plant and equipment	Dec-25 Unaudited	Dec-24 As reported	Dec-24 Restated
Office Equipment	12,082	6,816	6,816
Leasehold improvements	1,554	3,885	3,885
Right-to-use assets	184,667	313,230	313,230
Total	**198,303**	**323,931**	**323,931**

In the fourth quarter for the year ending 31 December 2025 depreciation for property, plant equipment amounted to GBP 41,372.

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:

Intangible asset	Dec-25 Unaudited	Dec-24 As reported	Dec-24 Restated
Goodwill	-	7,364,060	7,364,060
Capitalised development costs	397,787	714,193	714,193
Game distribution rights	-	1,652,987	1,652,987
Computer software	5,454	-	-
Customer relationships	28,406	1,320,980	1,320,980
Brand	82,806	3,730,381	3,730,381
Total	**514,453**	**14,782,601**	**14,782,601**

In the fourth quarter for the year ending 31 December 2025 amortisation amounted to GBP 312,490.

FLEXION

9. TRADE AND OTHER RECEIVABLES

	Dec-25 Unaudited	Dec-24 As reported	Dec-24 Restated
Trade receivables	1,165,378	2,309,601	2,144,035
Other receivables	2,612,574	616,565	2,128,922
Prepayments and accrued income	10,647,641	9,171,168	9,797,537
Trade and other receivables	**14,425,593**	**12,097,334**	**14,070,494**

10. TRADE AND OTHER PAYABLES

	Dec-25 Unaudited	Dec-24 As reported	Dec-24 Restated
Trade payables	8,626,890	3,989,440	4,502,727
Social security and other taxes	90,332	181,965	181,965
Accrued expenses	11,798,363	12,904,982	14,093,318
Other payables	1,282,781	1,499,674	1,470,572
Trade and other payables	**21,798,366**	**18,576,061**	**20,248,582**

The Flexion share

THE SHARE

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

OWNERSHIP TABLE

Top 10 shareholders as of 31 December 2025	**N. of shares and votes**	**%**	**Aggregated %**
LLC Pershing	11,342,667	19.9%	20%
Morgan Stanley Smith Barney LLC	5,174,322	8.3%	28%
Palmstierna Invest AB	3,465,780	6.1%	34%
Clearstream Banking S.A.	2,243,508	4.2%	38%
S2 Capital L.P.	2,237,899	3.9%	42%
IBKR Financial Services AG	2,030,608	3.9%	46%
The Bank Of New York Mellon	1,881,512	3.2%	50%
Fredrik Palmstierna	1,800,000	3.2%	53%
Without Bank Julius Baer & co LTD	1,604,000	2.8%	56%
Joachim Odqvist	1,560,415	2.8%	58%
Other shareholders	23,530,154	41.4%	100%
Total number of shares	**56,870,865**	**100%**	

	QTD Dec-25 Unaudited 3 months	**QTD Dec-24 As reported 3 months**	**QTD Dec-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	56,870,865	56,870,865	56,870,865
Amount of weighted average shares outstanding for the period (adjusted for share split and bonus issue)	56,870,865	56,360,329	56,360,329	56,303,934
Profit / (Loss) per share				
– basic attributable to ordinary equity holders of the parent (pence) ◊	(18.63)	1.62	(0.71)	(5.14)
– diluted, attributable to ordinary equity holders of the parent (pence) ◊	(18.63)	1.54	(0.71)	(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 31 December 2025 totalled 3,146,162 (2,939,485) and are potentially dilutive.

FLEXION

Main KPI numbers

SUMMARY OF THE COMPANY'S KEY PERFORMANCE INDICATORS

		QTD Dec-25 3 months	QTD Sep-25 3 months	QTD Jun-25 3 months	QTD Mar-25 3 months	QTD Dec-24 3 months
Top-tier games pending launch	No.	0	0	2	0	2
Mid-tier games pending launch	No.	1	1	0	0	2
Total top-tier games live	No.	9	9	10	10	9
Total mid-tier games live	No.	13	13	12	15	12
Top-tier games average monthly gross revenue	USD	806,976	624,399	700,719	702,229	921,718
Number of games live past ramp-up period	No.	9	9	8	8	7
Mid-tier games average monthly gross revenue	USD	82,109	76,517	76,762	64,385	55,396
Number of games live past ramp-up period	No.	13	13	10	13	10
Total number of games	No.	36	36	34	34	30
Total revenue growth - YoY	%	(4%)	(7%)	(5%)	(7%)	(6%)
Total revenue growth - QoQ	%	28%	(3%)	(5%)	(18%)	24%
IAP gross profit growth - YoY	%	(28%)	(52%)	(50%)	(21%)	(23%)
IAP gross profit growth - QoQ	%	35%	(8%)	(36%)	(10%)	(15%)
IAP gross profit margin	%	10.4%	9.8%	10.4%	16%	(14.4%)
Total gross profit margin	%	11.2%	10.8%	14.5%	17.7%	(16.4%)
Adjusted EBITDA margin	%	0.1%	(3.3%)	(0.3%)	3.9%	9.8%
Operating (loss) / profit margin	%	(58.9%)	(4.5%)	(2.6%)	(5.2%)	(5.6%)
Average monthly operational cashflow	GBP	164,963	334,563	(385,041)	536,872	453,652
Headcount for Distribution services	No.	98	105	106	112	113
Headcount for Marketing services	No.	42	50	49	51	50
Adjusted staff cost for Distribution services	GBP	1,207,001	1,309,618	1,302,172	1,368,196	1,354,901
Staff cost for Marketing services	GBP	446,224	527,799	522,940	491,715	483,271
Number of shares at period end	No.	56,870,865	56,870,865	56,870,865	56,870,865	56,870,865
Amount of weighted average shares outstanding for period	No.	56,870,865	56,870,865	56,870,865	56,870,865	56,360,329
Loss per share (pence)	GBPp	(18.63)	(1.60)	(0.58)	(1.88)	(0.71)

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