Flexion: H1 Interim report - ended 30 June 2026

LONDON, UK – 12 August 2026 – Flexion (Nasdaq First North Growth Market: FLEXM)

Flexion's Adjusted EBITDA improves by GBP 1.0m as its new integrated strategy delivers efficiency

Financial Highlights H1-26

- **Total Revenue:** GBP 34.9m (35.0m)[1], flat year-on-year from H1 2025
- **Total gross profit:** GBP 4.4m (4.5m)[2], -2% year-on-year from H1 2025
- **Adjusted EBITDA:** GBP 0.40m (-0.58m)[3], up 1.0m year-on-year from H1 2025
- **Total Staff costs:** GBP 3.1m (3.7m), -16% year-on-year from H1 2025
- **Total Headcount:** 113 (155)
- **Total General administration expenses:** GBP 3.8m (5.6m)[2], -33% year-on-year from H1 2025
- **Operating result:** GBP 0.62m (-1.16m)[2], +154% year-on-year from H1 2025
- **EPS:** GBP 1.11 pence (-2.08 pence)[2]
- **Net profit:** GBP 0.63m (-1.18m)[2], +153% year-on-year from H1 2025
- **Operating cash flow:** GBP 1.12m (0.37m)[4]
- **Cash position:** As of 30 June 2026, cash reserve of GBP 14.6m (13.3m), no debt
- **Average number of shares:** 56,870,865

Explanatory financial notes:

1 *Comparative figures for the prior 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 H1-25 and H1-26. GBP 1.2m has been removed from gross profit (previously reported at GBP 5.6m) and GBP 1.4m has been removed from amortisation (previously reported under general and administrative expenses at GBP 2.0m).*

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 H1 ended 30 June 2026 was GBP 0.40m, which is operating profit of GBP 0.62m before depreciation of GBP 0.06m, amortisation of GBP 0.09m and foreign exchange of GBP -0.37m.*

4 *The movement in operating cash flow for H1 is primarily driven by the timing of working capital requirements and one-off costs associated with the ongoing restructuring of the Creators segment.*

Business Update

Operational & Strategic Progress

The first half of 2026 marked a period of structural transformation as we unified our service offering under a new brand to provide a leaner, more integrated service for our developer partners. Since launching Exprexion in Q2, we have completed the integration of Markets, Direct, and Creators into a single commercial framework, shifting from siloed operations to a customer success organization focused on expanding lifetime value across key accounts. This strategic reorganization, paired with AI efficiency gains in engineering and finance, allowed us to reduce total headcount to 113 from 155 a year ago. We also successfully completed the wind-down of non-gaming influencer verticals and talent management including the restructuring of Audiencly into Exprexion Creators. While these one-off restructuring costs impacted near-term operating cash flow, we maintained positive EBITDA for the third consecutive quarter compared with a loss-making 2025. When excluding the impact of minimum guarantee deals in previous years, the business has structurally turned the corner on profitability.

Segment performance

Exprexion Markets & Direct
Our core distribution business sustained its growth throughout H1. Half-year revenue rose by 2.9% (6% in constant currency) and gross profit expanded by 6.1%, while Adjusted EBITDA improved by GBP 730k compared to the corresponding period last year. These positive outcomes demonstrate that the streamlining of this unit is delivering results, a trend that we anticipate will carry over into H2.

Exprexion Markets & Direct (GBP)	H1 2026 (H1 2025)	Q2 2026 (Q2 2025)	Q1 2026 (Q1 2025)
Revenue	32.4m (31.5m)[1]	15.6m (15.5m)	16.8m (15.9m)
Gross Profit	3.5m (3.3m)[2]	1.8m (1.6m)	1.7m (1.7m)
Gross Margin	10.8%	11.5%	10.1%
Adjusted EBITDA	0.64m (-0.09m)[2]	0.29m (-0.05m)	0.35m (-0.04m)
Headcount	89 (106)	89 (106)	104 (112)

1 *Comparative figures for the prior 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 H1-25 and H1-26. GBP 1.2m has been removed from gross profit (previously reported at GBP 4.5m) and GBP 1.4m has been removed from amortisation (previously reported under general and administrative expenses at GBP 2.0m).*

Exprexion Creators
Revenue for the second quarter was GBP 1.2m (1.6m), while Gross Profit was GBP 0.5m (0.8m). Adjusted EBITDA improved to GBP -0.09m (-0.2m), reflecting the benefits of our reduced cost base. While Q2 sales were softer due to seasonal effects in spend from key accounts, we anticipate a recovery in H2, when the financial benefits from these cost efficiencies will begin to manifest fully. With our cost base now fully streamlined, the unit is positioned to contribute positively to the overall company results. For H1, the Creators unit recorded an Adjusted EBITDA

of GBP -0.24m, largely due to the non-recurring impact of restructuring costs absorbed throughout the first half of the year.

Exprexion Creators (GBP)	H1 2026 (H1 2025)	Q2 2026 (Q2 2025)	Q1 2026 (Q1 2025)
Revenue	2.4m (3.5m)	1.2m (1.6m)	1.2m (1.9m)
Gross Profit	0.9m (1.2m)	0.5m (0.8m)	0.4m (0.3m)
Gross Margin	37.5%	41.6%	33.3%
Adjusted EBITDA	-0.24m (-0.62m)	-0.09m (-0.20m)	-0.15m (-0.42m)
Headcount	24 (49)	24 (49)	30 (51)

Games Update

We concluded the first half of 2026 (H1) with a portfolio of 36 live games actively generating revenue across our alternative distribution channels. This was supported by recent portfolio expansions, including the addition of *Fishing Travel*, which is now live and actively contributing to our revenue.

- **Game signings:** Our sales activities in H1 resulted in the signing of 5 new titles, bringing our total active contracted games portfolio to 38. This currently consists of 36 live titles actively generating revenue and 2 titles pending launch in the upcoming periods.
- **Key Portfolio Anchors:** Top-tier performing games, such as *Gossip Harbour* and *Seaside Escape*, continue to validate our growth model in successfully scaling high lifetime value (LTV) titles through paid user acquisition (UA) within the Merge game category across alternative app stores. We are actively looking to further expand our presence in the Merge genre with more titles coming soon. The scheduled onboarding of major global hits, including *Hero Wars: Alliance* slated for Q3, strongly positions us for further tier-one game additions in the second half of the year.
- **Target Trajectory:** While we are behind in our target of 50 game titles by the end of the year, we expect to make measured progress towards this goal for the balance of the year as we improve pipeline conversion. Driven by a robust and expanding sales pipeline across both our Markets and Creators service lines, we remain committed to our portfolio growth objectives.

Market Trends

The global regulatory environment continues to shift decisively toward open markets and alternative distribution, presenting significant new avenues for growth.

- **Legal & Regulatory Landscape:** Since our update in May, the regulatory landscape has evolved significantly. Following judicial scrutiny regarding the failure of the proposed global settlement to address the original ruling's requirements, Google and Epic withdrew from that agreement. Consequently, the original court ruling is now fully enforceable in the US. In response, Google has introduced new policies to ensure compliance regarding store payments, external linking, and fee structures, while also opening the Google Play environment to broader competition. Effective July 22, 2026, Google in the US must permit the operation of alternative stores inside Google Play and provide them with direct access to its catalogue. Internationally, alternative stores will be open to join Google's Registered Appstore program to enable frictionless sideloading—a key provision maintained from the earlier Epic settlement. Regulators across the globe are following a similar path, accelerating open-market transitions particularly in our core markets.

- **Market Implications:** Google continues to assert significant control over the Android ecosystem, deploying a variety of programs, policies, and technical barriers to maintain influence over stakeholders. We believe the technical implementation—largely associated with the forthcoming release of Android 17 later this year—may temporarily delay the full market impact. We anticipate a 12-month window before the benefits of expanded store competition and alternative payment methods are fully realized across the industry. Nevertheless, overall fees are trending downward, and the visibility and viability of alternatives to Google are consistently increasing. This structural shift strengthens our competitive position, and we are fully prepared to capitalize on these new market opportunities.
- **Store Ecosystem Diversification:** Building on our early Q1 launches on the Epic Mobile Game Store, we are actively evaluating additional channels to expand our reach. We are currently vetting a handful of new app store platforms, primarily those aligned with fast-growing Chinese OEMs that possess significant distribution footprints in key growth markets. This aligns with our refocused commercial strategy to double down on high-performing regional markets where our success has been concentrated. Demand from game developers for independent revenue streams is accelerating rapidly. To capture these opportunities, our refreshed Exprexion SDK—featuring Xsolla payments alongside alternative store distribution—is now actively being tested and rolled out across several stores and titles.

Capital Reduction Initiatives

On August 5, we completed a court-approved accounting adjustment to clean up our balance sheet and pave the way for future dividends or share buybacks.

- **Zero Cash Impact:** Purely paper-based—no effect on cash or daily operations.
- **Balance Sheet Reset:** Canceled the GBP 17.4m share premium account.
- **Creditor Protection:** Locks GBP 12.9m temporarily for existing trade debts, while GBP 4.4m immediately reduces historical losses to GBP 10.2m.
- **Path to Payouts:** Paying off trade debts over the next 6 months is expected to unlock the GBP 12.9m, leaving a GBP 2.7m positive reserve for potential shareholder returns.

Outlook for H2 2026

We set out in 2026 to build a leaner, more integrated, and highly focused organization. At the half-year point, we are fully operational with Exprexion with a right-sized cost structure. We are dedicating efforts to increasing the velocity through our sales pipeline to expand our game titles. Having resolved the drag of non-core legacy operations, Flexion enters the second half of 2026 from a position of significantly greater financial and operational strength and is well-positioned to capitalize on the ongoing transition toward open market competition.

Jens Lauritzson, CEO

Financial Statements (H1 2026)

1. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

GBP	6 Months ended 30 Jun 2026 (Unaudited)	6 Months ended 30 Jun 2025 (Unaudited)	12 Months ended 31 Dec 2025 (Audited)
Total Revenue	**34,853,352**	**34,979,242**	**72,518,885**
Cost of Sales	(30,470,452)	(29,336,369)	(62,942,358)
Total Gross Profit	**4,382,900**	**5,642,873**	**9,576,527**
Administrative Expenses	(3,760,553)	(7,024,539)	(24,365,963)
Operating Result	**622,347**	**(1,381,666)**	**(14,789,436)**
Finance Income/Costs (net)	43,261	91,918	213,708
Profit / (Loss) Before Tax	**665,608**	**(1,289,748)**	**(14,575,728)**
Taxation	(34,763)	(117,479)	1,615,789
Profit / (Loss) After Tax	**630,845**	**(1,407,227)**	**(12,959,939)**
Other Comprehensive Income	(472,434)	5,996	(160,778)
Total Comprehensive Profit / (Loss)	**158,411**	**(1,401,231)**	**(13,120,717)**

2. Condensed Consolidated Statement of Financial Position

GBP	As of 30 Jun 2026 (Unaudited)	As of 31 Dec 2025 (Audited)
Non-Current Assets		
Intangible Assets	372,931	514,452
Property, Plant and Equipment	413,715	198,303
Current Assets		
Trade and Other Receivables	9,366,488	12,358,962
Cash and Cash Equivalents	14,554,247	14,179,108
TOTAL ASSETS	**24,707,381**	**27,250,825**
Non-Current Liabilities		
Deferred Tax	40,917	58,010
Lease Liabilities	241,362	131,353
Current Liabilities		
Trade and Other Payables	17,371,018	19,949,956
Lease Liabilities	144,490	73,431
TOTAL LIABILITIES	**17,797,787**	**20,212,750**
Equity Attributable to Owners		
Share Capital & Premium	17,488,287	17,488,287
Other Reserves	4,970,821	5,423,923
Retained Earnings	(15,549,514)	(15,874,135)
TOTAL EQUITY	**6,909,594**	**7,038,075**
TOTAL EQUITY AND LIABILITIES	**24,707,381**	**27,250,825**

3. Condensed Consolidated Statement of Cash Flows

GBP	6 Months ended 30 Jun 2026 (Unaudited)	6 Months ended 30 Jun 2025 (Unaudited)
Net cash from operating activities	**1,115,996**	**369,688**
Cash flows from investing activities	-	(20,982)
Cash flows from financing activities	(73,070)	(76,815)
Net increase in cash	**1,042,926**	**271,891**
Effect of foreign exchange rate changes on cash	(667,787)	(90,943)
Cash & cash equivalents at beginning of period	14,179,108	13,113,668
Cash & cash equivalents at end of period	**14,554,247**	**13,294,616**

4. Condensed Consolidated Statement of Changes in Equity

GBP	Share Capital & Premium	Other Reserves	Retained Earnings	Total Equity
Balance as of 1 January 2026	**17,488,287**	**5,423,923**	**(15,874,135)**	**7,038,075**
Adjustments to opening retained earnings	-	-	(306,224)	(306,224)
Profit for the period	-	-	630,845	630,845
Other comprehensive income	-	(472,434)	-	(472,434)
Share based payments	-	19,332	-	19,332
Balance as of 30 June 2026	**17,488,287**	**4,970,821**	**(15,549,514)**	**6,909,594**

Other Information

Financial Calendar:

Reporting Event	Expected Date
Q3 2026 Trading Update	28 October 2026
FY 2026 Annual Results	24 March 2027
Q1 2027 Trading Update	28 April 2027
H1 2027 Interim Report	04 August 2027

Review:
This interim report has not been reviewed by the company's auditor.

Basis of preparation:
The condensed financial statements for the six months ended 30 June 2026 are unaudited and 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 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 2025.

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 2025.

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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.