



Q1 Report — 30 June 2020

Flexion records strongest quarterly performance to date with total revenue up by 153%, gross margin up by 216% and adjusted EBITDA[‡] up by 103%. A new important milestone has been reached demonstrating a positive EBITDA for the first time during a quarter since the launch of its distribution services for Android games.

April 2020 to June 2020 performance

- Total revenue increased by 153% to GBP 4.8m (GBP 1.9m)*
- Gross profit increased by 216% to GBP 0.7m (GBP 0.2m)
- Adjusted EBITDA improved by 103% to GBP 0.02m (GBP -0.5m)
- Operating loss reduced by 81% to GBP -0.04m (GBP -0.5m)
- Earnings per share amounted to GBP 0.01 pence (GBP -1.16 pence)
- Cash amounted to GBP 3.7m (GBP 5.0m)

Important events during the quarter

- Signing of Tales of Wind (Neocraft), Tabou Stories (Nanobit), Bleach Immortal Soul (Oasis Games), One Punch Man (Oasis Games) and Battle Warship (Special Gamez)
- Launch of Tales of Wind and Chapters (Amazon)
- Launch of our automated game submission portal enabling developers to submit games and marketing assets to us faster and more effectively

Important events after the quarter

- Release of positive profit warning on 15th July
- Signing and launching of Z Day from FunPlus
- Launch of Battle Warship: Naval Empire
- New target to reach positive EBITDA on IAP gross margin at end of the current financial year

* 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



What a quarter we just had! We broke our own estimates with total revenue up by 74% compared to last quarter (March 2020) which led to a positive profit warning in July.

It was a record-breaking quarter in all aspects driven by a general upswing in mobile gaming but also strong platform growth especially from our new partner Huawei. Huawei AppGallery is now our second biggest channel after Amazon Appstore and we expect this channel to continue to grow as the store gains momentum outside China. We continue to improve our distribution power by signing up new channel partners. This will position us as an increasingly important distribution partner for game developers resulting in stronger platform effects with more games in more channels over time.

The alternative Android games ecosystem continues to grow in line with our expectations. Apple and Google are now facing mounting pressure as the US congressional antitrust hearing will soon challenge them on their app store practices. This is further exemplified by Epic Games recent lawsuit against Apple and Google for anticompetitive behaviour. In parallel, the trade war between the US and China is starting to impact the app ecosystem. It is too early to say what the effect of the US ban of TikTok and WeChat will have on game distribution, but it will most likely benefit new distribution in the long run. Besides app stores from device manufacturers, independent app stores such as Aptoide are also gaining momentum. New regulations will certainly increase competitive pressure on app distribution and this is something we welcome as it will benefit new channels, developers and consumers. Flexion's strategic position will improve in a more fragmented universe.

Our portfolio of games performed well across the board and several of our top titles hit new highs. We are now seeing repeat business from game developers and for me this is the best evidence that we continue to provide great value to the developers. I want to particularly

mention the world leading developers FunPlus and YOOZOO Games from which we recently signed Z Day and Saint Seiya, after successfully launching their top performing titles Guns of Glory and Legacy of Discord.

I am of course also very proud that we reached a positive EBITDA this quarter. This was driven by a strong growth in gross profit and continuous improvement in terms of platform scalability and developer onboarding of games.

Our gross profit grew faster than our revenue this quarter, 83% growth in gross profit from last quarter and 216% growth compared to the same period last year. I am pleased that we managed to grow our total gross margin to 14.5% compared to 11.6% in the same period last year. We have also generated positive cashflow in the last two quarters and ended this quarter with GBP 3.7 million in cash, up from GBP 2.7 million in the previous quarter.

To provide better visibility and understanding of our margin growth we have reclassified our revenue and related gross profit into; i) "IAP revenue"; and ii) "non-IAP revenue", where the latter represents fees and adjustments i.e. primarily one-off items that can have a large short-term impact on the total gross profit. With the new break down, IAP gross profit grew by 80% and IAP gross margin to 11.3% this quarter. We recognised GBP 171,739 of non-IAP revenue generated from various technical integration fees in the quarter. These are great margin contributors in the short term but as we keep growing our IAP revenue they will have less impact on our margin in the long run.

Our admin costs remained flat over the quarter and fell by 7% compared to the same quarter last year. I think this is a great achievement and I am really pleased with how the organisation has performed considering the difficult circumstances caused by the pandemic.

We continue to invest heavily in platform scalability and business optimisation. These long-term investments will benefit the business through reduced marginal cost per launched game as we keep adding new games while growing at high pace.

New updated targets

Last quarter we announced that we aim to double our live portfolio to 23 games during this financial year. We are well on track and expect to have at least 20 titles live during the quarter ending in September. We also have a great pipeline which will drive our growth in the autumn. Given our stronger momentum in the market, I would like to take the opportunity to update our launch target to 27 games at the end of this financial year.

Looking ahead to this autumn, positive portfolio effects are becoming more evident by each quarter, the more channels we bring to our growing platform the quicker our revenue will grow. This is the beauty of our model and something we have just experienced with our new Huawei partnership. We have therefore now set a new target for our go-to-market strategy which is to reach positive quarterly EBITDA on IAP gross profit alone during this financial year. When we achieve this, I think it is fair to say that Flexion will enter a new and even more exciting phase.

Jens Lauritzson - CEO

Financial Development



April 2020 to June 2020

REVENUE

IAP (In-App Purchase) revenue grew by 145% to GBP 4,666,130 (GBP1,902,152). Non-IAP revenue, which includes store integration fees and non-IAP related revenue from games, grew by 1,381% to GBP 171,739 (GBP 11,593). Total revenue grew by 153% to GBP 4,837,869 (GBP 1,913,745).

During the quarter (QoQ/Mar-20 to June-20) IAP revenue grew by 74%, non-IAP revenue grew by 89% and total revenue grew by 74%.

GROSS PROFIT

Cost of sales increased by 145% to GBP 4,136,573 (GBP 1,691,704). IAP gross profit grew by 149% to GBP 529,557 (GBP 212,432), non-IAP gross profit grew by 1,687% to GBP 171,739 (GBP 9,609) and total gross profit grew by 216% to GBP 701,296 (GBP 222,041). It should be noted that all non-IAP revenue carried 100% margin to Flexion.

During the quarter (QoQ) IAP gross profit grew by 80%, non-IAP gross profit by 90% and total gross profit by 83%. Over the same period, total gross margin grew from 13.8% to 14.5% and IAP gross margin grew from 10.9% to 11.3%. This shows the impact of non-IAP revenue which carries 100% margin to Flexion. The current set of non-IAP projects have been completed and we are working on developing new projects.

GENERAL AND ADMINISTRATIVE EXPENSES

Headcount increased by 1 to 51 (50). Staff and contractors costs decreased by 2% to GBP 531,624 (GBP 541,251).

Other overheads fell by 19% to GBP 207,215 (GBP 254,718), however, this change was primarily driven by GBP 65,555 in positive FX revaluations of non-GBP nominated currencies. These factors resulted in a fall in

"ordinary" general and administrative expenses of 7% to GBP 738,839 (GBP 795,969).

ADJUSTED EBITDA AND NET RESULT

Adjusted EBITDA improved by 103% to GBP 18,070 (GBP -537,977) driven by growth in IAP gross profit, tight cost control, one-off contribution from non-IAP gross profit and positive FX revaluations. As stated in the CEO section, we aim to achieve positive adjusted EBITDA on gross profit from IAP revenue by the end of this financial year.

During the quarter (QoQ), operating loss (EBIT) reduced by 97% to GBP -37,543 (GBP -1,339,486) and we turned a loss after tax into a profit of GBP 3,732 (GBP -1,318,346).

CASH FLOW

Operating cash flow increased by GBP 2,216,085 to GBP 1,088,168 (GBP -1,127,917) driven by relatively large short term fluctuations in working capital, the collection of GBP 250,000 in overdue revenue from a specific marketing campaign (as reported in December 2019 quarterly report) and GBP 142,056 in short term Covid-19 related tax deferrals.

FINANCIAL POSITION

Cash amounted to GBP 3,684,053 (GBP 5,016,241) and the company held no interest-bearing debt. Cash increased by GBP 951,488 during the quarter (QoQ). Trade and other receivables amounted to GBP 2,850,154 (GBP 1,710,562). Trade and other payables amounted to GBP 4,607,574 (GBP 2,382,464).

MG PAYMENTS

Total recoverable MG payments increased to GBP 704,770 (GBP 533,345). During the quarter (QoQ) this balance increased by GBP 171,009.

Contingent MG Payments (future commitments) reduced by GBP 3,475,197 to GBP 928,199 (GBP 4,403,396). During the quarter (QoQ) contingent MG payments reduced by GBP 428,699 to GBP 928,199. We expect to generate sufficient revenue to cover the remaining GBP 704,770 of recoverable MG payment and GBP 928,199 of future contingent MG commitments.

CHANGES IN NUMBER OF GAMES DURING THE QUARTER

During the quarter, the number of live top-tier games increased by one game to six games and the number of live mid-tier games increased by two games to ten games. One top-tier game and two mid-tier games were launched. One top-tier game was reclassified as mid-tier game and one mid-tier game was reclassified as top-tier game. Number of signed top-tier games yet to be launched increased by one game to two and number of signed mid-tier games yet to be launched was stable at three games. The launch of one mid-tier game has been put on hold.

Finally, I would like to add that we have expanded our Main KPI Section with average gross revenue for each tier game class to give an indication of what each new game on average may generate when matured.

Niklas Koresaar - CFO

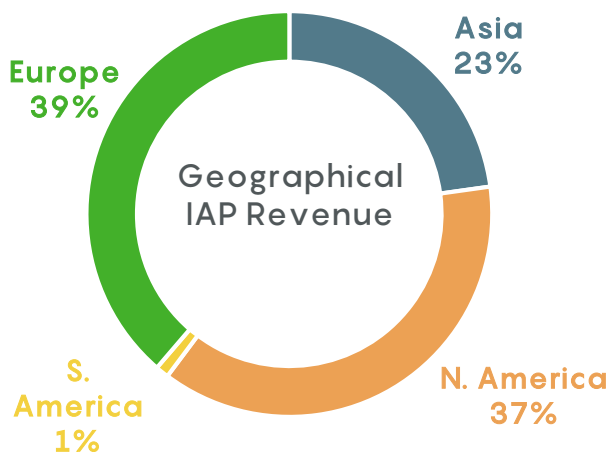
Other Information

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 June 2020 is presented below.



The main market for IAP revenue during the quarter was Europe with 39% market share followed by North America with 37% market share. Asia amounted to 23% and South America 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. Legacy revenue was actively phased out in the financial year ending March 2018 and historical subscription revenue was phased out in the financial year ending March 2020.

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 51 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 31 March 2020.

Financial calendar

Q2 report for 2020/21:	18 th November 2020
Q3 report for 2020/21:	11 th February 2021
Q4 report for 2020/21:	10 th June 2021

Annual General Meeting

Flexion will hold its AGM for the financial year ending March 2020 at 14.00 on 24th September 2020 at Harbour Yard, Chelsea Harbour, London, UK.

Certified Adviser

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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 26th August 2020

Financial reports in brief

Statement of profit or loss and other comprehensive income for the quarterly period ended 30 June 2020

	Notes	QTD Jun-20 3 months 2020/21 Unaudited GBP	QTD Jun-19 3 months 2019/20 Unaudited GBP	YTD Mar-20 12 months 2019/20 Audited GBP
Total revenue	3	4,837,869	1,913,745	9,477,033
Cost of sales		(4,136,573)	(1,691,704)	(8,311,745)
Total gross profit	4	701,296	222,041	1,165,288
General and administrative expenses	5	(738,839)	(795,969)	(4,139,224)
Other income		-	78,277	78,277
Adjusted EBITDA[‡]		18,070	(537,977)	(1,719,449)
Depreciation of tangible assets		18,690	22,475	86,131
Amortization of intangible assets		36,922	13,476	86,732
Impairment loss		-	-	1,081,624
Other Income		-	(78,277)	(78,277)
Operating loss for the period		(37,543)	(495,651)	(2,895,659)
Finance costs		(3,744)	(797)	(5,270)
Loss before tax for the period		(41,286)	(496,448)	(2,900,929)
Tax		45,019	17,751	85,665
Profit / (Loss) after tax for the period		3,732	(478,697)	(2,815,264)
Attributable to:				
Equity holders of the parent		3,732	(478,697)	(2,815,264)
Profit / (Loss) for the period		3,732	(478,697)	(2,815,264)
Other comprehensive income				
Foreign exchange differences		-	-	-
Total comprehensive income / (loss) for the period		3,732	(478,697)	(2,815,264)
Attributable to:				
Equity holders of the parent		3,732	(478,697)	(2,815,264)
Profit / (Loss) for the period		3,732	(478,697)	(2,815,264)

[‡]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 June 2020

	Notes	Jun-20 2020/21 Unaudited GBP	Jun-19 2019/20 Unaudited GBP	Mar-20 2019/20 Audited GBP
Assets				
Non-current assets				
Property, plant and equipment	7	186,893	44,966	205,583
Intangible assets	8	741,760	400,005	649,211
Deferred tax assets		-	-	-
Total non-current assets		928,653	444,971	854,794
Current assets				
Trade and other receivables	9	2,850,154	1,710,562	1,982,051
Cash and cash equivalents		3,684,053	5,016,241	2,732,565
Total current assets		6,534,207	6,726,803	4,714,616
Total assets		7,462,860	7,171,774	5,569,410
Equity and liabilities				
Equity				
Share capital		82,941	82,266	82,941
Share premium		5,082,618	4,957,133	5,082,618
Other reserves		172,766	108,842	107,166
Retained earnings		(2,725,753)	(392,900)	(2,729,464)
Total equity		2,612,572	4,755,341	2,543,261
Non-current liabilities				
Deferred tax liabilities		55,972	11,689	104,928
Lease liabilities		107,483	-	127,839
Total non-current liabilities		163,455	11,689	232,767
Current liabilities				
Lease liabilities		79,258	22,281	77,838
Trade and other payables	10	4,607,574	2,382,464	2,715,544
Total current liabilities		4,686,832	2,404,745	2,793,382
Total liabilities		4,850,287	2,416,434	3,026,149
Total equity and liabilities		7,462,860	7,171,774	5,569,410

Statement of cash flows for the quarterly period ended 30 June 2020

	QTD Jun-20 3 months 2020/21 Unaudited	QTD Jun-19 3 months 2019/20 Unaudited	YTD Mar-20 12 months 2019/20 Audited
Cash flow from operating activities			
Loss for the year – continuing operations	(41,286)	(496,448)	(2,900,929)
Loss for the year	(41,286)	(496,448)	(2,900,929)
Adjustments for:			
Effect of exchange rate fluctuations on cash held during the period	(11,727)	6,832	(15,042)
Impairment loss	-	-	1,081,624
Share based payments	12,717	9,979	44,366
Depreciation of tangible assets	18,690	22,475	86,131
Amortization of intangible assets	36,922	13,476	86,732
Grant income	-	(78,277)	(78,277)
Working capital:			
Change in trade and other receivables	(813,528)	(451,857)	(1,736,076)
Change in trade and other payables	1,886,380	(154,097)	286,165
Operating cash flow	1,088,168	(1,127,917)	(3,145,306)
Grant payment	-	250,708	250,708
Net cash flow from operating activities	1,088,168	(877,209)	(2,894,598)
Cash flow from investing activities			
Expenditure on property, plant and equipment	-	-	-
Capitalised development cost	(129,472)	(66,272)	(388,733)
Bank interest received	-	-	-
Net cash flow from investing activities	(129,471)	(66,272)	(388,733)
Cash flow from financing activities			
Proceed from issue of shares	-	-	75,176
Interest paid	3,744	806	5,279
Payment lease liabilities	(22,679)	(22,688)	(68,037)
Net cash flow from financing activities	(18,936)	(21,882)	12,418
Net change in cash and cash equivalents	939,761	(965,363)	(3,270,913)
Cash and cash equivalents at beginning of period	2,732,565	5,988,436	5,988,436
Effect of exchange rate fluctuations on cash held during the period	11,727	(6,832)	15,042
Cash and cash equivalents at end of period	3,684,053	5,016,241	2,732,565

Statement of changes in equity for the quarterly period ended 30 June 2020

	Share capital GBP	Share premium GBP	Other reserves GBP	Retained earnings GBP	Total GBP
Balance at 1 April 2019	82,266	4,957,133	110,706	85,797	5,235,902
Loss for the period	-	-	-	(478,697)	(478,697)
Total comprehensive income	82,266	4,957,133	110,706	(392,900)	4,757,205
Transactions with owners, recorded directly in equity					
Share based payments	-	-	9,979	-	9,979
Deferred tax on share options	-	-	(11,843)	-	(11,843)
Issue of share capital	-	-	-	-	-
Balance at 30 June 2019	82,266	4,957,133	108,842	(392,900)	4,755,340
Balance at 1 April 2020	82,941	5,082,618	107,166	(2,729,484)	2,543,241
Profit for the period	-	-	-	3,732	3,732
Total comprehensive income	82,941	5,082,618	107,166	(2,725,753)	2,546,972
Transactions with owners, recorded directly in equity					
Share based payments	-	-	12,717	-	12,717
Deferred tax on share options	-	-	52,883	-	52,883
Issue of share capital	-	-	-	-	-
Balance at 30 June 2020	82,941	5,082,618	172,766	(2,725,753)	2,612,572

Notes

1. Basis of preparation

The condensed consolidated financial statements for the three months ended 30 June 2020 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 formal review by the auditors. The financial information in respect of the year ended 31 March 2020 has been extracted from the statutory accounts. 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 three months ended 30 June 2019 and 30 June 2020 is unaudited. The financial information for the twelve months ended 31 March 2020 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 31 March 2020.

2. Significant accounting policies

Except where disclosed below, the accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2020. The accounting policies applied herein are consistent with those expected to be applied in the financial statements for the year ended 31 March 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 analyzed as follows:

	Jun-20	Jun-19
	2020/21	2019/20
Revenue breakdown	Unaudited	Unaudited
IAP Revenue	4,666,130	1,902,152
Non-IAP Revenue	171,739	11,593
Total Revenue	4,837,869	1,913,745

4. Gross profit

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

	Jun-20	Jun-19
	2020/21	2019/20
Gross profit breakdown	Unaudited	Unaudited
IAP gross profit	529,557	212,432
Non-IAP gross profit	171,739	9,609
Total gross profit	701,296	222,041

5. General and administrative expenses

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

	Jun-20	Jun-19
	2020/21	2019/20
General and administrative expenses	Unaudited	Unaudited
Staff and contractor costs	531,624	541,251
Other overheads	207,215	254,718
Total	738,839	795,969

6. Related party transactions

On 11/06/2020 Carl Palmstierna acquired 50,000 ordinary shares through a related entity bringing his total interest in the share capital of the Company to 9.5%.

7. Property, plant and equipment

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

	Jun-20 2020/21	Jun-19 2019/20
Property, plant and equipment	Unaudited	Unaudited
Leasehold improvements	-	10,626
Right-to-use assets	186,893	34,340
Total	186,893	44,966

In the first quarter for the year ending 31 March 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 741,760 (2020: GBP 400,006). In the first quarter for the year ending 31 March 2021 amortization amounted to GBP 36,922.

9. Trade and other receivables

	Jun-20 2020/21	Jun-19 2019/20
Assets	Unaudited	Unaudited
Trade receivables	16,270	11,376
Other receivables	966,163	722,871
Prepayments and accrued income	1,867,721	976,314
Trade and other receivables	2,850,154	1,710,562

Other receivables include GBP 704,770 of minimum guarantees (2020: GBP 533,345), GBP 208,581 (2020: GBP 147,395) of corporation tax receivable, recoverable VAT of GBP 27,491 (2020: GBP 25,784), called up share capital of GBP 16,363 (2020: nil) and GBP 8,958 (2020: GBP 16,347) of other non-material items.

10. Trade and other payables

	Jun-20 2020/21	Jun-19 2019/20
Liabilities	Unaudited	Unaudited
Trade payables	739,508	579,268
Social security and other taxes	213,911	63,515
Accrued expenses	3,417,088	1,731,190
Other payables	237,067	8,490
Trade and other payables	4,607,574	2,382,464

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. Based on the impairment review performed as at 30 June 2020 no impairment has been identified during the quarter.

At the end of the quarter the Company has guaranteed the following amounts under ongoing minimum guarantees:

	Jun-20 2020/21	Jun-19 2019/20
Contingent MG payments	Unaudited	Unaudited
Minimum guarantees which expire:		
Within one year	928,199	3,533,269
Within two to five years	-	870,127
Total minimum guarantees	928,199	4,403,396

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 June 2020	Number of shares and votes	%	Aggregated %
Mobile Sensations Ltd ^Δ	11,585,972	27.94%	28%
Palmstierna Invest AB	3,735,000	9.01%	37%
Industrial Equity AB	1,738,792	4.19%	41%
Palmstierna Fredrik	1,678,463	4.05%	45%
Joachim Odqvist	1,660,415	4.00%	49%
Julius Baer & Co Ltd	1,650,000	3.98%	53%
Morgan Stanley & Co Intl Plc	1,072,197	2.59%	56%
HSBC Bank Plc	924,250	2.23%	58%
Banque Internationale a Luxembourg	920,000	2.22%	60%
Gryningskust Holding AB	900,295	2.17%	62%
Other shareholders	15,605,074	37.62%	100%
Total number of shares	41,470,458	100.0%	

^Δ Mobile Sensations Ltd held 11,585,972 shares since the listing of the Company.

Share data

	QTD Jun-20 3 months 2020/21	QTD Jun-19 3 months 2019/20	YTD Mar-20 12 months 2019/20
Number of shares at period end (adjusted for share split and bonus issue)	41,470,458	41,132,958	41,470,458
Amount of weighted average shares outstanding for the period (adjusted for share split and bonus issue)	41,470,458	41,132,958	41,217,102
Profit/(Loss) per share – basic and diluted, attributable to ordinary equity holders of the parent (pence) [◇]	0.01	(1.16)	(6.83)

[◇] 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 June 2020 totalled 3,696,750 (2019: 3,696,750) and are potentially dilutive.

Main KPI numbers

Summary of the Company's Key Performance Indicators

		QTD Jun-20 3 months 2020/21	QTD Mar-20 3 months 2019/20	QTD Dec-19 3 months 2019/20	QTD Sep-19 3 months 2019/20	QTD Jun-19 3 months 2019/20
Top-tier games pending launch	No.	2	1	-	-	1
Mid-tier games pending launch	No.	3	3	3	1	-
Total top-tier games live	No.	6	5	5	5	6
Total mid-tier games live	No.	10	8	7	7	6
Top-tier games average monthly gross revenue USD		224,125	128,457	136,159	193,405	224,279
Number of games live past ramp-up period	No.	4	5	4	1	1
Mid-tier games average monthly gross revenue USD		81,425	57,361	66,574	59,278	80,588
Number of games live past ramp-up period	No.	8	7	7	7	4
Total revenue growth - YoY	%	153%	66%	41%	46%	35%
Total revenue growth - QoQ	%	74%	12%	8%	20%	15%
IAP gross profit growth - YoY	%	149%	36%	28%	-1%	1%
IAP gross profit growth - QoQ	%	80%	8%	15%	12%	-2%
IAP gross profit margin	%	11.3%	10.9%	11.0%	10.5%	11.2%
Total gross profit margin	%	14.5%	13.8%	11.3%	12.1%	11.6%
Adjusted EBITDA margin	%	0.4%	-8%	-21%	-20%	-28%
Operating loss margin	%	-1%	-48%	-23%	-21%	-26%
Average monthly operational cashflow	GBP	367,880	166,845	(225,704)	(602,901)	(377,982)
Headcount	No.	51	50	50	47	45
Adjusted staff cost	GBP	661,095	631,949	636,539	638,387	607,523
Number of shares at period end	No.	41,470,458	41,470,458	41,470,458	41,132,958	41,132,958
Amount of weighted average shares outstanding for period	No.	41,470,458	41,217,102	41,280,903	41,132,958	41,132,958
Profit/(Loss) per share – basic and diluted, attributable to ordinary equity holders of the parent (pence)	GBP	0.01	(3.20)	(1.33)	(1.14)	(1.16)

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 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	2020/21		2019/20				2018/19		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	
IAP revenue	4,666	2,684	2,475	2,260	1,902	-	-	-	
Non-IAP revenue	172	91	11	43	12	-	-	-	
Total revenue	4,838	2,775	2,486	2,303	1,914	1,668	1,760	1,582	
IAP gross profit	530	294	272	237	212	-	-	-	
Non-IAP gross profit	171	90	9	41	10	-	-	-	
Total gross profit	701	384	281	278	222	226	223	258	
Adjusted EBITDA	18	(210)	(522)	(450)	(538)	(451)	(702)	(420)	
Operating loss (EBIT)	(38)	(1,339)	(569)	(492)	(496)	(487)	(727)	(361)	
Finance cost	(4)	(4)	-	-	(1)	(1)	(2)	(2)	
Loss before tax	(41)	(1,344)	(569)	(492)	(496)	(488)	(728)	(363)	
Tax	45	25	18	24	18	27	19	20	
Profit/(Loss) after tax	4	(1,318)	(550)	(468)	(479)	(461)	(709)	(342)	

Balance Sheet

GBP, 000	2020/21		2019/20				2018/19		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	
Property, plant and equipment	187	206	-	22	45	67	90	112	
Intangible assets	742	649	554	481	400	347	244	194	
Other non-current assets	-	-	-	-	-	10	-	-	
Total non-current assets	929	855	554	503	445	425	334	306	
Trade and other receivables	2,850	1,982	2,944	3,069	1,711	1,445	885	1,272	
Cash and cash equivalents	3,684	2,733	2,436	3,085	5,016	5,988	6,993	6,961	
Total current assets	6,534	4,715	5,381	6,154	6,727	7,434	7,878	8,234	
Total equity	2,613	2,543	3,850	4,309	4,755	5,236	5,633	6,334	
Total non-current liabilities	163	233	86	14	12	-	34	24	
Trade and other payables	4,608	2,716	1,999	2,334	2,382	2,578	2,481	2,095	
Lease liabilities	79	78	-	-	22	44	66	87	
Total current liabilities	4,687	2,793	1,999	2,334	2,405	2,623	2,546	2,181	

Cash flow

GBP, 000	2020/21		2019/20				2018/19		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	
Cash flow from operating activities before changes in working capital	19	(137)	(578)	(457)	(521)	(361)	(630)	(359)	
Changes in working capital	1,073	638	(113)	(1,369)	(606)	(419)	814	7	
Operating cash flow before grant payments	1,092	501	(692)	(1,826)	(1,127)	(780)	185	(353)	
Grant payments	-	-	-	-	251	-	-	-	
Cash flow from net operating activities	1,092	501	(692)	(1,826)	(876)	(780)	185	(353)	
Cash flow from investing activities	(129)	(125)	(98)	(100)	(66)	(116)	(63)	(25)	
Cash flow from financing activities	(23)	(14)	70	(23)	(23)	(21)	(23)	(23)	
Net change in cash and cash equivalents	940	362	(719)	(1,948)	(965)	(918)	99	(400)	
Cash and cash equivalents at end of the period	3,684	2,733	2,436	3,085	5,016	5,988	6,993	6,961	

At a glance

About Flexion Mobile Plc (“Flexion” or the “Company”)

Introduction

Flexion runs the leading distribution platform for third-party free-to-play (freemium) games on the Android market outside Google Play and China (“Alternative Android Market”). The Company distributes many of the leading games on a growing number of channels such as Amazon, Samsung, ONE Store, Xiami, Huawei and leading regional channels. Flexion is based in London with a development office in Budapest. The Company employs 51 staff and long-term contractors and is listed on Nasdaq First North Growth Market in Stockholm with ticker name FLEXM:SS.



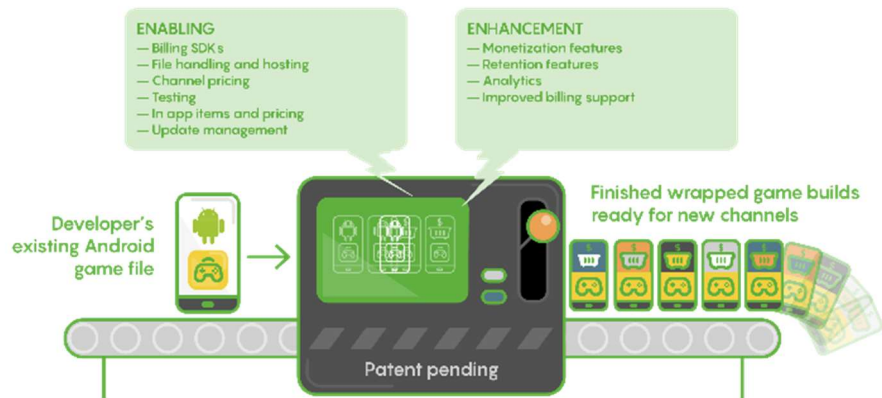
Flexion’s addressable market is the Android mobile games market, which covers more than 85% of the world’s new mobile devices. The remaining market is served by Apple’s iOS and is not currently supported by Flexion.

Flexion’s service offer

Flexion provides a full service and manages all steps from existing game file to revenue. This means that the parties involved can benefit from additional distribution and revenue with minimal effort.

Unique technology

At the core of Flexion’s technology is the patented enabling and enhancement software that allows Flexion to distribute third party Android games in its channels. This unique technology can also enhance the games by adding new distribution features required to support the increasingly fragmented market. Flexion’s technology is patented in the US and patent pending in Europe.



Value proposition

Flexion’s value proposition is to generate incremental high margin revenue to its developer and channel partners. Based on current distribution power, Flexion aims to generate approximately 10% on top of what the games generate in Google Play. As the Alternative Android Market grows and Flexion increases its distribution footprint, this percentage is expected to increase. The net contribution to the developer from this revenue is high as it is generated without the normal marketing, user acquisition and administrative costs required when distributing through Google Play

Business model

Flexion operates a simple revenue share model, taking a percentage from end-user transactions. In a typical payment flow, the channel collects payments from end-users and deducts a channel fee. Flexion receives the remaining amount which is shared between Flexion and the developer.

Market

Industry-leading research firm Newzoo estimates the Global Games Market will generate more than \$159bn in 2020, with mobile device (incl. tablets) games accounting almost \$77bn. The Alternative Android Market is also estimated to boom thanks to an increasing demand for other app stores and growing mobile devices and app usage.

Go-to-market strategy

Flexion’s go-to-market strategy is to sign and manage a portfolio of around 100 games in the mid-term. A third of these games will be top-tier games where each game has the potential to generate gross revenue in excess of USD 140,000 per month based on Flexion’s current distribution power. The remaining two thirds of the games will be mid-tier games with a gross revenue potential in excess of USD 40,000 per month. Revenue per game is likely to increase over time as Flexion’s distribution power grows through stronger relationship with existing channels, large investments by the channels, improved or new distribution features and the addition of new channels. In order to speed up the sales process Flexion may invest in various forms of incentives for top developers to join Flexion early.

