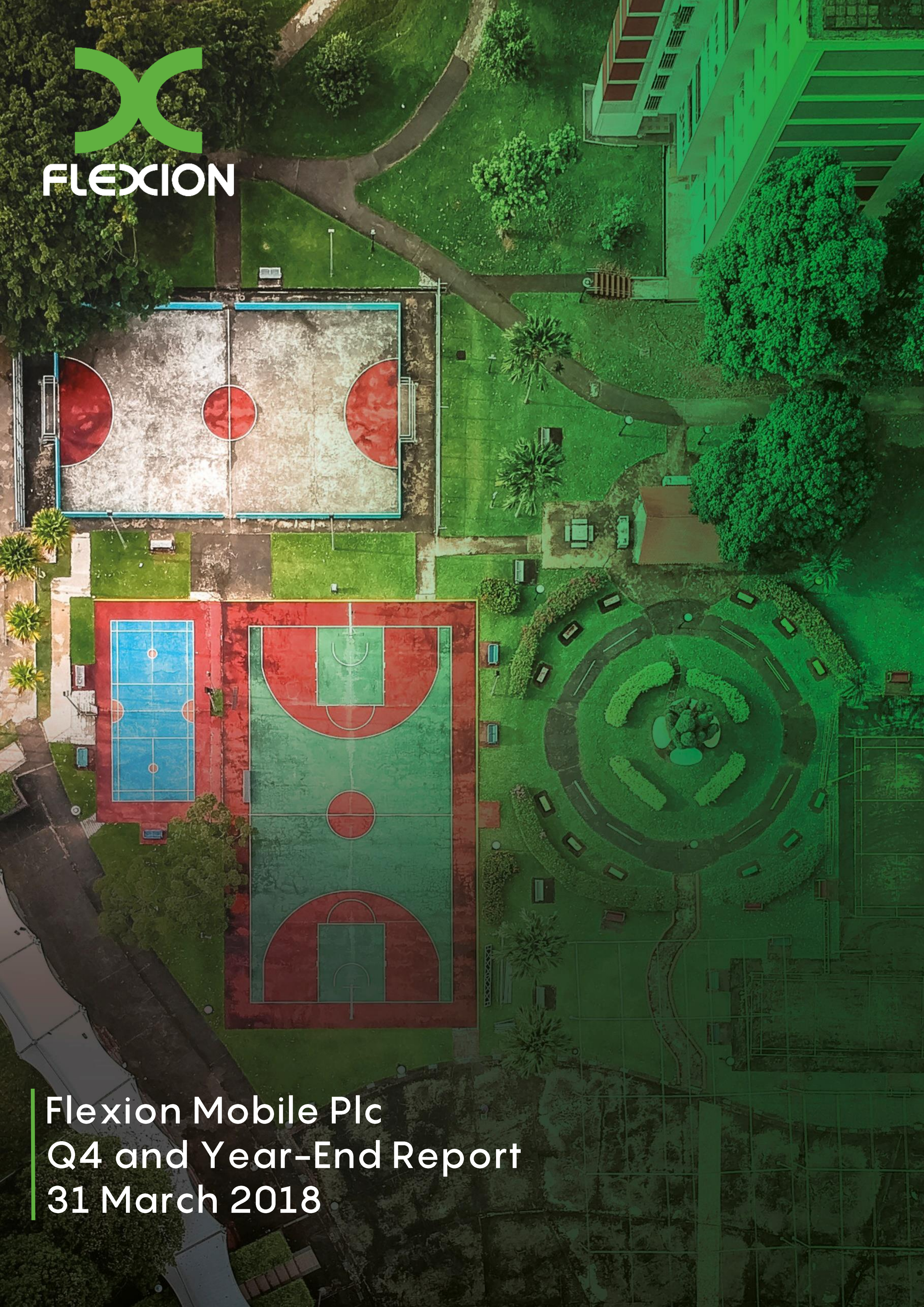


Flexion Mobile Plc
Q4 and Year-End Report
31 March 2018

Q4 and Year-End Report 31 March 2018

Jan18 - Mar18 Q4 financial performance

- IAP (In App Purchase) Revenue increased by 130% to GBP 689,286 (GBP 300,095 - comparable number for the equivalent period in the previous financial year)
- Total Revenue increased by 55% to GBP 723,626 (GBP 468,497)
- Gross Profit decreased by 12% to GBP 151,280 (GBP 172,339)
- EBITDA fell by 75% to GBP -554,721 (GBP -317,412)
- Loss per share increased by 202% to -1.27 pence (-0.42 pence)
- Cash amounted to GBP 7.4m (GBP 2.2m)
- New shares issued provided a total of GBP 5.3m net
- Operating Cash Flow increased by 160% to GBP 22,078 (GBP -36,678)

Apr17 - Mar18 12-month financial performance

- IAP Revenue increased by 97% to GBP 1,559,342 (GBP 792,374)
- Total Revenue increased by 50% to GBP 2,055,881 (GBP 1,372,799)
- Gross Profit increased by 43% to GBP 695,275 (GBP 486,797)
- EBITDA fell by 12% to GBP -1,480,748 (GBP -1,319,004)
- Loss per share increased by 22% to -2.47 pence (-2.03 pence)
- Cash amounted to GBP 7.4m (GBP 2.2m)
- New shares issued provided a total of GBP 5.3m net
- Operating Cash Flow fell by 13% to GBP -896,353 (GBP -791,820)

Notes from the CEO

Flexion increases quarterly IAP Revenue by 130%

It is a pleasure for me to present our first quarterly report as a listed company. The focus of the quarter was to close our biggest round of funding to date while also preparing the company to go public. In total we successfully raised GBP 5.3m net in an oversubscribed round.

This funding will allow us to scale up our sales and marketing activities to increase the number of game developers on our platform and to grow our footprint by adding new partner channels.

It is still early days but it is great to already see quarterly revenue growth for our core business. IAP Revenue grew by 130%. This positive contribution was partly the result of new distribution from channels such as Amazon and a few new strong games but also improved monetization of existing games.

We have phased out our feature phone business in favour of the highly scalable and profitable IAP business model. Therefore, Total Revenue growth (55%) was lower than IAP Revenue growth for the quarter.

The Feb18 fund raise in combination with a healthy quarterly Net Cash Flow from Operating Activities resulted in a cash balance of GBP 7.4m at the end of the quarter. This provides the company with the necessary fire power to fulfill its long-term mission to secure its position as the leading distribution platform for Android developers.

As a result, we are now actively recruiting in all areas in order to expand our operations with an immediate focus on further strengthening our sales and marketing teams.

We have proven our value proposition, services and business model in the wider market and we are starting to see growth. Now it is time to scale and we are all looking forward to an exciting first year as a public company.

Jens Lauritzson
Founder and CEO

Financial Development

Jan18 – Mar18 Q4 financial performance

REVENUE

The quarter showed healthy revenue growth with Total Revenue increasing by 55% to GBP 723,626 (GBP 468,497). IAP Revenue was the main contributor to the overall growth with an increase of 130% to GBP 689,286 (GBP 300,095). This is an early positive contribution from our effort to increase the number of games and channels. Subscription Revenue fell by 78% to GBP 22,351 (GBP 103,432) as some early non-strategic contracts were either terminated or seeing less activity. Legacy Revenue fell as expected by 82% to GBP 11,989 (GBP 64,970) as the company no longer actively supports these old services. The last month with material Legacy Revenue was Jan18.

GROSS PROFIT

The quarter showed a relatively higher increase in Cost of Sales compared to Total Revenue, primarily due to the reduction in high margin Legacy Revenue. Cost of Sales increased by 93% to GBP 572,346 (GBP 296,158). Therefore, Gross Profit decreased by 12% to GBP 151,280 (GBP 172,339) over the quarter.

GENERAL AND ADMINISTRATIVE EXPENSE

Staff and Contractor Costs increased by 34% to GBP 470,610 (GBP 351,239) due to growth of head count and strengthening of the team. Other Overheads increased by 70% to GBP 234,258 (GBP 138,042) partly due to listing related costs resulting in an increased General and Administrative Expense of 44% to GBP 704,868 (GBP 489,281).

EBITDA / NET RESULT

EBITDA fell by 75% to GBP -554,721 (GBP -317,412) partly driven by listing related costs. Loss After Tax increased by similar amounts to GBP -384,360 (GBP -131,326).

FINANCIAL POSITION

The financial position is considered strong with a cash balance of GBP 7,358,115 (GBP 2,217,767), no interest-bearing debt, Trade and Other Receivables of GBP 701,280 (GBP 727,926), Trade and Other Payables of GBP 1,521,293 (GBP 864,665) and Total Equity of GBP 6,698,315 (GBP 2,206,251).

CASH FLOW

Operating Cash Flow improved by 160% to GBP 22,078 (GBP -36,678) primarily driven by positive short term working capital movements. Net working capital (Change in trade and other receivables less Change in trade and other payables) improved by GBP 295,402 to GBP 575,666 (GBP 280,264). Net financing contributions generated GBP 5,297,463 (GBP 0) in additional cash contribution and the yearly contribution from UK government funded R&D Tax Credits contributed with GBP 94,885. This resulted in a Net Change in Cash and Cash Equivalents of GBP 5,302,849 (GBP -61,910) during the quarter.

Apr17 – Mar18 12-month financial performance

The financial year ending Mar18 showed a healthy revenue growth with Total Revenue increasing by 50% to GBP 2,055,881 (GBP 1,372,799). This was primarily driven by IAP Revenue which grew by 97% to GBP 1,559,342 (GBP 792,374). Subscription Revenue grew by 45% to GBP 353,722 (GBP 244,449). Legacy Revenue fell as expected by 58% to GBP 142,817 (GBP 335,976) as the company no longer actively supports these very old services.

The Gross Profit increased by 43% to GBP 695,275 (GBP 486,797) over the financial year.

General and Administrative Expenses increased by 21% to GBP 2,172,673 (GBP 1,794,435) resulting in a fall in EBITDA of 12% to GBP -1,480,748 (GBP -1,319,004).

Loss After Tax increased by 21% to GBP -771,662 (GBP -638,116).

Operating Cash Flow fell by 13% to GBP -896,353 (GBP -791,820).

Net capital contributions generated GBP 5,297,463 (GBP 0) in additional cash contribution and the yearly contribution from UK government funded R&D Tax Credits contributed with GBP 94,885. (GBP 196,536). The company received GBP 868,951 (GBP 583,935) from its Horizon 2020 EU grant during the period. This resulted in a Net Cashflow of GBP 5,177,435 (GBP -382,677) during the financial year.

Other information

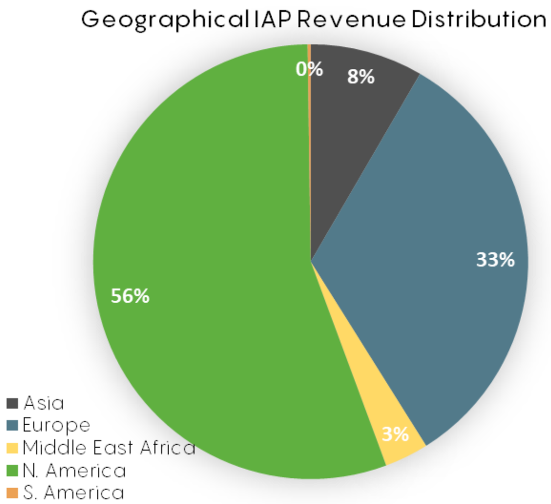
Segmental information

IAP REVENUE

Flexion's current focus is to grow IAP Revenue by signing up additional games, 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 is reported net of VAT, billing transaction costs, local taxes, bad debt/refunds and distribution channel fees deducted at source when transactions are deemed to be successful.

The geographical breakdown of IAP Revenue for quarter ending Mar18 is presented below.



The main markets for IAP Revenue over the quarter were the western mobile games markets; North America with a 56% market share and Europe with a 33% market share. Asia amounted to 8%, Middle East Africa to 3% and South America 0%.

SUBSCRIPTION REVENUE

New commercial models are evolving in the games market and subscription is one that offers significant opportunities for developers. Subscription models can either be offered within current games alongside IAP or as so called bundled subscriptions that offer access to a portfolio of games. Flexion is currently preparing the business for such future opportunities.

Subscription Revenue is currently revenue from game applications distributed through subscription clubs. The revenue is derived from end-user subscription fees but the revenue may also include integration fees and recurring service charges.

Revenue is reported net of VAT, billing transaction costs, local taxes, bad debt/refunds and distribution channel fees deducted at source when transactions are deemed to be successful.

LEGACY REVENUE

Legacy Revenue is old non-strategic revenue including revenue from purchases or subscription fees of game applications in feature phones. These revenues have actively been phased out as they don't carry any strategic value. The last month with material Legacy Revenue was Jan18.

Other main activities during the quarter

On 23 February 2018 the Company closed a capital round issuing 8,205,208 shares at a nominal value of GBP 0.002 per share. The issue price for these shares was SEK 8.30 per share.

Events after the reporting period

On 16 May 2018 the Company carried out a Capital Reduction of GBP 4.0m to comply with Companies House requirements for re-registration as a Plc company. The result of the Capital Reduction was that GBP 4.0m were moved from the Share Premium Account to the Retained Earnings Account on the Balance Sheet.

On 1 June 2018 the Company re-registered as a public company (changed from being Flexion Mobile Ltd to Flexion Mobile Plc). To fulfil the re-registration requirements of the Companies Act 2006, the Company undertook a statutory audit of its 17 May 2018 balance sheet. This confirmed the Company's net assets to be not less than the aggregate of its called-up share capital and distributable reserves. The Audit Statement was published in the Company Description and on the Company's web page.

On 5 June 2018 the Company issued 1,000,000 shares at a nominal value of GBP 0.002 per share. The Issue price for these shares was SEK 8.30 per share less a discount of SEK 2.30 per share on the basis that allotments were limited in sizes of 1,000, 2,000 and 3,000 shares per shareholder. The sole purpose of the share issue was to increase the number of shareholders and to improve the post listing liquidity.

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 36 staff and long-term contractors.

Parent company reporting

There is no material difference between group and parent company reporting as the company's two subsidiaries are dormant.

Annual general meeting

The Annual General Meeting will be held at Flexion Mobile's offices in London on 26 September 2018.

Dividend

The board proposes that no dividend will be paid for the financial year ending Mar18.

Material risks and factors of uncertainty

Material risks and uncertainties of the company includes but is not limited to risks related to market, contracts, regulatory requirements, key staff, financial requirements and counterparties. A detailed risk description has been presented in the Company Description.

Financial calendar

Audited Accounts published:	4 September 2018
Annual General Meeting:	26 September 2018
Q1 report for 2018/19:	29 August 2018
Q2 report for 2018/19:	29 November 2018
Q3 report for 2018/19:	27 February 2019

Certified Adviser

FNCA acts as the company's Certified Adviser.

Further information

For further information, contact CFO Niklas Koresaar on +44 207 351 59 44 or ir@flexionmobile.com or visit the company's website: www.flexionmobile.com.

MAR Publishing Statement

This information 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 June 28, 2018.

Financial reports in brief

Consolidated statement of profit or loss and other comprehensive income
For the period ended 31 March 2018

	Jan - Mar 2018 Unaudited £	Jan - Mar 2017 Unaudited £	Apr - Mar 2018 Unaudited £	Apr - Mar 2017 Audited £
IAP Revenue	689,286	300,095	1,559,342	792,374
Subscription Revenue	22,351	103,432	353,722	244,449
Legacy Revenue	11,989	64,970	142,817	335,976
Total Revenue	723,626	468,497	2,055,881	1,372,799
Cost of Sales	(572,346)	(296,158)	(1,360,606)	(886,002)
Gross Profit	151,280	172,339	695,275	486,797
Staff and Contractors cost	(470,610)	(351,239)	(1,606,040)	(1,389,188)
Other overheads	(234,258)	(138,042)	(566,633)	(422,665)
General and Administrative Expenses	(704,868)	(489,281)	(2,172,673)	(1,794,435)
Share Based Payments	(1,133)	(470)	(3,350)	(11,366)
EBITDA	(554,721)	(317,412)	(1,480,748)	(1,319,004)
Other Income	173,752	175,267	685,249	642,645
Depreciation of tangible assets	(5,313)	(5,312)	(21,251)	(17,418)
Amortization of intangible assets	(8,843)	-	(27,779)	-
Operating profit/loss (EBIT)	(395,125)	(147,457)	(844,529)	(693,777)
Finance income/expenses	-	-	-	-
Tax	10,765	16,131	72,867	55,661
Profit/Loss After Tax	(384,360)	(131,326)	(771,662)	(638,116)
Attributable to:				
Equity holders of the parent	(384,360)	(131,326)	(771,662)	(638,116)
Non-controlling interests	-	-	-	-
Profit/Loss for the period	(384,360)	(131,326)	(771,662)	(638,116)
Exchange translation differences	(30,671)	(4,056)	(37,087)	(9,290)
Total comprehensive Profit/loss for the year	(415,031)	(135,382)	(808,749)	(647,406)
Attributable to:				
Owners of the parent	(415,031)	(135,382)	(808,749)	(647,406)
Non-controlling interests	-	-	-	-
	(415,031)	(135,382)	(808,749)	(647,406)

Consolidated Statement of Financial Position
As at 31 March 2018

	March 2018 Unaudited £	March 2017 Audited £
Assets		
Non-Current Assets		
Property, plant and equipment	37,190	58,441
Intangible assets	165,776	100,929
Investments	0	0
Total Non-Current Assets	202,966	159,370
Current Assets		
Trade and other receivables	701,280	727,926
Cash and cash equivalents	7,358,115	2,217,767
Total Current Assets	8,059,395	2,945,693
Total Assets	8,262,361	3,105,063
Equity and Liabilities		
Equity		
Share capital	80,266	1,277
Share premium	8,703,183	3,484,709
Other reserves	14,716	11,366
Retained earnings	(2,099,850)	(1,291,101)
Total Equity	6,698,315	2,206,251
Non-Current Liabilities		
Deferred Tax liabilities	42,753	34,147
Total Non-Current Liabilities	42,753	34,147
Current Liabilities		
Trade and other payables	1,521,293	864,665
Total Current Liabilities	1,521,293	864,665
Total Liabilities	1,564,046	898,812
Total Equity and Liabilities	8,262,361	3,105,063

Statement of Cash Flows
For the period ended 31 March 2018

	Jan - Mar 2018 Unaudited £	Jan - Mar 2017 Unaudited £	Apr - Mar 2018 Unaudited £	Apr - Mar 2017 Audited £
Cash Flows From Operating Activities				
Loss for the year — continuing operations	(395,125)	(147,457)	(844,529)	(693,777)
Loss for The Year	(395,125)	(147,457)	(844,529)	(693,777)
Adjustments for:				
Finance income	-	-	-	-
Share based payments	1,133	470	3,350	11,366
Depreciation of tangible assets	5,313	5,312	21,251	17,418
Amortization of intangible assets	8,843	-	27,779	-
Grant income	(173,752)	(175,267)	(685,249)	(642,645)
Working capital:				
Change in trade and other receivables	(143,440)	218,229	92,706	109,091
Change in trade and other payables	719,106	62,035	488,339	406,727
Operating Cash Flow	22,078	(36,678)	(896,353)	(791,820)
Grant payment	-	-	868,951	583,935
Net Cash Flow From Operating Activities	22,078	(36,678)	(27,402)	(207,885)
Cash Flow From Investing Activities				
Expenditure on property, plant and equipment	-	-	-	(73,863)
Capitalised development cost	(16,692)	(25,232)	(92,626)	(100,929)
Bank interest received	-	-	-	-
Net Cash Flow From Investing Activities	(16,692)	(25,232)	(92,626)	(174,792)
Cash Flow From Financing Activities				
Net proceeds from issue of equity instruments	5,297,463	-	5,297,463	-
Net Cash Flow From Financing Activities	5,297,463	-	5,297,463	-
Net Change In Cash and Cash Equivalents	5,302,849	(61,910)	5,177,435	(382,677)
Net foreign exchange difference	(30,671)	(4,056)	(37,087)	(9,290)
Cash and cash equivalents at beginning of year/period	2,085,936	2,283,733	2,217,767	2,609,734
Cash And Cash Equivalents At End of Year	7,358,114	2,217,767	7,358,115	2,217,767

Consolidated statement of changes in equity
For the period ended 31 March 2018

	Share capital	Share premium	Share based payment reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total
	£	£	£	£	£	£	£	£
Balance at 1 April 2016	1,277	3,489,752	-	(643,695)	-	2,847,334	-	2,847,334
Loss for the year	-	-	-	(647,406)	-	(647,406)	-	(647,406)
Foreign exchange translation reserve	-	-	-	-	-	-	-	-
Total Comprehensive Income	**1,277**	**3,489,752**	-	**(1,291,101)**	-	**2,199,928**	-	**2,199,928**
Shares based payments	-	-	11,366	-	-	11,366	-	11,366
Issue of share capital	-	(5,043)	-		-	(5,043)	-	(5,043)
Balance At 31 March 2017	**1,277**	**3,484,709**	**11,366**	**(1,291,101)**	-	**2,206,251**	-	**2,206,251**
Balance at 1 April 2017	1,277	3,484,709	11,366	(1,291,101)	-	2,206,251	-	2,206,251
Loss for the year	-	-	-	(808,749)	-	(808,749)	-	(808,749)
Foreign exchange translation reserve	-	-	-	-	-	-	-	-
Total Comprehensive Income	**1,277**	**3,484,709**	**11,366**	**(2,099,850)**	-	**1,397,502**	-	**1,397,502**
Shares based payments	-	-	3,350	-	-	3,350	-	3,350
Bonus Issue	62,579	(62,579)	-	-	-	-	-	-
Issue of share capital	16,410	5,281,053	-	-	-	5,297,463	-	5,297,463
Balance At 31 March 2018	**80,266**	**8,703,183**	**14,716**	**(2,099,850)**	-	**6,698,315**	-	**6,698,315**

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

OWNERSHIP TABLE - 31 MARCH 2018

	Number of Shares and Votes	%	Aggregated %
Mobile Sensations Ltd	11,712,972	29.2%	29.2%
Palmstierna Invest AB	3,735,000	9.3%	38.5%
Industrial Equity AB	3,582,750	8.9%	47.4%
Zallaz Société Anonyme	3,323,000	8.3%	55.7%
Other shareholders	17,779,236	44.3%	100.0%
Total Number of Shares	40,132,958	100.0%	

Share data

	Jan – Mar 2018	**Jan – Mar 2017**	**Apr – Mar 2018**	**Apr – Mar 2017**
Number of shares at period end (adjusted for share split and bonus issue)	**40,132,958**	31,927,750	**40,132,958**	31,927,750
Amount of weighted average shares outstanding over 12 months (adjusted for share split and bonus issue)	32,737,031	31,927,750	32,737,031	31,927,750
Loss per share — basic and diluted, attributable to ordinary equity holders of the parent (pence)*	(1.27)	(0.42)	(2.47)	(2.03)

* 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 31 March 2018 totalled 2,429,500 (31 December 2017: 2,404,500) and are potentially dilutive.

Key KPI Numbers

Summary of the Company's Key Performance Indicators

		March 2018 3 months	March 2017 3 months[7]	March 2018 12 months	March 2017 12 months[7]
IAP Revenue Growth[1]	%	130%	320%	97%	230%
Subscription Revenue Growth[1]	%	-78%	506%	45%	108%
Total Revenue Growth[1]	%	54%	279%	50%	59%
Gross Profit Margin[2]	%	21%	37%	34%	35%
EBITDA Margin[3]	%	-77%	-68%	-72%	-96%
Average Monthly Operational Cash Flow[4]	£	7,359	-12,226	-74,696	-65,985
Runway[5]	Months	n/a	n/a	99	34
Head Count[6]		36	28	36	28

[1] Growth rates are measured to the comparable period in the previous financial year

[2] Gross Profit to Total Revenues

[3] EBITDA to Total Revenues

[4] Average Operational Cash Flow divided by number of months in the measured period

[5] Cash at End of Period to Average 12 Monthly Operational Cash Burn

[6] Head Count is defined by the company as all Staff plus all long-term Contractors

[7] Indicative only: Comparative numbers for the 3 months ended March 2016 and 12 months ended March 2016 have been prepared according to FRSSE (Not adjusted for IFRS)

About Flexion

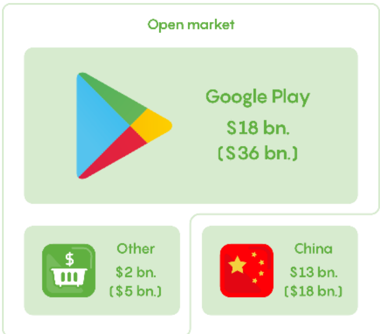
Introduction

Flexion makes it easy for Android developers to maximize the growth potential of their games.

Flexion functions as a distribution platform of Android games. The company's unique technology has solved a distribution problem for developers and as a result, developers can now reach new channels without having to make any changes to the game code. Flexion is integrated with global stores such as Amazon and Samsung and leading regional distribution channels in India, South Korea and Japan. The majority of Flexion's developer customers have games in the top 100 revenue grossing list in Google Play.

Market

Flexion's go to market strategy sees it target a specific segment, "other channels" - Android based stores outside Google Play and China. The company estimates the segment to be worth USD 2 billion, growing to USD 5 billion in 2021.

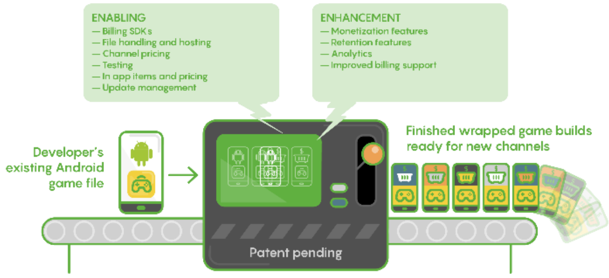


Flexion's offering

Flexion solves technological and commercial fragmentation. Unique technology makes games compatible with any distribution channel. Integrations and commercial relationships with distribution channels create an aggregated user base to which games can be profitably distributed. Flexion's service management sees Flexion actively working with a portfolio of games meaning developers can reach new channels without additional work. For distribution channels (i.e. stores) Flexion is a content provider.

Unique technology

The company's enabling technology is unique. It makes it possible to add, modify or remove features in games to make them compatible with the requirements of any store. The technology does not require developers to do any redevelopment work and does not require access to the game's source code. Once processed, games are compatible with the requirements of any supported channel. The technology can enhance existing applications by adding features and functionality, primarily to drive revenue and user engagement.



Business model

Flexion operates with a simple revenue share model, taking a percentage from payments made in distributed games.

Strong position and limited direct competition

Flexion's value proposition is unique. It is full service and covers everything necessary to make a game successful across multiple distribution channels. Competition is currently limited in the market segment which Flexion is currently targeting. Other companies offer products/services which cover one or some necessary steps, often with a focus on technology. Developers need to combine multiple providers and/or build own solutions. Some developers choose to build own solutions or combine multiple 3rd parties. Flexion caters to developers who want a full-service offering.