



FlexShopper, Inc.

Q4 EPS upside. Growth outlook positive with weakening macro. Lowering our P/T to \$4.00.

COMPANY UPDATE

Rating: BUY

Ticker: FPAY

Price: \$1.03

Target: \$4.00
(from \$4.25)

Q4 EPS upside: FlexShopper recently (on April 1) reported its fiscal Q4 2023 (ending December) results. Revenue was \$30 million (+41% y-o-y), compared to our estimates of \$32 million and consensus of \$31 million. EPS was \$(0.03), compared to our estimates of \$(0.20) and consensus of \$(0.25). There was no Q4 guidance.

Q4 loans increase: Revenues increased +41% (y-o-y) due to increase in loan revenue. Lease revenue were flat (y-o-y). However, loan revenue increased to \$7 million from \$(2) million (y-o-y).

Expect improving 2024: LTO revenue were improving in Q4 as the company is managing in an increasingly challenged macro environment where consumers in the lower economic tier got worse. But the company expects its business outlook to improve as those consumers have less credit options and better underwriting credit standards.

Loans revenue up: The company made a major push into the installment loan business in 2022. Q4 loan revenue was \$7 million, which was down from Q3 2023's \$10 million, but up compared to \$(2) million in Q4 2022.

No guidance: The company did not provide any specific forward guidance.

Adjusting estimates: We are adjusting our 2024 estimates for revenue to \$122 million, from \$125 million, and for EPS to \$(0.23) from \$(0.20).

Revolution acquisition: In December 2022, the company acquired the assets of Revolution Financial Inc. This purchase provides FlexShopper with 22 physical store locations, 78 virtual locations located within Liberty Tax stores, and related digital assets in which FlexShopper will make available consumer financing solutions. Going forward, Revolution will be the main driver of its loan business.

Partner pipeline growing: FlexShopper has a solid retail pipeline and expects to secure additional retail partners in 2024. The company has a major partnership with Liberty Tax as the exclusive financial services provider for more than 2,000 storefront locations for Liberty Tax in the U.S.

Weaker macro may help: With rent, student loan, and mortgage payment moratoriums ended or ending soon along with the end of stimulus payments and enhanced unemployment payments, FlexShopper's target customer base of lower income consumers may be growing near term.

Positive risk versus reward: We believe strong growth opportunities should drive FlexShopper's revenues and profitability over the near and long term. With a significant market opportunity in a very large retail market and a relatively new and fragmented market for virtual/online LTO (lease-to-own), we believe FlexShopper is well positioned for continued long term growth. This growth should drive its share price much higher, particularly given its low current valuations.

Maintaining BUY: We are maintaining our BUY rating, but lowering our 12-month price target to \$4.00 from \$4.25, which is based on an NPV analysis. This represents significant upside from the current share price. We believe this valuation appropriately balances out the company's risks with its high growth prospects and large upside opportunities.

Company Description

Based in Boca Raton, FL, FlexShopper is a leading national online lease-to-own ("LTO") retailer and LTO payment solution provider.

United States
Consumer

May 1, 2024

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Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.70 –2.47
Shares Outstanding (million):	22
Market cap (\$million):	\$23
EV (\$million):	\$156
Debt (\$million):	\$137
Cash (\$million):	\$4
Avg. Daily Trading Vol. (\$million):	\$0.1
Float (million shares):	11
Short Interest (million shares):	~0
Dividend, annual (yield):	\$0.00 (NA%)

Revenues (US\$ million)

	2024E (Cur.)	2024E (Old)	2025E (Cur.)	2025E (Old)
Q1 Mar	28E		31E	
Q2 Jun	30E		33E	
Q3 Sep	32E		34E	
Q4 Dec	32E	35E	34E	
Total	122E	125E	132E	
EV/Revs	1.3x		1.2x	

Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old)	2025E (Cur.)	2025E (Old)
Q1 Mar	(0.10)E		(0.12)E	
Q2 Jun	(0.05)E		(0.06)E	
Q3 Sep	(0.03)E	(0.02)E	(0.02)E	
Q4 Dec	(0.04)E	(0.03)E	(0.04)E	
Total	(0.23)E	(0.20)E	(0.24)E	
P/E	N/A		N/A	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 12.

OVERVIEW

- FlexShopper recently (on April 1) reported its fiscal Q4 2023 (ending December) results.
- Revenue was \$30 million (+41% y-o-y), compared to our estimates of \$32 million and consensus of \$31 million.
- EPS was \$(0.03), compared to our estimates of \$(0.20) and consensus of \$(0.25).
- There was no Q4 guidance.
- The company did not provide any specific forward guidance.
- We are adjusting our 2024 estimates for revenue to \$122 million, from \$125 million, and for EPS to \$(0.23) from \$(0.20).
- We are initiating our 2025 estimates for revenue of \$132 million, and for EPS of \$(0.24).

ADDITIONAL DETAILS

- Gross profit for the quarter was \$16 million, compared with our estimate of \$13 million.
- Gross margin for the quarter was 52%, versus 18% last year and our estimate of 42%.
- Operating expenses were \$10 million, versus our estimates of \$13 million.
- Operating income was \$5.6 million, versus our estimates of income of \$0.9 million.
- Net loss was \$0.7 million, versus our estimates of a loss of \$4.4 million.
- Adjusted EBITDA was \$8.2 million, versus our estimate of \$3.4 million and \$(4.0) million (y-o-y).
- The company's net lease merchandise portfolio was \$29 million (-8% y-o-y), versus \$24 million in Q3 2023.
- The company's loan portfolio was \$36 million, versus \$32 million in Q3 2023.

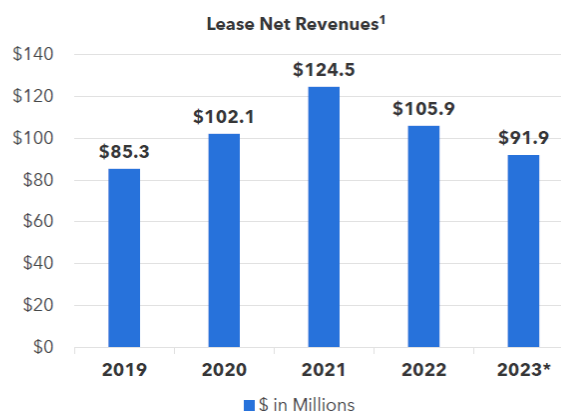
In December 2022, the company acquired the assets of Revolution Financial Inc. This purchase provides FlexShopper with 22 physical store locations, 78 virtual locations located within Liberty Tax stores, and related digital assets in which FlexShopper will make available consumer financing solutions. The purchase price was \$5 million in a note (8% rate due December 2027) with a fair value of the note at \$3.4 million.

On March 17, 2023, the company announced that Richard House, Jr., the company's Chief Executive Officer, had passed away on March 16, 2023. H. Russell Heiser, Jr., who was the Chief Financial Officer, was appointed to become the Chief Executive Officer of the company.

The company's balance sheet remains relatively steady with \$4 million in cash and \$137 million in debt (and preferred stock), compared with \$6 million in cash and \$130 million in debt (and preferred stock) at the end of September.

Exhibit 1: Lease and Loan Originations (as of Q3 2023)

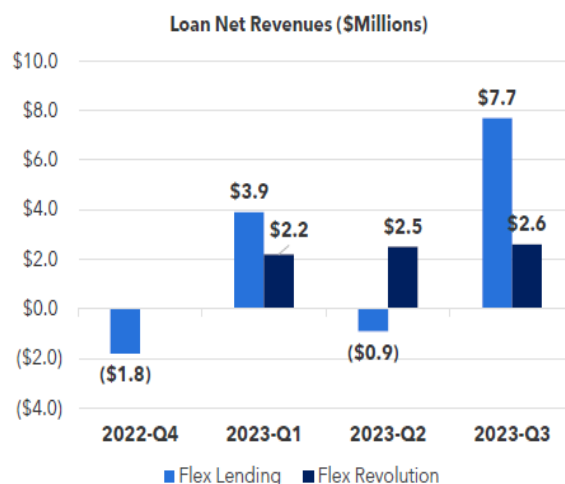
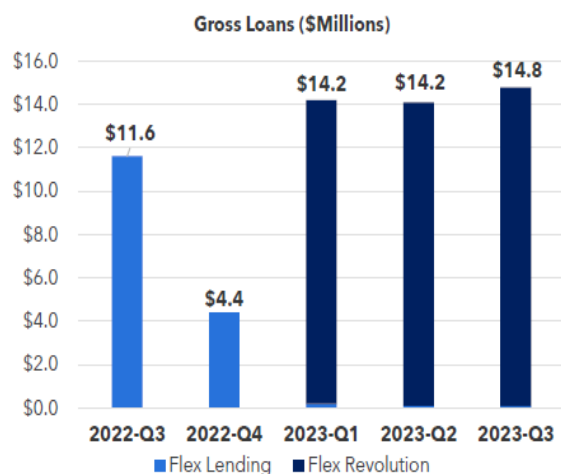
Lease Highlights



¹ Gross Lease Revenue and Fees Less Provision for Doubtful Accounts

*12 Months Ended September 30th, 2023

Loan Highlights



Source: Company report

Exhibit 2: Q4 2023 Highlights and Recent Developments (as of April 1, 2024)

Results for Quarter Ended December 31, 2023, vs. Quarter Ended December 31, 2022:

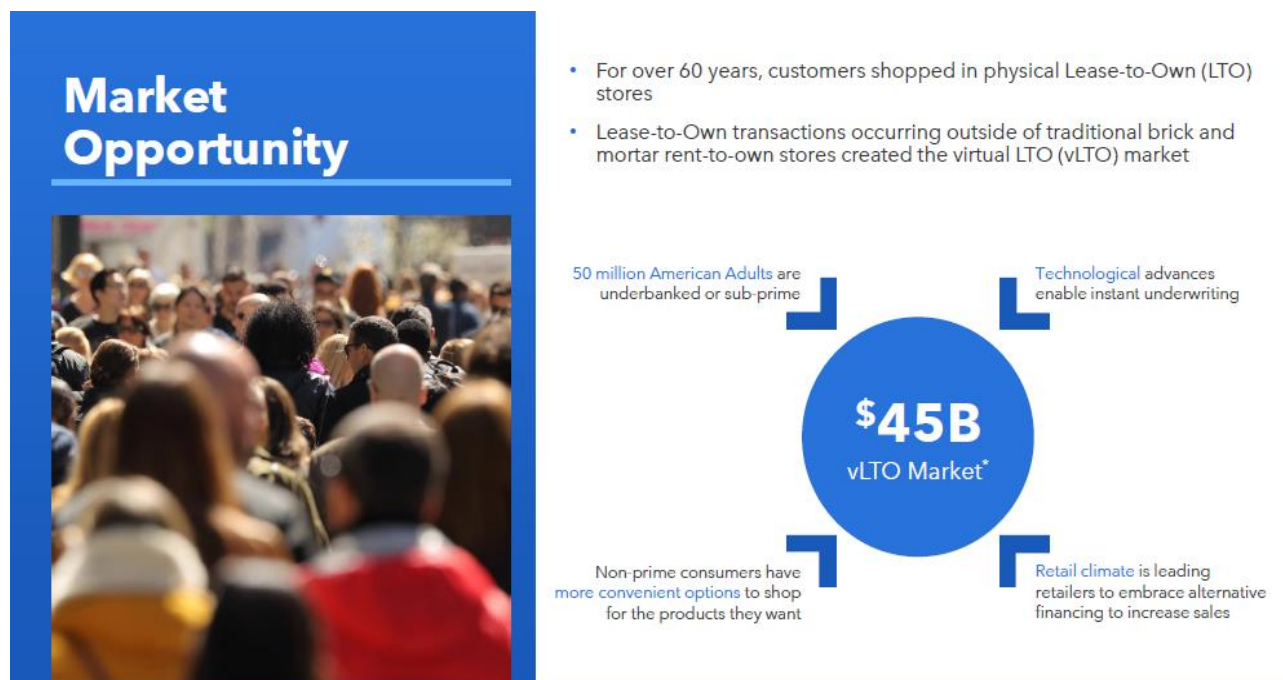
- Total fundings increased 12.0% to \$35.4 million from \$31.6 million
- Total net lease and loan revenues and fees increased 40.9% to \$30.3 million from \$21.5 million
- Gross profit increased 315.8% to \$15.8 million from \$3.8 million
- Adjusted EBITDA¹ increased by \$12.0 million to \$8.1 million from (\$3.9) million
- Operating income of \$5.6 million compared with operating loss of \$5.5 million
- Net loss attributable to common stockholders of \$(715) thousand, or \$(0.03) per diluted share, compared to net income attributable to common stockholders of \$6.0 million, or \$0.27 per diluted share

Results for Twelve Months Ended December 31, 2023, vs. Twelve Months Ended December 31, 2022:

- Total fundings increased 7.7% to \$120.4 million from \$111.8 million
- Total net lease and loan revenues and fees increased 3.4% to \$117.0 million from \$113.1 million
- Gross profit increased 47.4% to \$54.7 million from \$37.1 million
- Adjusted EBITDA¹ increased by \$23.7 million to \$23.2 million compared to (\$0.5) million
- Operating income of \$13.7 million compared with operating loss of \$6.3 million
- Net loss attributable to common stockholders of \$8.3 million, or \$(0.51) per diluted share, compared to net income attributable to common stockholders of \$9.9 million, or \$0.44 per diluted share

Source: Company report.

Exhibit 3: FlexShopper Market Opportunity



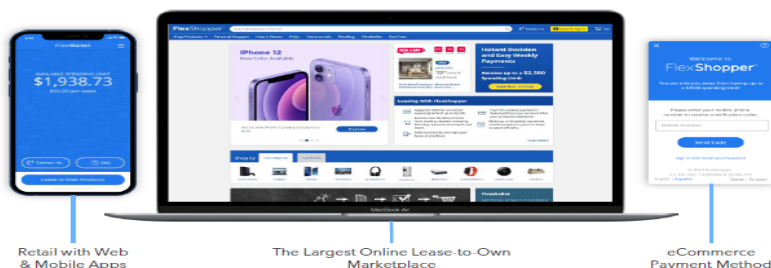
Source: Company report.

Exhibit 4: FlexShopper Company Overview

FlexShopper[®]

We facilitate both sides of consumers' Lease-to-Own purchases

Omni-Channel Points of Access



For Consumers (B2C)

We give non-prime consumers immediate purchasing power to shop for what they want, where they want by completing a simple application, online or in store

For Retailers (B2B)

We increase their sales with non-prime retail customers who do not qualify for traditional credit and "save the sale" with our lease to own programs

The Preferred LTO Omni-Channel Provider

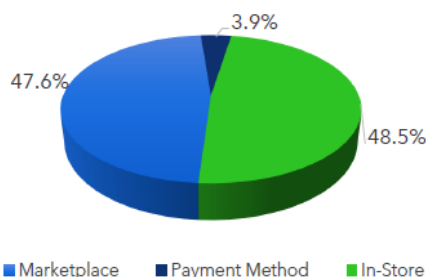
FlexShopper allows retailers to reach an incremental, untapped market and "save the sale" with consumers that do not qualify for traditional credit.

B2C Channel

Online Marketplace
Retailers' products on FlexShopper.com



Channel Makeup



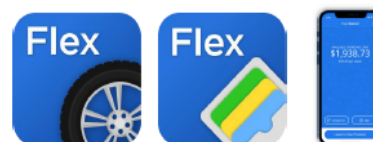
B2B Channels

Patented Payment Method
FlexShopper as a payment option on retailer's eCommerce sites



In-Store Save the Sale

Digital mobile payment solution at POS



LTM Ended in September 30th 2023 (\$ in Millions)

	Marketplace	Payment Method	In-Store
New	15.5	2.2	21.8
Repeat	14.9	0.3	9.2

FlexShopper is a Leader in vLTO

Product Overview

- 52-week term lease-to-own product
- Weekly payments debited via automatic ACH from customer's bank account
- Customers can save money with attractive early payoff options
- Customer can choose to return the merchandise to FlexShopper at any time

Asset Level Illustrative Economics

1. Customer wants to lease a product

Value to Customer

= 1.0x

2. ACH-secured Lease-to-Own purchasing option

Future Value to FPAY

= 2.3x

3. Assumes some customers utilize early payment option

Discounted Value to FPAY

= 2.1x

4. Bad Debt Assumption of ~25% (or 0.5x)

Net Value to FPAY

= ~1.6x

Product Categories



Source: Company report.

Exhibit 5: Loans Business

MyFlexLending Installment Loan Product



• Product Overview

- 52-week term installment loan
- Funds directly deposited into customer's account
- Weekly payments debited via ACH

Other Guys	VS	FlexLending
Fill out long application forms in store or online		Complete a few fields online from anywhere on your personal device
Stand in a long line or wait on hold		No lines, all online and get your decision instantly
Requires recent bank statement		No need, securely link your bank account when applying
Personal check required and valid ID required		We don't need it!

FlexShopper, Inc. Announces Purchase of Revolution Financial Inc. Assets

December 8, 2022

BOCA RATON, Fla., Dec. 08, 2022 (GLOBE NEWSWIRE) -- FlexShopper, Inc. (Nasdaq: FPAY) ("FlexShopper"), a leading national online lease-to-own retailer and financing solutions provider, today announced the purchase of certain assets of Revolution Financial Inc. and six affiliated entities. This purchase provides FlexShopper with 22 physical store locations, 78 virtual locations located within Liberty Tax stores and related digital assets in which FlexShopper will make available consumer financing solutions. This purchase is also the initial foray into a nationwide expansion of direct to consumer brick- and- mortar locations.

"This acquisition provides a head start on the operational capabilities to begin our nationwide rollout as part of the previously announced Liberty Tax partnership," said Richard House, CEO of FlexShopper.

FlexShopper will discuss this transaction in more detail on its 2022 year end results conference call.

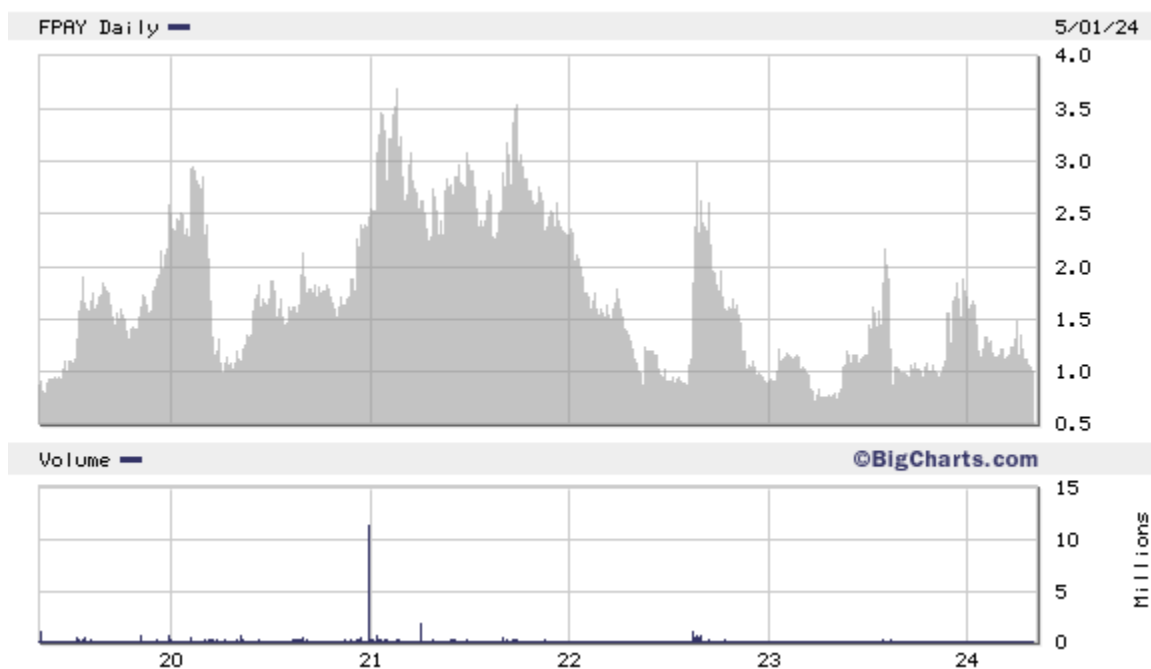
Source: Company report.

Exhibit 6: FlexShopper Financial Metrics (Q4 2023)

	2023	2022	\$ Change	% Change
Gross Profit:				
Gross lease billings and fees	\$ 131,634,768	\$ 154,535,446	\$ (22,900,678)	(14.8)
Provision for doubtful accounts	(42,505,647)	(57,420,480)	14,914,833	(26.0)
Gain on sale of lease receivables	2,814,608	8,821,106	(6,006,498)	(68.1)
Net lease billing and fees	\$ 91,943,729	\$ 105,936,072	\$ (13,992,343)	(13.2)
Loan revenues and fees	14,813,424	16,680,080	(1,866,656)	(11.2)
Net changes in the fair value of loan receivables	10,217,854	(9,559,979)	19,777,833	(206.9)
Net loan revenues	\$ 25,031,278	\$ 7,120,101	\$ 17,911,177	251.6
Total revenues	\$ 116,975,007	\$ 113,056,173	\$ 3,918,834	3.5
Depreciation and impairment of lease merchandise	(56,288,128)	(72,556,431)	16,268,303	(22.4)
Loans origination costs and fees	(6,007,598)	(3,384,013)	(2,623,585)	77.5
Gross profit	\$ 54,679,281	\$ 37,115,729	\$ 17,563,552	47.3
Gross profit margin	47%	33%		
	2023	2022	\$ Change	% Change
Adjusted EBITDA:				
Net (loss)/ income	\$ (4,233,617)	\$ 13,631,719	\$ (17,865,336)	(131.1)
Income taxes	(989,809)	(16,635,051)	15,645,242	(94.0)
Amortization of debt issuance costs	571,538	228,843	342,695	149.8
Amortization of discount on the promissory note related to acquisition	236,952	19,746	217,206	1,100.0
Other amortization and depreciation	7,881,110	4,769,614	3,111,496	65.2
Interest expense	18,105,282	10,912,808	7,192,474	65.9
Stock-based compensation	1,677,708	997,830	679,878	68.1
Gain on bargain purchase	-	(14,461,274)	14,461,274	
Adjusted EBITDA	\$ 23,249,164	\$ (535,765)	\$ 23,784,929	(4,439.4)

Source: Company report.

Exhibit 7: FlexShopper Stock Price (Five Years)



Source: <https://bigcharts.marketwatch.com/>

Exhibit 8: Consensus Expectations (as of April 1, 2024)

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$31A	\$30E	Q1 Mar	\$(0.06)A	\$(0.17)E
Q2 Jun	\$25A		Q2 Jun	\$(0.22)A	
Q3 Sep	\$31A		Q3 Sep	\$(0.01)A	
Q4 Dec	\$31E		Q4 Dec	\$(0.25)E	
Total	\$117E	\$140E	Total	\$(0.55)E	\$(0.29)E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, LSEG, and Ascendant Capital Markets estimates

FINANCIAL MODEL

FlexShopper, Inc.

Income Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	29.0	36.5	26.1	21.4	113.1	30.8	24.5	31.4	30.3	117.0	28.2	30.2	31.8	31.7	121.9	30.9	32.7	34.1	34.4	132.1
Cost of Revenues	19.6	19.0	19.8	17.6	75.9	17.2	16.1	14.5	14.5	62.3	16.6	16.4	16.9	17.3	67.1	18.2	17.9	18.3	18.9	73.3
Gross Profit	9.4	17.5	6.4	3.8	37.1	13.6	8.4	16.9	15.7	54.7	11.6	13.8	14.9	14.4	54.8	12.7	14.8	15.8	15.5	58.9
Marketing	2.0	3.8	2.4	2.9	11.0	1.1	1.5	1.7	3.4	7.6	1.7	1.8	1.9	1.9	7.3	1.9	2.0	2.0	2.1	7.9
Salaries and benefits	3.0	3.0	2.8	2.2	11.0	2.7	3.0	3.2	3.6	12.5	3.7	3.9	4.1	4.1	15.8	4.0	4.3	4.4	4.5	17.2
Operating expenses	5.7	5.7	5.7	4.3	21.4	5.6	6.0	6.1	6.9	24.5	5.1	5.4	5.4	5.4	21.3	5.6	5.9	5.8	5.8	23.1
Depreciation and amortization					0.0					0.0					0.0					0.0
Restructuring and other					0.0				(3.7)	(3.7)					0.0					0.0
Total operating expenses	10.7	12.5	10.9	9.3	43.4	9.5	10.4	11.0	10.1	41.0	10.4	11.2	11.4	11.4	44.5	11.4	12.1	12.3	12.4	48.2
Operating income (loss)	(1.3)	5.0	(4.5)	(5.5)	(6.3)	4.2	(2.0)	6.0	5.6	13.7	1.2	2.7	3.4	3.0	10.3	1.3	2.7	3.5	3.1	10.6
Interest income (expense)	(2.0)	(2.3)	(3.0)	(3.8)	(11.2)	(4.5)	(4.6)	(4.7)	(5.1)	(18.9)	(3.4)	(4.0)	(4.0)	(4.0)	(15.4)	(4.0)	(4.0)	(4.0)	(4.0)	(16.1)
Other income (expense)	(0.6)	(0.6)	(0.6)	12.6	10.7	(1.0)	(1.0)	(1.1)	(1.1)	(4.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(3.9)	2.0	(8.2)	3.3	(6.7)	(1.4)	(7.6)	0.1	(0.5)	(9.3)	(2.2)	(1.4)	(0.6)	(1.0)	(5.2)	(2.7)	(1.3)	(0.5)	(0.9)	(5.4)
Income taxes	(0.9)	(11.7)	(1.3)	(2.7)	(16.6)	(0.1)	(1.3)	0.3	0.2	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(3.0)	13.8	(6.9)	6.0	9.9	(1.2)	(6.3)	(0.1)	(0.7)	(8.3)	(2.2)	(1.4)	(0.6)	(1.0)	(5.2)	(2.7)	(1.3)	(0.5)	(0.9)	(5.4)
Nonrecurring/noncash adjustments		0.5		(0.5)	0.0					0.0					0.0					0.0
Net income (pro forma)	(3.0)	14.3	(6.9)	5.5	9.9	(1.2)	(6.3)	(0.1)	(0.7)	(8.3)	(2.2)	(1.4)	(0.6)	(1.0)	(5.2)	(2.7)	(1.3)	(0.5)	(0.9)	(5.4)
EBITDA	(0.0)	6.4	(2.9)	(4.0)	(0.5)	6.4	0.3	8.4	8.2	23.2	3.7	5.2	6.0	5.6	20.5	3.8	5.3	6.1	5.7	20.8
Shares, Basic	21.5	21.6	21.7	21.7	21.6	21.8	28.9	21.7	21.7	21.7	21.9	22.1	22.3	22.5	22.2	22.7	22.9	23.1	23.3	23.0
Shares, Diluted	22.5	27.9	21.7	20.5	22.4	21.8	28.9	21.7	21.7	21.7	21.9	22.1	22.3	22.5	22.2	22.7	22.9	23.1	23.3	23.0
EPS Basic (pro forma)	(\$0.14)	\$0.66	(\$0.32)	\$0.25	\$0.46	(\$0.06)	(\$0.22)	(\$0.01)	(\$0.03)	(\$0.38)	(\$0.10)	(\$0.06)	(\$0.03)	(\$0.04)	(\$0.23)	(\$0.12)	(\$0.06)	(\$0.02)	(\$0.04)	(\$0.24)
EPS Diluted (pro forma)	(\$0.13)	\$0.51	(\$0.32)	\$0.27	\$0.44	(\$0.06)	(\$0.22)	(\$0.01)	(\$0.03)	(\$0.38)	(\$0.10)	(\$0.06)	(\$0.03)	(\$0.04)	(\$0.23)	(\$0.12)	(\$0.06)	(\$0.02)	(\$0.04)	(\$0.24)
Margins																				
Gross margin	32%	48%	24%	18%	33%	44%	34%	54%	52%	47%	41%	46%	47%	46%	45%	41%	45%	46%	45%	45%
Marketing	7%	10%	9%	13%	10%	4%	6%	5%	11%	7%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Salaries and benefits	10%	8%	11%	10%	10%	9%	12%	10%	12%	11%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Operating expenses	20%	16%	22%	20%	19%	18%	24%	19%	23%	21%	18%	18%	17%	17%	17%	18%	18%	17%	17%	17%
Operating margin	-4%	14%	-17%	-26%	-6%	13%	-8%	19%	19%	12%	4%	9%	11%	10%	8%	4%	8%	10%	9%	8%
Tax rate, GAAP	22%	-574%	16%	-84%	247%	11%	17%	195%	-38%	11%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-10%	38%	-26%	28%	9%	-4%	-26%	0%	-2%	-7%	-8%	-4%	-2%	-3%	-4%	-9%	-4%	-2%	-3%	-4%
Y/Y % change																				
Total Revenue	-12%	19%	-15%	-31%	-10%	6%	-33%	20%	41%	3%	-8%	23%	1%	5%	4%	10%	8%	7%	8%	8%
Gross margin	-9%	58%	-50%	-69%	-20%	45%	-52%	166%	310%	47%	-15%	65%	-12%	-8%	0%	9%	7%	6%	7%	7%
Marketing	10%	97%	31%	-20%	21%	-45%	-61%	-30%	18%	-31%	54%	22%	14%	-43%	-4%	10%	8%	7%	8%	8%
Salaries and benefits	2%	10%	6%	-31%	-4%	-8%	-1%	15%	63%	14%	34%	32%	28%	16%	27%	10%	8%	7%	8%	8%
Operating expenses	38%	10%	32%	-7%	17%	-1%	4%	7%	61%	15%	-10%	-9%	-11%	-22%	-13%	10%	8%	7%	8%	8%
Operating income (loss)	-192%	313%	-218%	-717%	-186%	-424%	-141%	-231%	-203%	-317%	-71%	-231%	-43%	-46%	-25%	7%	3%	3%	4%	3%
Net income (loss)	391%	4045%	-734%	25396%	1088%	-60%	-146%	-98%	-112%	-184%	84%	-78%	357%	39%	-38%	24%	-4%	-13%	-9%	6%
EPS Diluted (pro forma)	367%	3534%	-790%	25503%	1130%	-58%	-142%	-98%	-112%	-187%	83%	-72%	345%	34%	-40%	19%	-8%	-16%	-12%	2%

Source: Company reports and Ascendant Capital Markets estimates.

FlexShopper, Inc.

Balance Sheet (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	4.3	5.0	5.3	6.1	9.9	6.4	5.7	4.4	24.8	24.6	25.1	24.9	18.4	17.9	18.6	18.8
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	29.5	33.1	33.4	35.5	37.2	39.2	41.4	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8
Loan receivable	7.1	22.5	26.6	32.9	29.3	25.1	31.7	35.8	35.8	35.8	35.8	35.8	35.8	35.8	35.8	35.8
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lease merchandise, net	36.6	36.1	30.7	31.6	26.9	24.6	23.6	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1
Prepaid expenses and other	0.9	1.6	2.0	3.6	2.9	3.1	2.8	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Total current assets	78.5	98.3	97.9	109.7	106.2	98.4	105.3	117.4	137.8	137.6	138.2	137.9	131.4	130.9	131.6	131.8
Property and equipment, net	8.4	9.4	7.4	8.1	8.7	8.8	9.0	9.3	8.9	8.0	7.3	6.8	10.9	10.5	9.7	8.9
Intangibles, net				15.2	14.7	14.3	13.8	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4
Deferred income tax		12.2	13.6	12.0	12.2	13.5	13.2	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9
Other	0.1	0.1	3.2	3.3	3.3	3.2	3.1	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Total assets	87.0	120.0	122.1	148.3	145.0	138.1	144.4	156.5	176.4	175.4	175.2	174.5	172.1	171.2	171.0	170.4
Liabilities and stockholders' equity																
Accounts payable	4.8	5.2	3.9	6.5	3.8	4.0	4.0	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Accrued expenses	2.2	5.2	3.9	4.3	3.2	2.7	3.4	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Lease liability	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt	0.2	1.2	1.2	1.2	1.2	1.2	0.2	0.2	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Total current liabilities	7.5	11.8	9.2	12.2	8.5	8.1	7.9	12.1	33.9	33.9	33.9	33.9	33.9	33.9	33.9	33.9
Deferred income taxes	0.2	0.2	0.2						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities				8.7	8.8				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lease liability	1.7	1.7	1.6	1.6	1.5	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Long term debt	63.4	77.5	88.0	94.8	94.9	101.2	106.6	113.8	113.8	113.8	113.8	113.8	113.8	113.8	113.8	113.8
Total other liabilities	65.4	79.4	89.8	105.0	105.3	102.7	107.9	115.1	115.1	115.1	115.1	115.1	115.1	115.1	115.1	115.1
Preferred stock	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.7	1.0	1.4	1.7	2.1	2.4	2.7
Additional paid-in capital	39.0	39.3	39.8	39.8	40.2	41.6	42.0	42.2	42.2	42.2	42.2	42.2	42.2	42.2	42.2	42.2
Retained earnings	(47.6)	(33.2)	(39.5)	(31.6)	(31.8)	(37.1)	(36.2)	(35.8)	(38.0)	(39.4)	(40.0)	(41.0)	(43.7)	(45.0)	(45.5)	(46.4)
Accumulated other comprehensive income									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	14.2	28.9	23.1	31.0	31.2	27.3	28.6	29.2	27.4	26.3	26.1	25.4	23.0	22.1	21.9	21.4
Total stockholders' equity and liabilities	87.0	120.0	122.1	148.3	145.0	138.1	144.4	156.5	176.4	175.4	175.2	174.5	172.1	171.2	171.0	170.4

Balance Sheet Drivers

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)																
Book Value per Share (diluted)	0.63	1.03	1.06	1.51	1.44	0.94	1.32	1.35	1.25	1.19	1.17	1.13	1.01	0.99	0.96	0.93
Cash per Share (diluted)	0.19	0.18	0.24	0.30	0.45	0.22	0.26	0.20	1.13	1.11	1.13	1.11	0.81	0.81	0.82	0.82
Net cash per Share (diluted)	(2.64)	(2.64)	(3.87)	(4.39)	(3.97)	(3.32)	(4.65)	(5.05)	(5.07)	(5.03)	(4.96)	(4.92)	(5.17)	(5.31)	(5.16)	(5.11)

Source: Company reports and Ascendant Capital Markets estimates

FlexShopper, Inc.

Cash Flow Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(2.4)	14.4	(6.3)	7.9	13.6	(0.2)	(5.3)	0.9	0.4	(4.2)	(2.2)	(1.4)	(0.6)	(1.0)	(5.2)	(2.7)	(1.3)	(0.5)	(0.9)	(5.4)
Depreciation and impairment of	19.2	18.2	18.7	16.4	72.6	15.3	14.5	13.1	13.4	56.3	20.0	20.0	20.0	20.0	80.0	20.0	20.0	20.0	20.0	80.0
Other depreciation and amortiz	0.9	1.1	1.2	1.5	4.8	1.8	1.9	2.0	2.2	7.9	2.2	2.2	2.2	2.2	8.8	2.2	2.2	2.2	2.2	8.8
Stock comp	0.3	0.3	0.4	0.0	1.0	0.4	0.4	0.5	0.3	1.7	0.3	0.3	0.3	0.3	1.4	0.3	0.3	0.3	0.3	1.4
Provisions bad debt	11.8	15.7	15.1	14.8	57.4	11.2	10.8	10.0	10.4	42.5					0.0					0.0
Debt related amortization expen	0.7	(0.5)	0.1	0.1	0.4	0.1	0.2	0.3	0.3	0.8					0.0					0.0
Proceeds from sale of lease receivables	6.6	1.0	1.2	8.8	9.6	(1.0)	1.8	(0.8)	0.0	(0.0)					0.0					0.0
Net changes in the fair value of loans rec	(2.5)	4.4	7.6	9.6	(17.3)	(0.1)	(1.3)	0.3	0.3	(0.9)					0.0					0.0
Deferred income taxes	(0.3)	(12.2)	(1.4)	(3.4)	(17.3)	(0.1)	(1.3)	0.3	0.3	(0.9)					0.0					0.0
Change in fair value of warrant liability					0.0			(6.3)	(7.6)	(13.9)					0.0					0.0
Writedowns and impairments					0.0					0.0					0.0					0.0
Other gains/losses				(14.5)	(14.5)					0.0					0.0					0.0
Other					0.0	0.0	(0.0)	0.0		0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Accounts receivable	(15.0)	(25.9)	(17.3)	(18.1)	(76.3)	(12.9)	(12.9)	(12.2)	(13.8)	(51.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loan receivable	(4.1)	(12.4)	(8.5)	(0.6)	(25.6)	4.6	2.4	0.5	(0.2)	7.4					0.0					0.0
Prepaid expenses & other curre	0.0	(0.2)	0.5	(2.0)	(1.7)	0.6	(0.2)	0.2	(0.5)	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lease merchandise	(14.8)	(17.7)	(13.3)	(17.3)	(63.2)	(10.7)	(12.2)	(12.1)	(18.9)	(53.9)	(20.0)	(20.0)	(20.0)	(20.0)	(80.0)	(20.0)	(20.0)	(20.0)	(20.0)	(80.0)
Other assets	(0.0)	(0.0)	(0.0)	0.2	0.2	0.1	0.1	0.0	0.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	(3.2)	0.4	(1.4)	2.1	(2.0)	(2.7)	0.2	0.0	3.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	(1.1)	3.0	(1.2)	0.4	0.9	(1.1)	(0.5)	0.7	1.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities				(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	(7.9)	(11.7)	(7.9)	(3.7)	(31.2)	5.6	(0.1)	(2.9)	(9.2)	(6.7)	0.3	1.2	2.0	1.6	5.0	(0.2)	1.3	2.0	1.6	4.7
Cash flow from investing activities																				
Purchases of property and equi	(1.6)	(2.1)	(1.2)	(1.6)	(6.5)	(1.8)	(1.4)	(1.5)	(1.8)	(6.3)	(1.8)	(1.4)	(1.5)	(1.8)	(6.3)	(6.3)	(1.8)	(1.4)	(1.5)	(10.9)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions				2.9	2.9	(0.2)	(0.2)	(0.2)	(0.7)	(1.2)					0.0					0.0
Other			(1.2)	(0.4)	(1.6)					0.0					0.0					0.0
Net cash used in investing activ	(1.6)	(2.1)	(2.4)	0.9	(5.2)	(1.9)	(1.5)	(1.7)	(2.4)	(7.6)	(1.8)	(1.4)	(1.5)	(1.8)	(6.3)	(6.3)	(1.8)	(1.4)	(1.5)	(10.9)
Cash flow from financing activities																				
Issuance of debt	9.8	14.9	15.1	3.6	43.5	2.8		5.1	10.3	18.1	21.8	0.0	0.0	0.0	21.8	0.0	0.0	0.0	0.0	0.0
Repayment of debt	(1.2)	0.1	(4.7)	(0.4)	(6.2)	(2.7)	(1.8)	(1.0)	0.1	(5.4)					0.0					0.0
Issuance of stock					0.0			(0.1)	(0.1)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exe	0.1		0.1		0.3	0.0				0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
Cash provided by (used in) fina	8.7	15.0	10.6	3.2	37.5	0.0	(1.8)	3.9	10.3	12.5	21.8	0.0	0.0	0.0	21.8	0.0	0.0	0.0	0.0	0.0
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
Net increase (decrease) in cash	(0.8)	1.1	0.3	0.4	1.1	3.7	(3.5)	(0.6)	(1.3)	(1.8)	20.4	(0.2)	0.5	(0.2)	20.5	(6.5)	(0.5)	0.7	0.2	(6.2)
Beginning cash and equivalents	5.1	4.3	5.4	5.8	5.1	6.2	9.9	6.4	5.7	6.2	4.4	24.8	24.6	25.1	4.4	24.9	18.4	17.9	18.6	24.9
Ending cash and equivalents	4.3	5.4	5.8	6.2	6.2	9.9	6.4	5.7	4.4	4.4	24.8	24.6	25.1	24.9	24.9	18.4	17.9	18.6	18.8	18.8

Source: Company reports and Ascendant Capital Markets estimates

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FlexShopper, Inc.



Source: <https://bigcharts.marketwatch.com/>

Report	Report Date	Rating	Price
	Date		Target
1	4/9/2019	Buy	3.00
2	4/26/2019	Buy	3.00
3	5/9/2019	Buy	3.00
4	8/13/2019	Buy	3.00
5	11/6/2019	Buy	3.00
6	3/9/2020	Buy	5.00
7	5/15/2020	Buy	5.00
8	12/2/2020	Buy	5.00
9	3/12/2021	Buy	6.00
10	5/11/2021	Buy	6.50
11	8/17/2021	Buy	7.00
12	11/20/2021	Buy	7.50
13	4/3/2022	Buy	7.00
14	6/4/2022	Buy	6.50
15	9/7/2022	Buy	7.00
16	11/12/2022	Buy	6.00
17	5/25/2023	Buy	5.50
18	8/24/2023	Buy	4.50
19	12/15/2023	Buy	4.25

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Total return is defined as price appreciation plus dividend yield.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	56	100%	18	32%

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