



FlexShopper, Inc.

Q1 about inline. Loan growth offsetting weaker leases from weakening macro. Lowering our P/T to \$5.50.

COMPANY UPDATE

Rating: BUY

Ticker: FPAY

Price: \$1.09

Target: \$5.50
(from \$6.00)

Q1 about inline: FlexShopper recently (on May 11) reported its fiscal Q1 2023 (ending March) results. Revenue was \$31 million (+6% y-o-y), compared to our estimates of \$34 million and consensus of \$29 million. EPS was \$(0.06), compared to our estimates of \$0.03 and consensus of \$(0.14). There was no Q1 guidance.

Q1 lease declines: Revenues increased +6% (y-o-y) due to loan revenue growth offsetting declines in lease revenue. Gross lease originations (#) were -36% (y-o-y) and lease originations (\$) were -19% (y-o-y) due to the company tightening credit standards and lower consumer interest/response due to weak macro environment. This was offset by higher AOV (average origination value) of \$670 (+26% y-o-y).

Expect improving 2023: LTO revenue were much lower in Q1 than expected as the increasingly challenged macro environment for 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 has made a major push into the installment loan business in 2022. Q1 loan revenue was \$6 million, which was up from Q1 2022's \$1 million, and compared to \$(2) million in Q4 2022.

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

Lowering estimates: We are lowering our 2023 estimates for revenue to \$123 million, from \$140 million, and for EPS to \$(0.20) from \$0.15.

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.

Partner pipeline growing: FlexShopper has a solid retail pipeline and expects to secure additional retail partners in 2023. The company has a major new 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 \$5.50 from \$6.00, 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 25, 2023

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Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.59 –3.17
Shares Outstanding (million):	22
Market cap (\$million):	\$24
EV (\$million):	\$110
Debt (\$million):	\$96
Cash (\$million):	\$10
Avg. Daily Trading Vol. (\$million):	\$0.1
Float (million shares):	13
Short Interest (million shares):	~0
Dividend, annual (yield):	\$0.00 (NA%)

Revenues (US\$ million)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	31A	34E	31E	
Q2 Jun	34E	38E	39E	
Q3 Sep	28E	34E	33E	
Q4 Dec	<u>30E</u>	<u>34E</u>	<u>35E</u>	
Total	123E	140E	139E	
EV/Revs	0.9x		0.8x	

Earnings per Share (pro forma)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	(0.06)A	0.03E	0.01E	
Q2 Jun	(0.05)E	0.03E	0.04E	
Q3 Sep	(0.07)E	0.02E	0.02E	
Q4 Dec	<u>(0.03)E</u>	<u>0.07E</u>	<u>0.04E</u>	
Total	(0.20)E	0.15E	0.11E	
P/E	N/A		10x	

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 May 11) reported its fiscal Q1 2023 (ending March) results.
- Revenue was \$31 million (+6% y-o-y), compared to our estimates of \$34 million and consensus of \$29 million.
- EPS was \$(0.06), compared to our estimates of \$0.03 and consensus of \$(0.14).
- There was no Q1 guidance.
- The company did not provide any specific forward guidance.
- We are lowering our 2023 estimates for revenue to \$123 million, from \$140 million, and for EPS to \$(0.20) from \$0.15.
- We are initiating our 2024 estimates for revenue of \$139 million, and for EPS of \$0.11.

ADDITIONAL DETAILS

- Gross profit for the quarter was \$14 million, compared with our estimate of \$14 million.
- Gross margin for the quarter was 44%, versus 32% last year and our estimate of 40%.
- Operating expenses were \$10 million, versus our estimates of \$10 million.
- Operating income was \$4.2 million, versus our estimates of \$3.4 million.
- Net loss was \$1.2 million, versus our estimates of income of \$0.7 million.
- Adjusted EBITDA was \$6.4 million, versus our estimate of \$5.0 million and \$0.0 million (y-o-y).

- The company's net lease merchandise portfolio was \$27 million (-27% y-o-y), versus \$32 million in Q4 2022.
- The company's loan portfolio was \$29 million, versus \$33 million in Q4 2022.

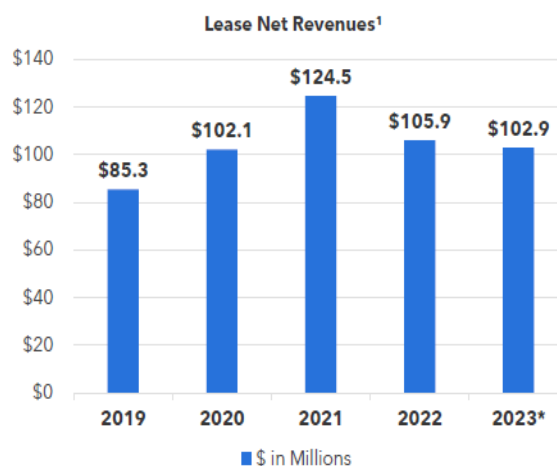
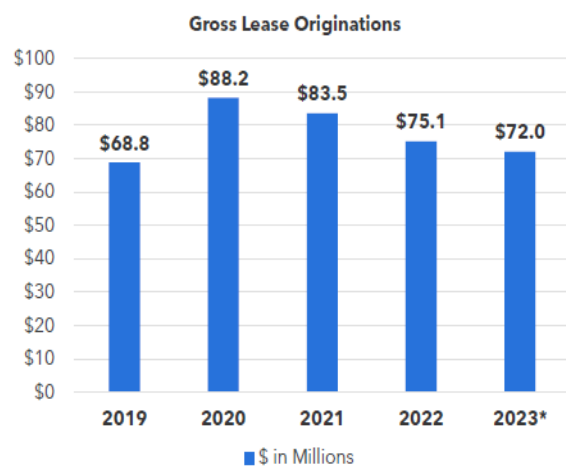
In December 2022, the company acquired the assets of Revolution Financial Inc. This purchase provides FlexShopper with 22 physical store locations, 78 virtual locations located within Liberty Tax stores, and related digital assets in which FlexShopper will make available consumer financing solutions. 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 \$10 million in cash and \$96 million in debt, compared with \$6 million and \$96 million at the end of December.

Exhibit 1: Lease and Loan Originations (as of Q1 2023)

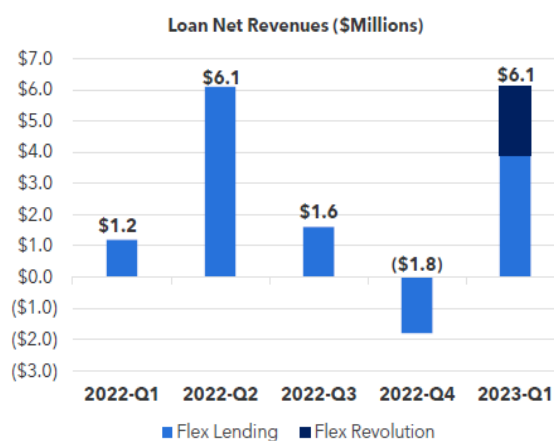
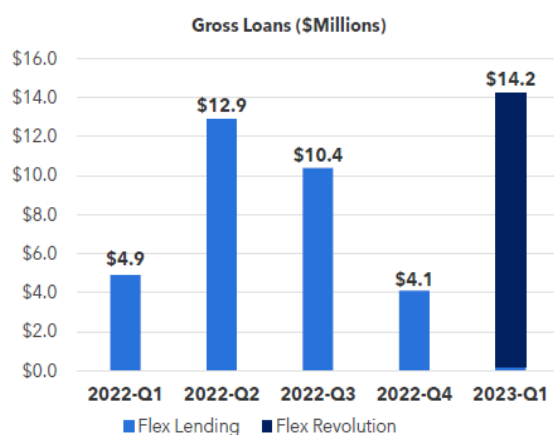
Lease Highlights



¹ Gross Lease Revenue and Fees Less Provision for Doubtful Accounts

*12 Months Ended March 31st, 2023

Loan Highlights



Source: Company report

Exhibit 2: Q1 2023 Highlights and Recent Developments

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

- Total fundings increased 29.2% to \$27.4 million from \$21.2 million consisting of gross lease originations decreasing from \$16.3 to \$13.2 million, loan participations decreased ~96.2% from \$4.9 million to \$0.2 million, and loan originations increasing from \$0 to \$14.0 million
- Total net lease and loan revenues and fees increased 6.3% to \$30.8 million from \$28.9 million
- Gross profit increased 45.2% to \$13.6 million from \$9.4 million
- Adjusted EBITDA¹ increased to \$6.4 million compared to \$(40.3) thousand
- Net loss of \$230.2 thousand compared with net loss of \$2.4 million
- Net loss attributable to common stockholders of \$(1.2) million, or \$(0.06) per diluted share, compared to net loss attributable to common stockholders of \$(3.0) million, or \$(0.14) 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.

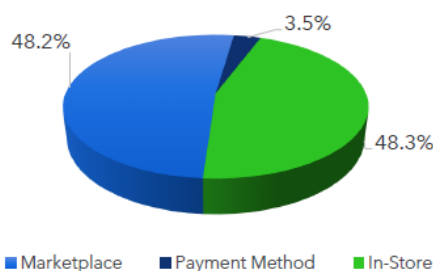
B2C Channel

Online Marketplace

Retailers' products on FlexShopper.com



Channel Makeup



B2B Channels

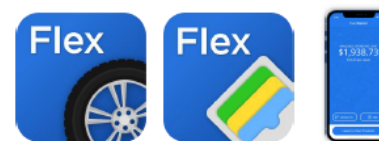
Patented Payment Method

FlexShopper as a payment option on retailer's ecommerce sites



In-Store Save the Sale

Digital mobile payment solution at POS



LTM Ended in March 31st 2023 (\$ in Millions)

	Marketplace	Payment Method	In-Store
New	17.2	2.2	24.6
Repeat	17.5	0.3	10.2

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

Product Categories



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

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!

Source: Company report.

Exhibit 6: FlexShopper Financial Metrics (Q1 2023)

	Three months ended March 31,		\$ Change	% Change
	2023	2022		
Gross Profit:				
Gross lease billings and fees	\$ 34,255,083	\$ 39,597,429	\$ (5,342,346)	(13.5)
Provision for doubtful accounts	(11,238,415)	(11,831,117)	592,702	(5.0)
Gain on sale of lease receivables	1,697,490	-	1,697,490	
Net lease billing and fees	\$ 24,714,158	\$ 27,766,312	\$ (3,052,154)	(11.0)
Loan revenues and fees	5,086,965	1,712,348	3,374,617	197.1
Net changes in the fair value of loans receivable	984,652	(523,424)	1,508,076	(288.1)
Net loan revenues	\$ 6,071,617	\$ 1,188,924	\$ 4,882,693	410.7
Total revenues	\$ 30,785,775	\$ 28,955,236	\$ 1,830,539	6.3
Depreciation and impairment of lease merchandise	(15,345,788)	(19,160,611)	3,814,823	(19.9)
Loans origination costs and fees	(1,833,627)	(425,513)	(1,408,114)	330.9
Gross profit	\$ 13,606,360	\$ 9,369,112	\$ 4,237,248	45.2
Gross profit margin	44%	32%		

	Three months ended March 31,		\$ Change	%Change
	2023	2022		
Adjusted EBITDA:				
Net loss	\$ (230,215)	\$ (2,380,935)	\$ 2,150,720	(90.3)
Income taxes	(148,539)	(859,780)	711,241	(82.7)
Amortization of debt issuance costs	70,367	50,603	19,764	39.1
Amortization of discount on the promissory note related to acquisition	59,239	-	59,239	
Other amortization and depreciation	1,826,157	937,062	889,095	94.9
Interest expense	4,401,721	1,907,465	2,494,256	130.8
Stock-based compensation	420,748	305,229	115,519	37.8
Adjusted EBITDA	\$ 6,399,478	\$ (40,356)	\$ 6,439,834	(15,957.6)

Source: Company report.

Exhibit 7: FlexShopper Stock Price (Five Years)

 Source: <https://bigcharts.marketwatch.com/>
Exhibit 8: Consensus Expectations (as of May 11, 2023)

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$29E		Q1 Mar	\$(0.14)E	
Q2 Jun	\$35E		Q2 Jun	\$(0.10)E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	\$142E	\$170E	Total	\$(0.26)E	\$0.35E

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

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

FINANCIAL MODEL

FlexShopper, Inc.

Income Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	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
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	32.8	30.7	30.9	31.1	125.4	29.0	36.5	26.1	21.4	113.1	30.8	34.4	28.0	29.8	123.0	30.7	39.4	33.4	35.4	138.8
Cost of Revenues	22.5	19.6	18.2	18.9	79.2	19.6	19.0	19.8	17.6	75.9	17.2	21.1	16.8	18.1	73.2	18.3	23.8	20.1	21.4	83.7
Gross Profit	10.3	11.1	12.7	12.2	46.2	9.4	17.5	6.4	3.8	37.1	13.6	13.3	11.1	11.7	49.8	12.3	15.6	13.3	14.0	55.1
Marketing	1.8	1.9	1.8	3.6	9.1	2.0	3.8	2.4	2.9	11.0	1.1	1.4	1.1	1.2	4.8	1.8	2.4	2.0	2.1	8.3
Salaries and benefits	2.9	2.7	2.7	3.2	11.5	3.0	3.0	2.8	2.2	11.0	2.7	3.4	2.8	2.8	11.8	3.1	3.9	3.3	3.4	13.8
Operating expenses	4.1	5.2	4.3	4.6	18.3	5.7	5.7	5.7	4.3	21.4	5.6	4.8	3.9	3.6	17.9	4.3	5.5	4.7	4.6	19.1
Depreciation and amortization					0.0					0.0					0.0					0.0
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	8.9	9.9	8.8	11.3	38.9	10.7	12.5	10.9	9.3	43.4	9.5	9.6	7.8	7.6	34.5	9.3	11.8	10.0	10.1	41.2
Operating income (loss)	1.4	1.2	3.9	0.9	7.4	(1.3)	5.0	(4.5)	(5.5)	(6.3)	4.2	3.7	3.3	4.1	15.2	3.0	3.7	3.3	3.9	13.9
Interest income (expense)	(1.4)	(1.2)	(1.2)	(1.4)	(5.2)	(2.0)	(2.3)	(3.0)	(3.8)	(11.2)	(4.5)	(4.8)	(4.8)	(4.8)	(18.9)	(2.9)	(2.9)	(2.9)	(2.9)	(11.5)
Other income (expense)	(0.6)	1.3	(0.6)	(0.6)	(0.5)	(0.6)	(0.6)	(0.6)	12.6	10.7	(1.0)	0.0	0.0	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(0.6)	1.3	2.0	(1.1)	1.6	(3.9)	2.0	(8.2)	3.3	(6.7)	(1.4)	(1.1)	(1.5)	(0.7)	(4.6)	0.2	0.9	0.4	1.0	2.5
Income taxes		1.0	0.9	(1.1)	0.8	(0.9)	(11.7)	(1.3)	(2.7)	(16.6)	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(0.6)	0.3	1.1	0.0	0.8	(3.0)	13.8	(6.9)	6.0	9.9	(1.2)	(1.1)	(1.5)	(0.7)	(4.5)	0.2	0.9	0.4	1.0	2.5
Nonrecurring/noncash adjustments					0.0		0.5		(0.5)	0.0					0.0					0.0
Net income (pro forma)	(0.6)	0.3	1.1	0.0	0.8	(3.0)	14.3	(6.9)	5.5	9.9	(1.2)	(1.1)	(1.5)	(0.7)	(4.5)	0.2	0.9	0.4	1.0	2.5
EBITDA	2.4	2.1	4.8	2.0	11.4	(0.0)	6.4	(2.9)	(4.0)	(0.5)	6.4	5.9	5.6	6.4	24.2	5.3	6.0	5.5	6.1	22.9
Shares, Basic	21.4	21.6	21.6	20.7	21.4	21.5	21.6	21.7	21.7	21.6	21.8	22.0	22.2	22.4	22.1	22.6	22.8	23.0	23.2	22.9
Shares, Diluted	21.4	23.6	23.6	22.5	23.2	22.5	27.9	21.7	20.5	22.4	21.8	22.0	22.2	22.4	22.1	22.6	22.8	23.0	23.2	22.9
EPS Basic (pro forma)	(\$0.03)	\$0.02	\$0.05	\$0.00	\$0.04	(\$0.14)	\$0.66	(\$0.32)	\$0.25	\$0.46	(\$0.06)	(\$0.05)	(\$0.07)	(\$0.03)	(\$0.20)	\$0.01	\$0.04	\$0.02	\$0.04	\$0.11
EPS Diluted (pro forma)	(\$0.03)	\$0.01	\$0.05	\$0.00	\$0.04	(\$0.13)	\$0.51	(\$0.32)	\$0.27	\$0.44	(\$0.06)	(\$0.05)	(\$0.07)	(\$0.03)	(\$0.20)	\$0.01	\$0.04	\$0.02	\$0.04	\$0.11
Margins																				
Gross margin	31%	36%	41%	39%	37%	32%	48%	24%	18%	33%	44%	39%	40%	39%	40%	40%	40%	40%	39%	40%
Marketing	6%	6%	6%	11%	7%	7%	10%	9%	13%	10%	4%	4%	4%	4%	4%	6%	6%	6%	6%	6%
Salaries and benefits	9%	9%	9%	10%	9%	10%	8%	11%	10%	10%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Operating expenses	13%	17%	14%	15%	15%	20%	16%	22%	20%	19%	18%	14%	14%	12%	15%	14%	14%	14%	13%	14%
Operating margin	4%	4%	13%	3%	6%	-4%	14%	-17%	-26%	-6%	13%	11%	12%	14%	12%	10%	10%	10%	11%	10%
Tax rate, GAAP	0%	75%	46%	102%	49%	22%	-574%	16%	-84%	247%	11%	0%	0%	0%	3%	0%	0%	0%	0%	0%
Net margin	-2%	1%	4%	0%	1%	-10%	38%	-26%	28%	9%	-4%	-3%	-5%	-2%	-4%	1%	2%	1%	3%	2%
Y/Y % change																				
Total Revenue	32%	25%	26%	10%	23%	-12%	19%	-15%	-31%	-10%	6%	-6%	7%	39%	9%	0%	15%	19%	19%	13%
Gross margin	28%	51%	42%	10%	31%	-9%	58%	-50%	-69%	-20%	45%	-24%	75%	205%	34%	-10%	17%	19%	19%	11%
Marketing	78%	104%	11%	57%	55%	10%	97%	31%	-20%	21%	-45%	-64%	-53%	-58%	-57%	67%	72%	79%	78%	74%
Salaries and benefits	14%	21%	7%	1%	10%	2%	10%	6%	-31%	-4%	-8%	14%	-1%	29%	7%	15%	15%	19%	19%	17%
Operating expenses	30%	56%	23%	6%	27%	38%	10%	32%	-7%	17%	-1%	-16%	-31%	-16%	-16%	-24%	15%	19%	29%	6%
Operating income (loss)	11%	53%	212%	-33%	59%	-192%	313%	-218%	-717%	-186%	-424%	-27%	-173%	-175%	-342%	-27%	2%	-1%	-6%	-9%
Net income (loss)	-52%	-138%	-439%	-102%	-124%	391%	4045%	-734%	25396%	1088%	-60%	-108%	-79%	-111%	-145%	-113%	-178%	-129%	-251%	-155%
EPS Diluted (pro forma)	-55%	-134%	-407%	-102%	-122%	367%	3534%	-790%	25503%	1130%	-58%	-110%	-79%	-111%	-146%	-113%	-176%	-128%	-246%	-153%

Source: Company reports and Ascendant Capital Markets estimates.

FlexShopper, Inc.

Balance Sheet (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	6.3	5.1	3.1	5.1	4.3	5.0	5.3	6.1	9.9	9.8	9.0	4.0	4.7	6.7	7.7	4.4
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	11.0	13.2	19.7	29.9	29.5	33.1	33.4	35.5	37.2	37.2	37.2	37.2	37.2	37.2	37.2	37.2
Loan receivable					7.1	22.5	26.6	32.9	29.3	29.3	29.3	29.3	29.3	29.3	29.3	29.3
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lease merchandise, net	39.3	37.6	33.3	40.9	36.6	36.1	30.7	31.6	26.9	26.9	26.9	26.9	26.9	26.9	26.9	26.9
Prepaid expenses and other	0.9	1.0	1.1	1.0	0.9	1.6	2.0	3.6	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Total current assets	57.6	57.0	57.3	76.9	78.5	98.3	97.9	109.7	106.2	106.1	105.3	100.3	101.0	103.0	104.0	100.7
Property and equipment, net	5.9	5.9	7.2	7.8	8.4	9.4	7.4	8.1	8.7	8.0	7.8	12.5	12.4	11.8	11.6	16.3
Intangibles, net								15.2	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
Deferred income tax						12.2	13.6	12.0	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2
Other	0.1	0.1	0.1	0.1	0.1	0.1	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Total assets	63.6	62.9	64.6	84.8	87.0	120.0	122.1	148.3	145.0	144.3	143.2	143.0	143.6	144.9	145.7	147.1
Liabilities and stockholders' equity																
Accounts payable	3.1	3.8	3.3	8.0	4.8	5.2	3.9	6.5	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Accrued expenses	3.4	3.3	4.1	3.4	2.2	5.2	3.9	4.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Lease liability	0.1	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	1.4	4.8	4.8	1.1	0.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Total current liabilities	8.1	12.1	12.4	12.6	7.5	11.8	9.2	12.2	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Deferred income taxes		0.4	0.7	0.5	0.2	0.2	0.2			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.2	0.2	0.2					8.7	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
Warrant liabilities									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lease liability	1.9	1.9	1.8	1.8	1.7	1.7	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Long term debt	41.7	35.3	34.2	53.8	63.4	77.5	88.0	94.8	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9
Total other liabilities	43.8	37.7	36.9	56.1	65.4	79.4	89.8	105.0	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3
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	0.0	0.4	0.8	1.3	1.7	2.1	2.5	2.9
Additional paid-in capital	37.4	37.9	38.3	38.6	39.0	39.3	39.8	39.8	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2
Retained earnings	(48.5)	(47.6)	(45.9)	(45.2)	(47.6)	(33.2)	(39.5)	(31.6)	(31.8)	(32.9)	(34.4)	(35.1)	(34.9)	(34.0)	(33.6)	(32.6)
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	11.8	13.1	15.2	16.1	14.2	28.9	23.1	31.0	31.2	30.5	29.5	29.2	29.8	31.1	32.0	33.4
Total stockholders' equity and liabilities	63.6	62.9	64.6	84.8	87.0	120.0	122.1	148.3	145.0	144.3	143.2	143.0	143.6	144.9	145.7	147.1

Balance Sheet Drivers

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)																
Book Value per Share (diluted)	0.55	0.56	0.65	0.72	0.63	1.03	1.06	1.51	1.44	1.39	1.33	1.31	1.35	1.38	1.40	1.45
Cash per Share (diluted)	0.30	0.22	0.13	0.23	0.19	0.18	0.24	0.30	0.45	0.45	0.40	0.18	0.21	0.30	0.34	0.19
Net cash per Share (diluted)	(1.72)	(1.48)	(1.52)	(2.22)	(2.64)	(2.64)	(3.87)	(4.39)	(3.97)	(3.93)	(3.93)	(4.12)	(4.15)	(3.97)	(3.89)	(3.99)

Source: Company reports and Ascendant Capital Markets estimates

FlexShopper, Inc.

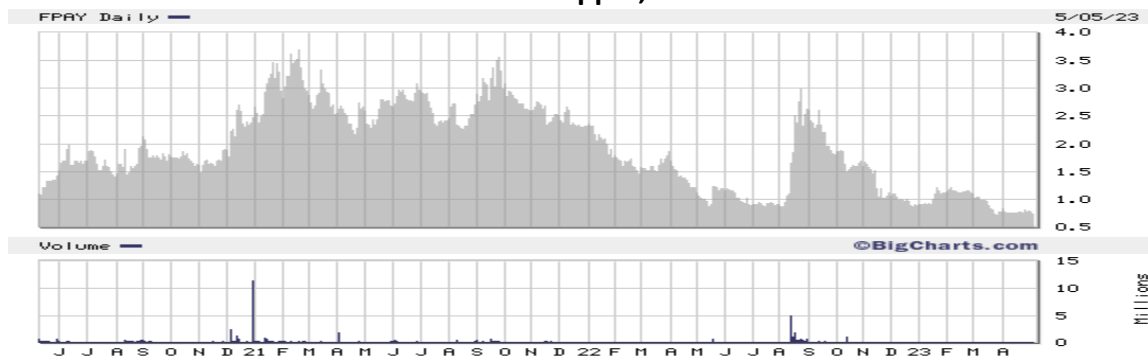
Cash Flow Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	0.0	0.9	1.7	0.6	3.3	(2.4)	14.4	(6.3)	7.9	13.6	(0.2)	(1.1)	(1.5)	(0.7)	(3.5)	0.2	0.9	0.4	1.0	2.5	
Depreciation and impairment of	21.2	17.9	16.9	17.6	73.6	19.2	18.2	18.7	16.4	72.6	15.3	20.0	20.0	20.0	75.3	20.0	20.0	20.0	20.0	80.0	
Other depreciation and amortiz	0.7	0.7	0.7	0.8	2.9	0.9	1.1	1.2	1.5	4.8	1.8	1.8	1.8	1.8	7.3	1.8	1.8	1.8	1.8	7.3	
Stock comp	0.6	0.4	0.4	0.2	1.6	0.3	0.3	0.4	0.0	1.0	0.4	0.4	0.4	0.4	1.7	0.4	0.4	0.4	0.4	1.7	
Provisions bad debt	8.8	10.0	11.8	9.9	40.5	11.8	15.7	15.1	14.8	57.4	11.2				11.2					0.0	
Debt related amortization exper	0.1	0.0	0.0	0.0	0.2	0.7	(0.5)	0.1	0.1	0.4	0.1				0.1					0.0	
Proceeds from sale of lease receivables					0.0		6.6	1.0	1.2	8.8					0.0					0.0	
Net changes in the fair value of loans receivable					0.0		(2.5)	4.4	7.6	9.6	(1.0)				(1.0)					0.0	
Deferred income taxes		0.4	0.3	(0.2)	0.5	(0.3)	(12.2)	(1.4)	(3.4)	(17.3)	(0.1)				(0.1)					0.0	
Change in fair value of warrant liability					0.0					0.0					0.0					0.0	
Writedowns and impairments				0.0	0.0					0.0					0.0					0.0	
Other gains/losses		(1.9)			(1.9)			(14.5)	(14.5)	(14.5)					0.0					0.0	
Other					0.0					0.0	0.0				0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable	(9.8)	(12.1)	(18.3)	(20.1)	(60.4)	(15.0)	(25.9)	(17.3)	(18.1)	(76.3)	(12.9)	0.0	0.0	0.0	(12.9)	0.0	0.0	0.0	0.0	0.0	
Loan receivable					0.0	(4.1)	(12.4)	(8.5)	(0.6)	(25.6)	4.6				4.6					0.0	
Prepaid expenses & other curre	(0.1)	(0.1)	(0.1)	0.2	(0.1)	0.0	(0.2)	0.5	(2.0)	(1.7)	0.6	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0	
Lease merchandise	(17.7)	(16.2)	(12.6)	(25.2)	(71.7)	(14.8)	(17.7)	(13.3)	(17.3)	(63.2)	(10.7)	(20.0)	(20.0)	(20.0)	(70.7)	(20.0)	(20.0)	(20.0)	(20.0)	(80.0)	
Other assets	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	0.2	0.2	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	
Accounts payable	(4.8)	0.7	(0.5)	4.6	0.1	(3.2)	0.4	(1.4)	2.1	(2.0)	(2.7)	0.0	0.0	0.0	(2.7)	0.0	0.0	0.0	0.0	0.0	
Accrued expenses	0.4	(0.1)	0.8	(0.9)	0.2	(1.1)	3.0	(1.2)	0.4	0.9	(1.1)	0.0	0.0	0.0	(1.1)	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	
Net cash (used in) provided by	(0.6)	0.5	1.2	(12.4)	(11.3)	(7.9)	(11.7)	(7.9)	(3.7)	(31.2)	5.6	1.1	0.8	1.6	9.1	2.4	3.1	2.7	3.2	11.4	
Cash flow from investing activities																					
Purchases of property and equi	(0.7)	(0.6)	(2.1)	(1.5)	(4.9)	(1.6)	(2.1)	(1.2)	(1.6)	(6.5)	(1.8)	(1.2)	(1.6)	(6.5)	(11.1)	(1.8)	(1.2)	(1.6)	(6.5)	(11.1)	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions					0.0				2.9	2.9	(0.2)				(0.2)					0.0	
Other					0.0		(1.2)	(0.4)	(1.6)	(1.6)					0.0					0.0	
Net cash used in investing activ	(0.7)	(0.6)	(2.1)	(1.5)	(4.9)	(1.6)	(2.1)	(2.4)	0.9	(5.2)	(1.9)	(1.2)	(1.6)	(6.5)	(11.2)	(1.8)	(1.2)	(1.6)	(6.5)	(11.1)	
Cash flow from financing activities																					
Issuance of debt	3.5		0.5	15.9	19.9	9.8	14.9	15.1	3.6	43.5	2.8	0.0	0.0	0.0	2.8	0.0	0.0	0.0	0.0	0.0	
Repayment of debt	(4.4)	(1.1)	(1.6)	(0.0)	(7.2)	(1.2)	0.1	(4.7)	(0.4)	(6.2)	(2.7)				(2.7)					0.0	
Issuance of stock					0.0					0.0					0.0					0.0	
Proceeds from stock option exe	0.0	0.0	0.0	0.0	0.1	0.1	0.1			0.3	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	(0.9)	(1.1)	(1.1)	15.9	12.8	8.7	15.0	10.6	3.2	37.5	0.0	0.0	0.0	0.0	0.0	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	(2.2)	(1.2)	(2.0)	1.9	(3.4)	(0.8)	1.1	0.3	0.4	1.1	3.7	(0.0)	(0.9)	(4.9)	(2.1)	0.7	2.0	1.0	(3.2)	0.4	
Beginning cash and equivalents	8.5	6.3	5.1	3.1	8.5	5.1	4.3	5.4	5.8	5.1	6.2	9.9	9.8	9.0	6.2	4.0	4.7	6.7	7.7	4.0	
Ending cash and equivalents	6.3	5.1	3.1	5.1	5.1	4.3	5.4	5.8	6.2	6.2	9.9	9.8	9.0	4.0	4.0	4.7	6.7	7.7	4.4	4.4	

Source: Company reports and Ascendant Capital Markets estimates

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FlexShopper, Inc.



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

Report	Report Date	Rating	Price 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

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HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

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	50	100%	18	36%

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