

FlexShopper[®]

FlexShopper Files Registration Statement for Proposed Rights Offering to its Stockholders

October 28, 2024

Net proceeds of the rights offering will be used primarily to repurchase over 90% of the Company's series 2 convertible preferred stock and reduce a portion of the outstanding balance under its credit facility

BOCA RATON, Fla., Oct. 28, 2024 (GLOBE NEWSWIRE) -- FlexShopper, Inc. (Nasdaq: FPAY) (the "Company") announced today that it has filed a registration statement on Form S-1 with the Securities and Exchange Commission (the "SEC") for a proposed rights offering in which it plans to distribute to its stockholders non-transferable subscription rights to purchase up to 35,000,000 units. Each unit will consist of one share of common stock (the "Common Shares") and three short-term rights to purchase additional Common Shares at varying discounted market-based prices.

Officers and directors of the Company have given indications they intend to participate in the rights offering.

Under the proposed unit rights offering, each future record date stockholder (which has not yet been determined) will receive, at no charge, two unit subscription rights for each Common Share owned on the record date (the "Subscription Rights"). The distribution of rights and commencement of the rights offering will occur promptly following the effectiveness of the registration statement. The record date for the distribution of the rights, the dates for both the subscription period and the expiration of the rights offering, and related pricing information will be included in the final prospectus.

Holders who fully exercise their Unit Subscription Rights will be entitled to oversubscribe for an additional number of units, if available, that are not purchased by other stockholders through the exercise of their Subscription Rights, subject to pro rata allocation of those additional over-subscription units in proportion to the number of over-subscription units for which they subscribed.

The Company intends to use the net proceeds of the rights offering to provide funding for the repurchase of over 90% of its series 2 convertible preferred stock, reduce a portion of the outstanding balance under its credit facility, and finance the costs of potential acquisitions of other payment solutions companies. Any remaining proceeds will be used for general corporate purposes.

Questions about the rights offering may be directed to and, when available, copies of the prospectus may be obtained from FlexShopper's Information Agent, MacKenzie Partners, Inc., by telephone at (212) 929-5500 (bankers and brokers) or (800) 322-2885 (all others) or by email at rightsoffer@mackenziepartners.com.

The Company has engaged Moody Capital Solutions, Inc. to act as dealer manager for the rights offering.

FlexShopper reserves the right to terminate the proposed rights offering at any time prior to the expiration date and for any reason.

A registration statement relating to these securities has been filed with the SEC but has not yet become effective. The securities may not be sold nor offers to buy be accepted prior to the time the registration statement becomes effective. This announcement shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state. The rights offering, which is expected to be launched immediately following the effectiveness of the registration statement, will be made only by means of a prospectus.

About FlexShopper, Inc.

FlexShopper, Inc. is a leading national financial technology company that offers innovative payment options to consumers. FlexShopper provides a variety of flexible funding options for underserved consumers through its direct-to-consumer online marketplace at [Flexshopper.com](https://flexshopper.com) and in partnership with merchants both online and at brick-and-mortar locations. FlexShopper's solutions are crafted to meet the needs of a wide range of consumer segments through lease-to-own and lending products.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of the Company. The information contained in this press release may include, but are not limited to, statements about undertaking the rights offering described herein, operating performance, trends, events that we expect or anticipate will occur in the future, statements about sales levels, restructuring, profitability and anticipated expenses and cash outflows. All statements in this document other than statements of historical fact are statements that are, or could be, deemed "forward-looking statements" within the meaning of the Act and words such as "may," "intend," "believe," "expect," "anticipate," "estimate," "project," "forecast" and other terms of similar meaning that indicate future events and trends are also generally intended to identify forward-looking statements. Forward-looking statements speak only as of the date on which such statements are made, are not guarantees of future performance or expectations and involve risks and uncertainties. For the Company, these risks and uncertainties include, but are not limited to: our ability to obtain adequate financing to fund our business operations in the future; the failure to successfully manage and grow our [FlexShopper.com](https://flexshopper.com) e-commerce platform; our ability to maintain compliance with financial covenants under our credit agreement; our dependence on the success of our third-party retail partners and our continued relationships with them; our compliance with various federal, state and local laws and regulations, including those related to consumer protection; the failure to protect the integrity and security of customer and employee information; and those discussed more fully in documents filed with the SEC by the Company, particularly in Item 1A, Risk Factors, in Part I of the Company's Annual

Report on Form 10-K for the year ended December 31, 2023, and Part II of the Company's subsequently filed Quarterly Reports on Form 10-Q. The Company cannot guarantee any future results, levels of activity, performance or achievements. In addition, there may be events in the future that the Company may not be able to predict accurately or control which may cause actual results to differ materially from expectations expressed or implied by forward-looking statements. Except as required by U.S. federal securities law, we assume no obligation, and disclaim any obligation, to update forward-looking statements whether as a result of new information, events or otherwise.

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