

# FlexShopper®

## FlexShopper Provides Update on Holiday Season and 2024 Fourth Quarter Results

January 6, 2025

*Positive momentum remained strong for the month of December with record application volume, record lease and loan originations and record retail product margin*

*Operating metrics substantially better than the results in the third quarter of 2024 and the fourth quarter of 2023, which produced prior record financial results for those respective periods*

BOCA RATON, Fla., Jan. 06, 2025 (GLOBE NEWSWIRE) -- **FlexShopper, Inc. (Nasdaq: FPAY)**, a prominent national online lease-to-own retailer and payment solutions provider, today announced strong operating results for the fourth quarter of 2024 and the 2024 holiday season. Performance during the fourth quarter of 2024 reflects the successful transformation underway as a result of FlexShopper's direct-to-consumer (DTC) and business-to-business (B2B) growth strategies.

"2024 was a transformative year for FlexShopper, highlighting the multi-year strategies we have been pursuing to profitably grow our business, manage risk, provide more payment options for our DTC and B2B customers, and leverage the patented, asset light, technology enabled platform we have developed," said Russ Heiser, CEO at FlexShopper. "Most importantly, our fourth quarter operating performance highlights the hard work of our talented and committed team members, and the value our payment solutions provide customers across the U.S. The fourth quarter of 2023 and the third quarter of 2024 produced record quarterly financial results, respectively, and the fourth quarter of 2024 has significantly outperformed those quarters."

### **FlexShopper provided the following operating results for the month of December 2024:**

- FlexShopper experienced record levels of lease originations, with overall originations up 35% year-over-year and marketplace originations up 42% year-over-year, while maintaining disciplined underwriting standards.
- Record new customer application volume in December 2024, up over 45% year-over-year.
- New customer applications on the Company's [flexshopper.com](https://flexshopper.com) marketplace increased 34% year-over-year reflecting strengthening customer demand and awareness.
- Over 40% year-over-year reduction in marketplace marketing cost per new customer in December 2024, resulting in a 34% year-over-year reduction in digital marketing spend, while achieving 13% growth in new customer count.
- Record retail product margin on the Company's [flexshopper.com](https://flexshopper.com) marketplace in December of over \$1.4 million, a 34% year-over-year increase, as a result of higher origination volume, higher product margin, and the contribution of additional 3<sup>rd</sup> party funded sales on [flexshopper.com](https://flexshopper.com).
- Highest new customer originations in FlexShopper's Revolution Loan business since the Company acquired the business in December 2022 with a 95% year-over-year increase.
- Asset quality continued to improve, with 12 consecutive months of seasoned originations demonstrating year-over-year increases in cumulative payment rate.

### **FlexShopper provided the following operating results for the fourth quarter of 2024 compared to the third quarter of 2024:**

- Total lease originations were up 58% in the fourth quarter of 2024 vs the third quarter of 2024.
- Originations on the Company's [flexshopper.com](https://flexshopper.com) marketplace increased 152% in the fourth quarter of 2024 vs the third quarter of 2024.
- Application volume for both marketplace and total lease business was up 34% in the fourth quarter of 2024 vs the third quarter of 2024.
- 60% quarter-over-quarter reduction in marketing cost per new DTC customer in the fourth quarter of 2024.
- Retail product margin on the Company's [flexshopper.com](https://flexshopper.com) marketplace of \$2.1 million, a 143% increase
- New customer originations in FlexShopper's Revolution Loan business increased 43% in the fourth quarter of 2024 vs the third quarter of 2024.

### **FlexShopper provided the following operating results for the fourth quarter of 2024 compared to the fourth quarter of 2023:**

- Total lease application volume was up 8% in the fourth quarter of 2024 vs the fourth quarter of 2023.
- 22% year-over-year reduction in marketplace marketing cost per new customer in the fourth quarter of 2024 vs the fourth

quarter of 2023.

- New customer originations in FlexShopper's Revolution Loan business increased 52% in the fourth quarter of 2024 vs the fourth quarter of 2023.

Mr. Heiser continued, "We believe FlexShopper is filling a valuable need across retail channels by providing flexible payment solutions to consumers through an easy to use, technology enabled application process. This is producing strong demand from current and potential B2B partners, while simultaneously driving growth on our DTC [flexshopper.com](https://flexshopper.com) digital marketplace. In addition, we expect the significant origination growth we experienced for the fourth quarter of 2024 will support strong financial results in 2025, as prior period lease originations are recognized as lease revenue and benefit financial results in future quarters. These trends, combined with higher levels of originations, are expected to drive continued growth in revenue and profitability in 2025."

FlexShopper's financial closing procedures for the full fourth quarter ending December 31, 2024, are not yet complete. However, the operating results are indicative of financial results historically.

#### **About FlexShopper, Inc.:**

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

#### **Forward-Looking Statements**

All statements in this release that are not based on historical fact are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, can generally be identified by the use of forward-looking terms such as "believe," "expect," "may," "will," "should," "could," "seek," "intend," "plan," "goal," "estimate," "anticipate," or other comparable terms. Examples of forward-looking statements include, among others, statements we make regarding expectations of lease originations, the expansion of our lease-to-own program; expectations concerning our partnerships with retail partners; investments in, and the success of, our underwriting technology and risk analytics platform; our ability to collect payments due from customers; expected future operating results and expectations concerning our business strategy. Forward-looking statements involve inherent risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, as a result of various factors including, among others, the following: 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 the other risks and uncertainties described in the Risk Factors and in Management's Discussion and Analysis of Financial Condition and Results of Operations sections of our Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q. The forward-looking statements made in this release speak only as of the date of this release, and FlexShopper assumes no obligation to update any such forward-looking statements to reflect actual results or changes in expectations, except as otherwise required by law.

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Source: FlexShopper, Inc.