

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 11, 2023

**FlexShopper, Inc.**

(Exact Name of Registrant as Specified in Charter)

Delaware (State or other jurisdiction of incorporation)	001-37945 (Commission File Number)	20-5456087 (IRS Employer Identification No.)
901 Yamato Road, Suite 260 Boca Raton, Florida (Address of principal executive offices)		33431 (Zip Code)

Registrant's telephone number, including area code: (855) 353-9289

(Former Name or Former Address, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	FPAY	The Nasdaq Stock Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**CURRENT REPORT ON FORM 8-K**

**FlexShopper, Inc.** (the “Company”)

**May 11, 2023**

**Item 2.02. Results of Operations and Financial Condition.**

FlexShopper, Inc. (Nasdaq:FPAY) (“FlexShopper”), a leading national online lease-to-own (“LTO”) retailer and payment solution provider for underserved consumers, today announced its financial results for the quarter ended March 31, 2023. A copy of the press release is furnished with this report as Exhibit 99.1. Such information, including the Exhibit attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(a) Exhibits. The exhibit listed in the following Exhibit Index is filed as part of this current report.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release issued by FlexShopper, Inc. on May 11, 2023.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**FLEXSHOPPER, INC.**

Date: May 11, 2023

By: /s/ H. Russell Heiser, Jr.  
H. Russell Heiser, Jr.  
Chief Executive Officer  
(Principal Executive Officer and  
Principal Financial and Accounting Officer)

# FlexShopper<sup>®</sup>

## FlexShopper, Inc. Reports First Quarter 2023 Financial Results

BOCA RATON, Fla., May 11, 2023 (GLOBE NEWSWIRE) -- FlexShopper, Inc. (Nasdaq:FPAY) ("FlexShopper"), a leading national online lease-to-own ("LTO") retailer and payment solution provider for underserved consumers, today announced its financial results for the quarter ended March 31, 2023.

### 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 EBITDA<sup>1</sup> 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

<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure. Refer to the definition and reconciliation of this measure under "Non-GAAP Measures".

### Conference Call and Webcast Details

Conference call

Date: Monday May 15, 2023

Time: 8:30 a.m. Eastern Time

Participant Dial-In Numbers:

Domestic callers: (877) 407-2988

International callers: +1 (201) 389-0923

Webcast: <https://event.choruscall.com/mediaframe/webcast.html?webcastid=G5YRTvWe>

The call will also be simultaneously webcast over the Internet via the "Investor" section of the Company's website at [www.flexshopper.com](http://www.flexshopper.com) or by clicking on the conference call link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=G5YRTvWe>

An audio replay of the call will be archived on the Company's website.

---

**FLEXSHOPPER, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues:</b>		
Lease revenues and fees, net	\$ 24,714,158	\$ 27,766,312
Loan revenues and fees, net of changes in fair value	6,071,617	1,188,924
<b>Total revenues</b>	<b>30,785,775</b>	<b>28,955,236</b>
<b>Costs and expenses:</b>		
Depreciation and impairment of lease merchandise	15,345,788	19,160,611
Loan origination costs and fees	1,833,627	425,513
Marketing	1,099,189	2,014,115
Salaries and benefits	2,726,890	2,964,442
Operating expenses	5,627,708	5,673,202
<b>Total costs and expenses</b>	<b>26,633,202</b>	<b>30,237,883</b>
<b>Operating income/ (loss)</b>	<b>4,152,573</b>	<b>(1,282,647)</b>
Interest expense including amortization of debt issuance costs	4,531,327	1,958,068
Loss before income taxes	(378,754)	(3,240,715)
Benefit from income taxes	148,539	859,780
<b>Net loss</b>	<b>(230,215)</b>	<b>(2,380,935)</b>
Dividends on Series 2 Convertible Preferred Shares	972,233	609,777
<b>Net loss attributable to common and Series 1 Convertible Preferred shareholders</b>	<b>\$ (1,202,448)</b>	<b>\$ (2,990,712)</b>
<b>Basic and diluted loss per common share:</b>		
Basic	\$ (0.06)	\$ (0.14)
Diluted	\$ (0.06)	\$ (0.14)
<b>WEIGHTED AVERAGE COMMON SHARES:</b>		
Basic	21,751,304	21,547,069
Diluted	21,751,304	21,547,069

**FLEXSHOPPER, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited)

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 9,861,646	\$ 6,051,713
Restricted cash	7,881	121,636
Lease receivables, net	37,153,935	35,540,043
Loan receivables at fair value	29,317,948	32,932,504
Prepaid expenses and other assets	2,912,447	3,489,136
Lease merchandise, net	26,908,105	31,550,441
<b>Total current assets</b>	<b>106,161,962</b>	<b>109,685,473</b>
Property and equipment, net	8,677,314	8,086,862
Right of use asset, net	1,366,235	1,406,270
Intangible assets, net	14,719,290	15,162,349
Other assets, net	1,884,060	1,934,728
Deferred tax asset, net	12,162,368	12,013,828
<b>Total assets</b>	<b>\$ 144,971,229</b>	<b>\$ 148,289,510</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 3,843,178	\$ 6,511,943
Accrued payroll and related taxes	565,370	310,820
Promissory notes to related parties, including accrued interest	1,210,806	1,209,455
Accrued expenses	2,647,608	3,988,093
Lease liability - current portion	217,862	208,001
<b>Total current liabilities</b>	<b>8,484,824</b>	<b>12,228,312</b>
Loan payable under credit agreement to beneficial shareholder, net of \$281,884 at 2023 and \$352,252 at 2022 of unamortized issuance costs	81,093,116	80,847,748
Promissory notes to related parties, net of current portion	10,750,000	10,750,000
Promissory note related to acquisition, net of discount of \$1,105,789 at 2023 and \$1,165,027 at 2022	3,063,771	3,158,471
Purchase consideration payable related to acquisition	8,844,959	8,703,684
Lease liabilities net of current portion	1,508,168	1,566,622
<b>Total liabilities</b>	<b>113,744,838</b>	<b>117,254,837</b>
<b>STOCKHOLDERS' EQUITY</b>		
Series 1 Convertible Preferred Stock, \$0.001 par value - authorized 250,000 shares, issued and outstanding 170,332 shares at \$5.00 stated value	851,660	851,660
Series 2 Convertible Preferred Stock, \$0.001 par value - authorized 25,000 shares, issued and outstanding 21,952 shares at \$1,000 stated value	21,952,000	21,952,000
Common stock, \$0.0001 par value- authorized 40,000,000 shares, issued and outstanding 21,752,304 shares at March 31, 2023 and 21,750,804 shares at December 31, 2022	2,176	2,176
Additional paid in capital	40,241,353	39,819,420
Accumulated deficit	(31,820,798)	(31,590,583)
<b>Total stockholders' equity</b>	<b>31,226,391</b>	<b>31,034,673</b>
	<b>\$ 144,971,229</b>	<b>\$ 148,289,510</b>

**FLEXSHOPPER, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the three months ended March 31, 2023 and 2022**  
**(unaudited)**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (230,215)	\$ (2,380,935)
Adjustments to reconcile net loss to net cash provided by/ (used in) operating activities:		
Depreciation and impairment of lease merchandise	15,345,788	19,160,611
Other depreciation and amortization	1,826,157	937,062
Amortization of debt issuance costs	70,367	50,603
Amortization of discount on the promissory note related to acquisition	59,239	-
Compensation expense related to stock-based compensation	420,748	305,229
Provision for doubtful accounts	11,238,415	11,831,117
Interest in kind added to promissory notes balance	1,351	170,765
Deferred income tax	(148,539)	(317,006)
Net changes in the fair value of loans receivables at fair value	(984,652)	523,424
Changes in operating assets and liabilities:		
Lease receivables	(12,852,307)	(15,655,280)
Loans receivables at fair value	4,599,208	(4,100,819)
Prepaid expenses and other assets	576,689	650,764
Lease merchandise	(10,703,452)	(14,816,328)
Purchase consideration payable related to acquisition	141,275	-
Lease liabilities	(6,032)	(2,511)
Accounts payable	(2,668,765)	(3,165,343)
Accrued payroll and related taxes	254,550	273,946
Accrued expenses	(1,340,486)	(1,405,958)
Net cash provided by/ (used in) operating activities	<u>5,599,339</u>	<u>(7,940,659)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment, including capitalized software costs	(1,753,800)	(1,260,755)
Purchases of data costs	(169,082)	(293,055)
Net cash used in investing activities	<u>(1,922,882)</u>	<u>(1,553,810)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan payable under credit agreement	2,750,000	6,800,000
Repayment of loan payable under credit agreement	(2,575,000)	(1,125,000)
Debt issuance related costs	-	(86,931)
Proceeds from exercise of stock options	1,185	137,057
Proceeds from promissory notes to related parties	-	3,000,000
Principal payment under finance lease obligation	(2,526)	(2,796)
Repayment of purchase consideration payable related to acquisition	(153,938)	-
Repayment of installment loan	-	(2,802)
Net cash provided by financing activities	<u>19,721</u>	<u>8,719,528</u>
<b>INCREASE / (DECREASE) IN CASH and RESTRICTED CASH</b>	<b>3,696,178</b>	<b>(774,941)</b>
CASH and RESTRICTED CASH, beginning of period	6,173,349	5,094,642
CASH and RESTRICTED CASH, end of period	<u>\$ 9,869,527</u>	<u>\$ 4,319,701</u>
Supplemental cash flow information:		
Interest paid	\$ 3,867,982	\$ 1,679,296

## Non-GAAP Measures

We regularly review a number of metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions.

Adjusted EBITDA represents net income before interest, stock-based compensation, taxes, depreciation (other than depreciation of leased merchandise), amortization, and one-time or non-recurring items. We believe that Adjusted EBITDA provides us with an understanding of one aspect of earnings before the impact of investing and financing charges and income taxes.

Key performance metrics for the three months ended March 31, 2023 and 2022 are as follows:

	<b>Three months ended March 31,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2023</b>	<b>2022</b>		
<b>Gross Profit:</b>				
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%		
<b>Adjusted EBITDA:</b>				
	<b>Three months ended March 31,</b>			
	<b>2023</b>	<b>2022</b>	<b>\$ Change</b>	<b>% Change</b>
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)

The Company refers to Adjusted EBITDA in the above table as the Company uses this measure to evaluate operating performance and to make strategic decisions about the Company. Management believes that Adjusted EBITDA provides relevant and useful information which is widely used by analysts, investors and competitors in its industry in assessing performance.



## About FlexShopper

FlexShopper, Inc. (FPAY) is a financial technology company that provides electronics, home furnishings and other durable goods to underserved consumers on a lease-to-own (LTO) basis through its patented e-commerce marketplace (www.FlexShopper.com). FlexShopper also provides LTO and loan technology platforms to a growing number of retailers and e-retailers to facilitate transactions with consumers without access to traditional financing.

## 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 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.

## Contact:

FlexShopper, Inc.  
Investor Relations  
ir@flexshopper.com



FlexShopper, Inc.