

0001213900-24-091236S-1 FlexShopper, Inc. 2024102820241028165616165616165616 0 0001213900-24-091236 S-1 18 20241028 20241028 FlexShopper, Inc. 0001397047 7359 205456087 DE 1231 S-1 33 333-282857 241401582 901 YAMATO ROAD SUITE 260 BOCA RATON FL 33431 (561) 367-1504 901 YAMATO ROAD SUITE 260 BOCA RATON FL 33431 Anchor Funding Services, Inc. 20070419 S-1 1 ea0217572-01.htm REGISTRATION STATEMENT As filed with the Securities and Exchange Commission on October 28, 2024 Registration No. 333-A A A A A A A A A A UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM S-1 REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 FlexShopper, Inc. (Exact name of registrant as specified in its charter) Delaware A 6153 A 20-5456087 (State or other jurisdiction of incorporation or organization) A (Primary Standard Industrial Classification Code Number) A (I.R.S.A Employer Identification No.) 901 Yamato Road, Suite 260 Boca Raton, FL 33431 Telephone: (855) A 353-9289 (Address, including zip code, and a telephone number, including area code, of a registrant's principal executive offices) H.A Russell Heiser Jr. Chief Executive Officer FlexShopper, Inc. 901 Yamato Road, Suite 260 Boca Raton, FL 33431 Telephone: (855) A 353-9289 (Name, address, including zip code, and telephone number, including area code, of agent for service) With a copy to: Spencer G.A Feldman, Esq. Olshan Frome Wolosky LLP 1325 Avenue of the Americas, 15th Floor New York, NY A 10019 Telephone: (212) A 451-2300 A Ruba Qashu, Esq. Barton LLP 100 Wilshire Blvd., Suite 1300 Santa Monica, CA 90401 Telephone: (424) A 428-1101 Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective. If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule A 415 under the Securities Act of 1933, check the following box A A If this Form is filed to register additional securities for an offering pursuant to Rule A 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. A A If this Form is a post-effective amendment filed pursuant to Rule A 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. A A If this Form is a post-effective amendment filed pursuant to Rule A 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. A A Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule A 12b-2 of the Exchange Act. A Large accelerated filer A A Accelerated filer A A Non-accelerated filer A A Smaller reporting company A A Emerging growth company A A 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 A 7(a)(2)(B) of the Securities Act. A A The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section A 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section A 8(a), may determine. A Table of Contents The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted. Preliminary Prospectus A Subject to Completion, dated October 28, 2024 Non-Transferable Subscription Rights to Purchase Up to 35,000,000 Units Each Unit Consisting of One Share of Common Stock, One Series A Right, One Series B Right and One Series C Right, and shares of Common Stock Issuable Upon Exercise of the Series A Rights, Series B Rights and Series C Rights We are distributing, at no charge, non-transferable subscription rights (the "Subscription Rights") entitling holders of our common stock, series 1 convertible preferred stock and series 2 convertible preferred stock as of the record date of 5:00A p.m., Eastern time, on \_\_\_\_\_, 2024, to purchase units at a subscription price equal to the lower of (i) A an initial price of \$ \_\_\_\_\_ or (ii) A an alternate price equal to 92.5% of the volume weighted average price ("VWAP") of our common stock over the last three trading days prior to the expiration date of the Subscription Rights, rounded down to the nearest whole cent (the "Unit Subscription Price"). Each unit will consist of one share of common stock, one Series A common stock purchase right ("Series A Right"), one Series B common stock purchase right ("Series B Right") and one Series C common stock purchase right ("Series C Right"), collectively with the Series A Right and Series B Right, the "Series A Rights", with each of the Series A Rights entitling the holder to purchase one share of our common stock. Shares of our common stock and the Series A Rights comprising the units may only be purchased as a unit but will be issued separately. We refer to the offering of the Subscription Rights and the Series A Rights as the "offering." Holders will receive two Subscription Rights for each share of our common stock beneficially owned, or issuable upon conversion of our preferred stock, as of the record date. Pursuant to each Subscription Right, you will have the right, which we refer to as your basic subscription right, to purchase one unit. If you exercise your basic subscription right in full, you will also have the right, or over-subscription privilege, to purchase additional units for which other rights holders do not subscribe. Once made, all exercises of the Subscription Rights and the Series A Rights are irrevocable. If at the expiration date of the Subscription Rights, the alternate price is lower than the initial price, any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. The Subscription Rights will expire if not exercised by 5:00A p.m., Eastern time, on \_\_\_\_\_, 2024, the date that is 30A days following the date of this prospectus, unless we extend or terminate this offering. We may extend the offering of the Subscription Rights for one or more additional periods in our sole discretion not to exceed 30A days from the expiration date, in which case all basic subscription rights and over-subscription privileges exercised during the extension period will be filed on a first-come, first-serve basis. We will announce any extension in a press release issued no later than 9:00A a.m., Eastern time, on the business day after the most recently announced expiration date. The Series A Rights are exercisable commencing on their date of issuance at an exercise price equal to the higher of (x) A the Unit Subscription Price or (y) (i) A in the case of the Series A Rights, 90% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series A Rights, which is 30A days following the closing date of the subscription offering, but in any event not to exceed 150% of the Unit Subscription Price, (ii) A in the case of the Series B Rights, 87.5% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series B Rights, which is 60A days following the closing date of the subscription offering, but in any event not to exceed 200% of the Unit Subscription Price, and (iii) A in the case of the Series C Rights, 85% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series C Rights, which is 90A days following the closing date of the subscription offering, but in any event not to exceed 250% of the Unit Subscription Price, with the exercise price in each instance rounded down to the nearest whole cent. If at the expiration date of each of the Series A Rights, the exercise price as determined above, is lower than the initial maximum amount paid, any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. The maximum number of shares of our common stock available for issuance in this offering is 70,000,000 shares. If at any time the issuance of shares pursuant to the exercise of the Subscription Rights or the Series A Rights exceeds such share limitation, no additional shares will be issued, this offering will be terminated and any outstanding rights will immediately expire and the amount subscribed for by each holder will be proportionally reduced. A Table of Contents Our common stock is traded on The Nasdaq Capital Market under the symbol "FFPAY." The closing price of the common stock on October 25, 2024 was \$1.57 per share. None of the Subscription Rights, units, or Series A Rights are transferable. Investing in our securities involves risks. See "Risk Factors" beginning on page A 10 of this prospectus. We and our board of directors are not making any recommendation regarding the exercise of your rights. We have engaged Moody Capital Solutions, Inc. ("Moody Capital") to act as dealer-manager for this offering. This offering is being conducted on a best-efforts basis, and we do not need to receive any minimum amount of proceeds in order to complete this offering. We have currently not entered into any standby purchase agreement, backstop commitment or similar arrangement in connection with this offering. Continental Stock Transfer & Trust Company will serve as the subscription agent for this offering and will retain an escrow agent to hold in escrow funds received from holders until we complete or terminate this offering. A Per Unit A Total Unit Subscription Price (1) A \$ A Dealer-manager fees and expenses (2) A \$ A Proceeds to us, before expenses (3) A \$ A (1) A Assumes the sale of all offered units and no exercise of the Series A Rights included in the units. (2) A We have agreed to pay Moody Capital, as dealer-manager, a cash fee equal to 6.0% of the proceeds of the offering from the exercise of the Subscription Rights and the Series Rights, a non-accountable expense fee equal to 1.0% of the proceeds of the offering from the exercise of the Subscription Rights and the Series Rights and an out-of-pocket accountable expense allowance of \$35,000, except that we will pay Moody Capital a cash fee of 3.0% on the aggregate proceeds from the proceeds of Subscription Rights and Series A Rights exercised by our executive officers and directors and their respective investment vehicles. If the Series Rights are exercised at the Unit Subscription Price (assuming that stockholders exercise Subscription Rights for all of the units that we are offering), the dealer-manager will receive additional fees in the aggregate amount of \$ \_\_\_\_\_. (3) A If the Series A Rights are exercised at the Unit Subscription Price (assuming that stockholders exercise Subscription Rights for all of the units that we are offering), we will receive additional gross proceeds from this offering of approximately \$ \_\_\_\_\_ million from the sale of the remaining 70,000,000 shares available. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. If you have any questions or need further information about this offering, please call MacKenzie Partners, Inc., the information agent for this offering, at (212) A 929-5500 (bankers and brokers) or (800) A 322-2885 (all others) or by email at [rightsoffer@mackenziepartners.com](mailto:rightsoffer@mackenziepartners.com). Dealer-Manager The date of this prospectus is \_\_\_\_\_, 2024 A Table of Contents Table of contents A Page PROSPECTUS SUMMARY A 1 RISK FACTORS A 10 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS A 15 QUESTIONS AND ANSWERS RELATING TO THIS OFFERING A 16 USE OF PROCEEDS A 24 CAPITALIZATION A 26 MARKET FOR COMMON STOCK AND DIVIDEND POLICY A 27 THE OFFERING A 28 DESCRIPTION OF securities A 37 MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS A 42 PLAN OF DISTRIBUTION A 50 LEGAL MATTERS A 52 WHERE YOU CAN FIND ADDITIONAL INFORMATION A 53 You should rely only on the information contained in this prospectus and any free writing prospectus we may authorize to be delivered to you. We have not, and Moody Capital has not, authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus and any related free writing prospectus. We and Moody Capital take no responsibility for, and can provide no assurances as to the reliability of, any information that others may give you. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is only accurate as of the date of this prospectus, regardless of the time of delivery of this prospectus and any sale of units. The information contained in this prospectus includes information incorporated by reference in this prospectus from our filings with the Securities and Exchange Commission, or SEC, listed under "Where You Can Find Additional Information" below, including: A A A A A A A A A A our Annual Report on Form A 10-K for the year ended December A 31, 2023 (filed with the SEC on April A 1, 2024), as amended by Form A 10-K/A (filed with the SEC on April A 3, 2024), which we refer to as our 2023 Annual Report; A A A A A A A A A A our Quarterly Report on Form A 10-Q for the quarterly period ended March A 31, 2024 (filed with the SEC on May A 13, 2024), and our most recent Quarterly Report on Form A 10-Q filed with the SEC from time to time, which as of the date of this prospectus is our Quarterly Report on Form A 10-Q for the quarterly period ended June A 30, 2024 (filed with the SEC on August A 6, 2024), which we refer to as our Latest Form A 10-Q; and A A A A A A A A A A our Current Reports on Form A 8-K (filed with the SEC on March A 28, 2024, October A 8, 2024 and October 28, 2024). In addition to the filings listed above, any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, after (i) A the date of this registration statement and prior to effectiveness of this registration statement and (ii) A the date of this prospectus and before the completion of the offering of the securities included in this prospectus, however, we will not incorporate by reference any document or portions thereof that are not deemed "filed" with the SEC, or any information furnished pursuant to Item A 2.02 or 7.01 of Form A 8-K or related exhibits furnished pursuant to Item A 9.01 of Form A 8-K. Any reference in this prospectus to information that is "contained," "referred to" or "included" in this prospectus, or any similar expression, includes not only the information expressly set forth in this prospectus but also the information incorporated by reference in this prospectus. Unless the context requires otherwise, references in this prospectus to "FlexShopper," "our company," "we," "us," "our" and similar terms refer to FlexShopper, Inc., a Delaware corporation, and its subsidiaries, unless the context otherwise requires. i Table of Contents PROSPECTUS SUMMARY The following summary highlights selected information contained in this prospectus. Because the following is only a summary, it does not contain all of the information you should consider before investing in our securities. Before making an investment decision, you should carefully read all of the information contained in this prospectus, including the risks described under "Risk Factors" and our consolidated financial statements and the related notes incorporated by reference from our 2023 Annual Report and Latest Form A 10-Q. Our Company Overview We are a financial technology company providing transparent and competitive payment options primarily to credit constrained, near and subprime consumers. These consumers may not have the financial liquidity to purchase products and services from traditional retailers via cash or traditional funding sources. We have a single operating segment that provides a variety of consumer funding options. Our lease-to-own ("LTO") programs are designed to improve the quality of life of our customers by providing them with the ability to obtain ownership of high-quality durable products under an affordable payment arrangement. We believe our value supports broad untapped expansion opportunities for FlexShopper within the U.S. consumer retail and e-commerce marketplaces. Our flexible payment terms always offer the consumers a "cash" option for the first 90 days and early buyout options for early payments. At June 30, 2024, approximately 42% of our originations were made to repeat customers, which we believe reflects the value of our payment options. We generate payment options for customers through several market channels. We enable consumers utilizing our e-commerce marketplace to shop for brand name electronics, home furnishings and other durable goods on a LTO basis at FlexShopper.com and other corporate owned sites. After receiving a signed consumer lease, we purchase the item and lease it to our customer. Some of these goods are purchased from retailers while others are sourced from distributors or directly from manufacturers and, as such, we collect a "retail" margin for every transaction originated on our websites. In addition, we partner with leading traditional and e-commerce retailers (who we refer to as our point-of-sale partners, "POS partners" or "retail partners"). In these instances, through a variety of methods, we interact with our retailer partners to provide flexible payment terms that are designed to help customers achieve merchandise ownership. We have numerous patents and continue to submit additional patent applications on critical aspects of our payment options and business processes. Central to our business model is our proprietary LTO Engine. We utilize our technology and LTO Engine to automate the online process for consumers allowing them to receive payment terms, spending limits and enter into leases for durable goods, all within minutes. The LTO Engine allows us to operate through three strategic sales channels: (i) A selling directly to consumers via our online FlexShopper.com Marketplace featuring thousands of durable goods, (ii) A utilizing our LTO payment method at check-out on our retail partners' e-commerce sites and (iii) A facilitating LTO transactions with retailers in their physical locations both through their in-store terminals and our applications accessed via the Internet. We conduct these transactions by approving consumers through our proprietary, risk analytics-powered underwriting model. For the year ended December A 31, 2023, we generated approximately \$132A million in gross lease revenues and fees. Throughout 2023 and to date in 2024, we have made significant changes to our marketplace business model. First, we started to source goods from distributors and manufacturers at discounts to traditional retail prices. This strategy significantly increased the number of items available on our site. It also



incorporated by reference in this prospectus, including our 2023 Annual Report and Latest Quarterly Report on Form 10-Q. For instructions on how to find copies of these documents, please read "Where You Can Find Additional Information." Investors and others should also note that we use social media to communicate with our customers, retailer network and the public about our company, our services, new product developments and other matters. Any information that we consider to be material to an investor's evaluation of our company will be included in filings accessible through the SEC website and may also be disseminated using our investor relations website (<https://flexshopper.com>) and press releases. However, we encourage investors, the media and others interested in our company to also review our social media channels @flexshopper on Twitter and FlexShopper on Facebook, YouTube and Instagram. The information contained in these social media channels is not part of and is not incorporated herein.

6 Table of Contents The Rights Offering Subscription Rights We are distributing, at no charge, non-transferable subscription rights (the "Subscription Rights") entitling holders of our common stock and holders of our series 1 convertible preferred stock and series 2 convertible preferred stock as of the record date of 5:00A p.m., Eastern time, on \_\_\_\_\_, 2024, to purchase units at a subscription price equal to the lower of (i) an initial price of \$ \_\_\_ or (ii) an alternate price equal to 92.5% of the volume weighted average price (the "VWAP") of our common stock over the last three trading days prior to the expiration date of the Subscription Rights, rounded down to the nearest whole cent (the "Unit Subscription Price"). We will announce the Unit Subscription Price in a press release issued no later than 9:00 a.m., Eastern time, on the business day after the expiration date of the Subscription Rights. If at the expiration date of the Subscription Rights, the alternate price is lower than the initial price, any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. Holders will receive two Subscription Rights for each share of our common stock beneficially owned or issuable upon conversion of our preferred stock as of the record date. Your Subscription Rights will consist of: (a) one share of our common stock, which will entitle you to purchase one unit for each Subscription Right; and (b) your over-subscription privilege, which will be exercisable only if you exercise your basic subscription right in full and will entitle you to purchase additional units for which other rights holders do not subscribe, subject to pro rata allocation of those additional units to participating rights holders in proportion to the number of over-subscription units for which they subscribed. Units Each unit will consist of: (i) one share of common stock; (ii) one series A common stock purchase right (the "Series A Right"), exercisable for one share of common stock at an exercise price equal to the higher of (i) the Unit Subscription Price or (ii) 90% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series A Rights, which is 30A days following the closing date of the subscription offering, but in any event not to exceed 150% of the Unit Subscription Price; (iii) one series B common stock purchase right (the "Series B Right"), exercisable for one share of common stock at an exercise price equal to the higher of (i) the Unit Subscription Price or (ii) 87.5% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series B Rights, which is 60A days following the closing date of the subscription offering, but in any event not to exceed 200% of the Unit Subscription Price; and (iv) one series C common stock purchase right (the "Series C Right"), exercisable for one share of common stock at an exercise price equal to the higher of (i) the Unit Subscription Price or (ii) 85% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series C Rights, which is 90A days following the closing date of the subscription offering, but in any event not to exceed 250% of the Unit Subscription Price. Shares of our common stock and the Series A Rights comprising the units may only be purchased as a unit but will be issued separately. The Subscription Rights and the Series A Rights will be exercisable commencing on their date of issuance and are exercisable for cash only in U.S. dollars. If at the expiration date of each of the Series A Rights, the exercise price as determined above is lower than the initial maximum amount paid (e.g., 150%, 200% or 250% of the Unit Subscription Price for the Series A Rights, Series B Rights and Series C Rights, respectively), any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. Exercise of Subscription Rights The Subscription Rights, consisting of basic subscription rights and over-subscription privileges, may be exercised at any time during the subscription period, which commences on \_\_\_\_\_, 2024 and expires at 5:00A p.m., Eastern time, on \_\_\_\_\_, 2024, the date that is 30A days following the date of this prospectus, unless we extend or terminate this offering. Once made, all exercises of Subscription Rights are irrevocable. 7 Table of Contents We may extend the offering for the Subscription Rights for one or more additional periods in our sole discretion not to exceed 30A days from the expiration date. We will announce any extension in a press release issued no later than 9:00A a.m., Eastern time, on the business day after the most recently announced expiration date. If we extend the offering, all basic subscription rights and over-subscription privileges exercised during the extension period will be filled on a first-come, first-serve basis. Subscription Rights may only be exercised in aggregate for whole numbers of units. Only whole numbers of shares of common stock and Series A Rights exercisable for whole numbers of shares will be issuable to you in this offering; any right to a fractional share to which you would otherwise be entitled will be terminated, without consideration to you. Series A Rights, Series B Rights and Series C Rights may be exercised commencing on their date of issuance and continuing, respectively, 30, 60 and 90 days following the closing date of the Subscription Rights offering. Transferability Subscription Rights A The Subscription Rights are evidenced by a subscription certificate and are non-transferable. The Subscription Rights will not be listed for trading on The Nasdaq Capital Market or any other securities exchange or trading market. Units A Shares of our common stock and the Series A Rights comprising the units may only be purchased as a unit but will be issued separately. Units will not be issued as a separate security and will be non-transferable. Common Stock A Shares of common stock included in units will be separately transferable following their issuance. All of the shares of common stock issued in this offering upon exercise of the Subscription Rights and the Series Rights are expected to be listed on The Nasdaq Capital Market under the symbol "FLEX". The Series A Rights A The Series A Rights are evidenced by a subscription certificate for each such right and are non-transferable. The Series A Rights will not be listed for trading on The Nasdaq Capital Market or any other securities exchange or trading market. Use of Proceeds Assuming the sale of all offered units and no exercise of the Series A Rights, we estimate our net proceeds from this offering will total approximately \$ \_\_\_ million, after deducting fees and expenses of Moody Capital, as dealer-manager, and our other estimated offering expenses. If the Series A Rights are exercised at the Unit Subscription Price (assuming that stockholders exercise Subscription Rights for all of the units that we are offering), we will receive additional gross proceeds from this offering of approximately \$ \_\_\_ million from the sale of the remaining 70,000,000 shares available. We intend to use the net proceeds from this offering to (i) provide funding for the repurchase of our series 2 convertible preferred stock from B2 FIEA V LLC, (ii) reduce a portion of the outstanding balance under our credit facility with Waterfall Asset Management, LLC (the "Waterfall"), (iii) finance the costs of potential acquisitions or investments in competitive and complementary payment solution businesses, and (iv) apply the balance for working capital and general corporate purposes. In the event we raise less than approximately \$20.0 million in this offering, we expect to prioritize the use of the net proceeds of this offering for funding the repurchase of our series 2 convertible preferred stock and reducing the outstanding balance under our credit agreement. Any additional net proceeds will be used for further reducing the outstanding balance under our credit agreement, as well as financing potential business acquisitions and for general corporate purposes. See "Use of Proceeds" for a more detailed description of the intended uses of the net proceeds from this offering. Subscription Information In order to obtain subscription information, you should contact: (a) MacKenzie Partners, Inc., which will act as the information agent in connection with this offering, by telephone at (212) 929-5500 (bankers and brokers) or (800) 322-2885 (all others) or by email at [rightsoffer@mackenziepartners.com](mailto:rightsoffer@mackenziepartners.com); or (b) your broker-dealer, trust company or other nominee (including any mobile investment platform) where your Subscription Rights are held. 8 Table of Contents Subscription Procedures In order to exercise your Subscription Rights, including your over-subscription privilege, and your Series A Rights, you should deliver a completed subscription certificate and/or Series Rights certificate and the required payments in U.S. dollars to Continental Stock Transfer & Trust Company, the subscription agent for this offering by the applicable expiration date. Important Dates Set forth below are important dates for this offering: A Dates\* Record date A Commencement date A SUBSCRIPTION RIGHTS A Deadline for delivery of subscription certificates and payment of unit subscription price A Expiration date for Subscription Rights A Extension period A SERIES A RIGHTS A Deadline for delivery of subscription certificates and payment of exercise price A Expiration date for Series A Rights A SERIES B RIGHTS A Deadline for delivery of subscription certificates and payment of exercise price A Expiration date for Series B Rights A SERIES C RIGHTS A Deadline for delivery of subscription certificates and payment of exercise price A Expiration date for Series C Rights A \*A This time schedule assumes that the subscription offering will be completed by its original expiration date. To the extent the subscription period for the Subscription Rights is extended, all following dates will be adjusted accordingly. However, the pricing period of the Subscription Right prior to the original expiration date will not be extended. See "The Rights Offering" A Expiration of Offer. A 9 Table of Contents RISK FACTORS Investing in our securities involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information contained in this prospectus, before making an investment decision with respect to our securities. The occurrence of any of the following risks or those incorporated by reference, or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, results of operations or cash flows. In any such case, the trading price of common stock could decline, and you may lose all or part of your investment. This prospectus also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below and those incorporated by reference. Risks Related to the Rights Offering This offering may cause the price of common stock to decline, and the price may not recover for a substantial period of time, or at all. The Unit Subscription Price of units in this offering, together with the number of shares of common stock we propose to issue and ultimately will issue in the offering (including the number of additional shares of common stock we propose to issue and ultimately will issue upon exercise of the Series A Rights), may result in an immediate decrease in the market value of our common stock. We cannot predict the effect, if any, that the availability of shares for future sale will have on the market price of common stock from time to time. General market price declines or market volatility in the future as a result of the offering could adversely affect the price of our common stock, causing the price of our common stock to fluctuate significantly and making it difficult for you to resell your shares of common stock when you want or at a price you find attractive. If the market price of common stock falls, you may have irrevocably committed to buy shares of common stock in this offering at an effective price per share greater than the prevailing market price. Further, if a substantial number of Subscription Rights are exercised and the exercising rights holders choose to sell some or all of the shares purchased either directly or upon the exercise of their Series A Rights, the resulting sales could depress the market price of common stock. We cannot assure you that the market price of common stock will not decline prior to the expiration of this offering or that, after shares of common stock are issued upon exercise of the Subscription Rights, you will be able to sell shares of common stock purchased in the offering at a price greater than or equal to the effective price paid in the offering. The Unit Subscription Price determined for the subscription offering may not be indicative of the fair value of common stock. The Unit Subscription Price determined for this offering may not be indicative of the fair value of common stock. The Unit Subscription Price was set by our board of directors, and you should not consider the Unit Subscription Price as an indication of the fair value of our common stock. The Unit Subscription Price does not necessarily bear any relationship to the book value of our assets, net worth, past operations, cash flows, earnings/losses, financial condition or any other established criteria for fair value. The market price of our common stock could decline during or after this offering, and you may not be able to sell shares of common stock purchased in the offering, including shares of common stock issuable upon the exercise of the Series A Rights, at a price equal to or greater than the effective price paid in the offering, or at all. Your interest in our company may be diluted as a result of the offering. If you do not fully exercise your basic subscription rights or some or all of your Series A Rights, you will, at the completion of this offering, own a smaller proportional interest in our company on a fully diluted basis than would have been the case if you had fully exercised your basic subscription rights or such Series A Rights. The magnitude of the reduction of your percentage ownership will depend upon the extent to which you and others subscribe in the offering. Based on shares outstanding as of October 25, 2024, after giving effect to this offering (assuming the sale of all offered units and no exercise of the Series A Rights included in the units), we would have up to 56,461,890 shares of common stock outstanding, representing an increase in outstanding shares by approximately 163%. 10 Table of Contents The Subscription Rights, Units and Series Rights are non-transferable and thus there will be no market for them. You cannot transfer or sell your Subscription Rights, units or Series A Rights to anyone else. We do not intend to list such securities for trading on any securities exchange or trading market. Holders of the Series A Rights issued in this offering will have no rights as holders of common stock until they exercise their Series A Rights and acquire the common stock. Until holders of the Series A Rights issued in this offering acquire the shares of common stock upon exercise of such Series A Rights, they will have no rights with respect to the shares of common stock issuable upon the exercise of such Series A Rights. Upon exercise of the Series A Rights, the holders thereof will be entitled to exercise the rights of the holders of our common stock only as to matters for which the record date occurs after the exercise date of the Series A Rights. The market price of common stock may never exceed the exercise price of the Series A Rights. The Series A Rights will be exercisable commencing on their date of issuance and expire on their respective expiration date. The market price of common stock may never exceed the exercise price of the Series A Rights prior to their date of expiration. Any Series A Rights not exercised by their date of expiration will expire without residual value to holders. During the period immediately following the expiration of this offering, you may not be able to resell any shares of common stock that you purchase in the offering or upon exercise of your Series A Rights. If you exercise your Subscription Rights, you may not be able to resell shares of common stock purchased by exercising your Subscription Rights, or shares of common stock issued to you upon the exercise of your Series A Rights, until you (or your broker or other nominee) have received a book-entry representing the underlying shares. Although we will endeavor to issue the book entries promptly, there may be some delay between the expiration date of this offering, or the exercise date of your Series A Rights and the time that we issue the book-entry statements. In addition, to the extent you are an affiliate, as defined in Rule 144 under the Securities Act, the resale of shares of common stock by you will be subject to certain restrictions, including volume limitations, under Rule 144. We may have broad discretion in the use of a portion of the net proceeds from this offering and may not use those net proceeds effectively. Assuming the sale of all offered units and no exercise of the Series A Rights, we estimate our net proceeds from this offering will total approximately \$ \_\_\_ million, after deducting fees and expenses of Moody Capital, as dealer-manager, and our other estimated offering expenses. If the Series A Rights are exercised at the Unit Subscription Price (assuming that stockholders exercise Subscription Rights for all of the units that we are offering), we will receive additional gross proceeds from this offering of approximately \$ \_\_\_ million from the sale of the remaining 70,000,000 shares available. We intend to use the net proceeds from this offering to (i) provide funding for the repurchase of our series 2 convertible preferred stock from B2 FIEA V LLC, (ii) reduce a portion of the outstanding balance under our credit facility with Waterfall, (iii) finance the costs of potential acquisitions or investments in competitive and complementary payment solution businesses, and (iv) apply the balance for working capital and general corporate purposes. In the event we raise less than approximately \$20.0 million in this offering, we expect to prioritize the use of the net proceeds of this offering for funding the repurchase of our series 2 convertible preferred stock and reducing the outstanding balance under our credit agreement. Any additional net proceeds received from the exercise of the Series A Rights will be used for further reducing the outstanding balance under our credit agreement, as well as financing potential business acquisitions and for general corporate purposes. However, our management will have broad discretion in the application of the net proceeds, and we may spend or invest the net proceeds in a way with which stockholders disagree. The failure by management to apply these funds effectively could harm our business and financial condition. Pending their use, we may invest the net proceeds in a manner that does not produce income or that loses value. 11 Table of Contents If we terminate this offering, neither we nor the subscription agent for the offering will have

any obligation to you except to promptly return your subscription payments. We may terminate this offering at any time. If we do, neither we nor the subscription agent for the offering will have any obligation to you with respect to Subscription Rights or the Series Rights that you have exercised, other than to promptly return, without interest or deduction, the subscription payment you delivered to the subscription agent. If you do not act on a timely basis and follow subscription instructions, your exercise of Subscription Rights or the Series Right may be rejected. Holders of common stock who desire to purchase units in this offering or exercise their Series Rights to purchase shares of common stock must act on a timely basis to ensure that all required forms and payments are actually received by the subscription agent for the offering prior to 5:00A p.m., Eastern time, on the applicable expiration date, unless this offering is extended. If you are a beneficial owner of shares of common stock and you wish to exercise your Subscription Rights or Series Rights, you must act promptly to ensure that your broker, custodian bank or other nominee (including any mobile investment platform) acts for you and that all required forms and payments are actually received by your broker, custodian bank or other nominee (including any mobile investment platform) in sufficient time to deliver such forms and payments to the subscription agent in order to exercise your Subscription Rights or Series Rights by 5:00A p.m., Eastern time, on the applicable expiration date, unless extended. We will not be responsible if your broker, custodian or nominee (including any mobile investment platform) fails to ensure that all required forms and payments are actually received by the subscription agent in a timely manner. If you fail to complete and sign the required subscription forms, send an incorrect payment amount, or otherwise fail to follow the subscription procedures that apply to your exercise of the Subscription Rights and SeriesA Rights, the subscription agent for the offering may, depending on the circumstances, reject your subscription or accept it only to the extent of the payment received. Neither we nor the subscription agent undertakes to contact you concerning an incomplete or incorrect subscription form or payment, nor are we or the subscription agent under any obligation to correct such forms or payment. We have the sole discretion to determine whether a subscription exercise properly follows the subscription procedures. You may not receive all of the units for which you subscribe under the over-subscription privilege. Holders who fully exercise their basic subscription rights will have the right, pursuant to their over-subscription privileges, to purchase additional units to the extent other rights holders do not exercise their basic subscription rights in full. Over-subscription privileges will be allocated pro rata among rights holders who over-subscribe, based on the number of over-subscription units for which the holders have subscribed. We cannot guarantee that you will receive all, or a significant portion, of the units for which you subscribe pursuant to your over-subscription privilege as all basic subscription rights exercised will be honored first and all over-subscription privileges will be honored second. Over-subscription privileges are subject to pro rata allocation of those additional units to participating rights holders in proportion to the number of over-subscription units for which they subscribed. If the number of units allocated to you is less than your subscription request, the excess funds held by the subscription agent on your behalf will be promptly returned to you, without interest or deduction, after this offering has expired, and we will have no further obligations to you. Your receipt of Subscription Rights may be treated as a taxable dividend to you. The U.S. federal income tax law governing transactions such as this offering is complex and does not speak directly to the consequences of certain aspects of the offering. Although we do not believe a stockholder's receipt of Subscription Rights pursuant to the offering should be treated as a taxable distribution for U.S. federal income tax purposes, our position is not binding on the IRS or the courts. If this position were finally determined by the IRS or a court to be incorrect, your receipt of Subscription Rights may be treated as the receipt of a distribution equal to the fair market value of the rights, and may result in taxable dividend income to the extent of our current and accumulated earnings and profits, with any excess being treated as a return of basis to the extent thereof and then as capital gain. See "Material U.S. Federal Income Tax Considerations." 12 Table of Contents Our ability to use net operating loss carryforwards to offset future taxable income may be subject to certain limitations. As of December 31, 2023, we had federal and state net operating loss ("NOL") carryforwards of \$72,697,376 and \$21,800,909, respectively, available to offset future income. Our federal loss carryforwards do not expire. However, these NOL carryforwards may be subject to annual limitations under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code") due to ownership changes that could impact future realization. In general, if an ownership change occurs for the purpose of Section 382 of the Code, our ability to use NOL carryforwards and certain credits to reduce tax payments will be generally limited to an annual amount based on the fair market value of our stock immediately prior to the ownership change multiplied by the long-term tax-exempt rate. The determination of whether an ownership change has occurred for the purpose of Section 382 of the Code is complex. Generally, a corporation will have undergone an ownership change if shareholders owning at least 5% of the stock have increased their collective holdings by more than 50% during the prior three-year period. The rights offering is not currently expected to result in an ownership change, but it may increase the likelihood that we undergo an ownership change for purposes of Section 382 of the Code in the future, which would limit our ability to use any NOL carryforwards as described above. Moreover, no assurances can be given that an ownership change under Section 382 of the Code has not occurred prior to the rights offering or will not occur as a result of the rights offering. If all stockholders do not exercise in full their Subscription Rights, Series A Rights, Series B Rights or Series C Rights, the purchase of shares of our common stock may result in a shift in this beneficial ownership that would trigger an ownership change with respect to our stock. See "The Rights Offering" "A Limitation on the Purchase of Units" for a description of certain limitations on purchase. Moody Capital, as dealer-manager, is not acting as an underwriter. Moody Capital will act as dealer-manager for this offering and, in that capacity, will provide marketing assistance in connection with this offering. Moody Capital is not underwriting this offering. Moody is not making any recommendation with respect to such Subscription Rights (including with respect to the exercise or expiration of such Subscription Rights), shares of common stock or SeriesA Rights. Moody Capital will not be subject to any liability to us in rendering services to us except for an act involving bad faith, willful misconduct or gross negligence. Because we do not have a standby purchase agreement, backstop commitment or similar arrangement in connection with this offering, the net proceeds we receive from the offering may be less than we intend. We have currently not entered into any standby purchase agreement, backstop commitment or similar arrangement in connection with this offering. We therefore cannot assure you that any of our stockholders will exercise all or any part of their Subscription Rights. If rights holders subscribe for fewer units than anticipated, the net proceeds we receive from this offering could be significantly reduced. Regardless of whether this offering is fully subscribed or we do enter into a standby purchase agreement, backstop commitment or similar arrangement, we may need to raise additional capital in the future. We may in the future enter into a standby purchase agreement, backstop commitment or similar arrangement in connection with this offering if we are able to negotiate commercially reasonable terms with a standby purchaser or backstop purchaser. We cannot assure you that such an arrangement will be available on commercially reasonable terms and if we are unable to negotiate commercially reasonable terms for a standby purchase agreement, backstop commitment or similar arrangement in connection with this offering we would not enter into such an arrangement. In the event we enter into a standby purchase agreement, backstop commitment or similar arrangement in connection with this offering we will file a Current Report on Form 8-K with a summary of the terms of such arrangement. We have not paid dividends and do not expect to pay dividends in the future. Any return on investment may be limited to the value of our common stock. We have not paid cash dividends on our common stock and do not anticipate doing so in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting us at such time as our board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if our stock 13 Table of Contents price appreciates. We are additionally restricted under our Credit Agreement from declaring or making any dividends in cash or stock, subject to certain limited permitted dividend payments assuming we have positive net income and there is no existing default or event of default thereunder. Because you may not revoke or change your exercise of the SeriesA Rights, you could be committed to buying shares above the prevailing market price at the time this offering is completed. Once you exercise your SeriesA Rights, you may not revoke or change the exercise. The market price of our common stock may decline before the SeriesA Rights expire. If you exercise your SeriesA Rights, and, afterwards, the market price of our common stock decreases below the Unit Subscription Price, you will have committed to buying shares of our common stock at a price above the prevailing market price and could have an immediate unrealized loss. Our common stock is traded on The Nasdaq Capital Market under the symbol "FPAY." The closing price of the common stock on October 25, 2024 was \$1.57 per share. There can be no assurances that the market price of our common stock will equal or exceed the Unit Subscription Price at the time of exercise or at the expiration of this offering. Because the SeriesA Rights are executory contracts, they may have no value in a bankruptcy or reorganization proceeding. In the event a bankruptcy or reorganization proceeding is commenced by or against us, a bankruptcy court may hold that any then-unexercised SeriesA Rights are executory contracts subject to rejection by us with the approval of a bankruptcy court. As a result, even if we have sufficient funds, holders may not be entitled to receive any consideration for their SeriesA Rights or may receive an amount less than they would be entitled to if they had exercised their SeriesA Rights prior to the commencement of any such bankruptcy or reorganization proceeding. Our executive officers may face clawback and compliance obligations, including insider trading restrictions, which could impact our business, financial position and reputation. Our executive officers may be subject to repayment obligations if we are required to restate our financials due to material noncompliance with financial reporting requirements. In compliance with the Dodd-Frank Act, FlexShopper has adopted a clawback policy that allows us to recover certain incentive-based compensation from executive officers in the event of such a restatement, which could affect executive compensation and impact our financial position. The enforcement of this policy may also affect our ability to attract and retain qualified executives, and any required restatement could harm our business, reputation and stock price. In addition, FlexShopper is committed to preventing unlawful trading through its Insider Trading Policy, which applies to all directors, officers, employees and consultants. This policy prohibits transactions based on material nonpublic information, includes mandatory blackout periods, and requires pre-clearance for senior personnel. Any violation of this policy could result in legal and reputational harm, including potential fines and penalties, and negatively impact our business and shareholder value. Risks Related to our Business Investors should carefully consider the risks and uncertainties and all other information contained or incorporated by reference in this prospectus, including the risks and uncertainties discussed under "Risk Factors" in our 2023 Annual Report, as may be amended from time to time, and in subsequent filings that are incorporated herein by reference. All these risk factors are incorporated by reference herein in their entirety. These risks and uncertainties are not the only ones facing us. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. This prospectus and the incorporated documents also contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks mentioned in this prospectus 14 Table of Contents CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS This prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or the Securities Act, Section 21E of the Securities Exchange Act of 1934 or the Exchange Act, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that reflect our current views with respect to future events and financial performance, and all statements other than statements of historical fact are statements that are, or could be, deemed forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "intend," "should," "could," "expect," "believe," "anticipate," "estimate," "plan," "target," "project," "forecast," "envision" or the negative of these terms, and other similar phrases. All statements contained in this prospectus and any prospectus supplement regarding future financial position, sales, costs, earnings, losses, cash flows, other measures of results of operations, capital expenditures or debt levels and plans, objectives, outlook, targets, guidance or goals are forward-looking statements. You should not place undue reliance on our forward-looking statements because they are not guarantees of future performance or expectations, and involve risks and uncertainties. Our forward-looking statements are based on the information currently available to us and speak only as of the date on the cover of this prospectus, the date of any prospectus supplement, or, in the case of forward-looking statements incorporated by reference, the date of the filing that includes the statement. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Except as required by applicable law, we assume no obligation, and disclaim any obligation, to update forward-looking statements whether as a result of new information, events or otherwise. The forward-looking statements contained in this prospectus are set forth principally in "Risk Factors" above, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors" and other sections in our 2023 Annual Report and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors" and other sections in our Latest Form 10-Q. In addition, there may be events in the future that we are not able to predict accurately or control which may cause actual results to differ materially from expectations expressed or implied by forward-looking statements. Please consider our forward-looking statements in light of these risks as you read this prospectus and any prospectus supplement. 15 Table of Contents QUESTIONS AND ANSWERS RELATING TO THIS OFFERING The following are examples of what we anticipate will be common questions about this offering. The answers are based on selected information included elsewhere in this prospectus. The following questions and answers do not contain all of the information that may be important to you and may not address all of the questions that you may have about this offering. This prospectus, including the documents we incorporate by reference, contains more detailed descriptions of the terms and conditions of this offering and provides additional information about our company and our business, including potential risks related to our business, the offering and common stock. What is the offering? We are distributing, at no charge, non-transferable subscription rights (the "Subscription Rights") entitling holders of our common stock and holders of our series 1 convertible preferred stock and series 2 convertible preferred stock as of the record date of 5:00A p.m., Eastern time, on \_\_\_\_\_, 2024, to purchase units at a subscription price equal to the lower of (i) an initial price of \$ \_\_\_\_\_ or (ii) an alternate price equal to 92.5% of the volume weighted average price ("VWAP") of our common stock over the last three trading days prior to the expiration date of the Subscription Rights, rounded down to the nearest whole cent (the "Unit Subscription Price"). We will announce the Unit Subscription Price in a press release issued no later than 9:00 a.m., Eastern time, on the business day after the expiration date of the Subscription Rights. If at the expiration date of the Subscription Rights, the alternate price is lower than the initial price, any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. What securities comprise the units? Each unit consists of one share of common stock, one series A common stock purchase right (the "SeriesA Right"), one series B common stock purchase right (the "SeriesB Right"), and one series C common stock purchase right (the "SeriesC Right"), and, collectively with the SeriesA Right and SeriesB Right, the "Series Rights"), with each of the SeriesA Rights entitling the holder to purchase one share of our common stock commencing upon the date of issuance. Shares of common stock and SeriesA Rights comprising a unit may only be purchased as a unit but will be issued separately. The Subscription Rights, units, and SeriesA Rights are non-transferable. We refer to the offering of the Subscription Rights and the SeriesA Rights as the "offering." What are the terms of the SeriesA Rights included in the units? Each of the SeriesA Rights is exercisable commencing on their date of issuance at an exercise price equal to the higher of (x) the Unit Subscription Price or (y) (i) in the case of the SeriesA A Rights, 90% of the VWAP of our common stock over the last three trading days prior to the expiration date of the SeriesA A Rights, which is 30A days following the closing date of the subscription offering, but in any event not to exceed 150% of the Unit Subscription Price, (ii) in the case of the SeriesA B Rights, 87.5% of the VWAP of our common stock over the last three trading days prior to the expiration date of the SeriesA B Rights, which is 60A days following the closing date of the subscription offering, but in any event not to exceed 200% of

the Unit Subscription Price, and (iii) in the case of the Series A Rights, 85% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series A Rights, which is 90A days following the closing date of the subscription offering, but in any event not to exceed 250% of the Unit Subscription Price, with the exercise price in each instance rounded down to the nearest whole cent. The Series A Rights will be exercisable for cash only in U.S. dollars. We will announce the Unit Subscription Price in a press release issued no later than 9:00 a.m., Eastern time, on the business day after the expiration date of the Subscription Rights. If at the expiration date of the Series A Rights, the exercise price as determined above is lower than the initial maximum amount paid, any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. Will the Series A Rights be listed? No. The Series A Rights will not be listed for trading or any securities exchange or trading market. What are the basic subscription rights? For each basic subscription right held, each rights holder has the opportunity to purchase one unit at the Unit Subscription Price, provided that (a) basic subscription rights may be exercised in aggregate only to purchase whole numbers of units, (b) the total Unit Subscription Price payable upon any exercise of Subscription Rights will be 16 Table of Contents rounded to the nearest whole cent and (c) only whole numbers of shares of common stock, Series A Rights exercisable for whole numbers of shares will be issued to a holder in this offering, with any right to fractional share to which a holder would otherwise be entitled being terminated without consideration to the holder. We have granted to you, as a holder of common stock as of the record date, two basic subscription rights for each whole share of common stock you beneficially owned or issuable upon the conversion of a preferred stock owned. For example, if you owned 100 shares of common stock as of the record date, you would receive 200 basic Subscription Rights and would have the right to purchase 200A units, comprising 200 shares of common stock, Series A Rights to purchase 200 shares of common stock, Series B Rights to purchase 200 shares of common stock and Series C Rights to purchase 200 shares of common. If all of the Series A Rights are exercised in full, you would receive a total of an additional 600 shares of common stock. You may exercise all, a portion or none, of your basic subscription rights. If you exercise fewer than all of your basic subscription rights, however, you will not be entitled to purchase any additional units pursuant to the over-subscription privilege. See "The Rights Offering" "Limitation on the Purchase of Units" for a description of certain limitations on purchase and "What is the over-subscription privilege?" below. What is the over-subscription privilege? If you exercise all of your basic subscription rights in the subscription offering, you will have the right, which we refer to as the over-subscription privilege, to purchase additional units that remain unsubscribed as a result of any unexercised basic subscription rights. We refer to the basic subscription rights and over-subscription privilege together as Subscription Rights. You should indicate on your subscription certificate, or the form provided by your nominee if your shares are held in the name of a nominee, how many additional units you would like to purchase pursuant to your over-subscription privilege. You are entitled to exercise your over-subscription privilege only if you exercise your basic subscription rights in full. If over-subscription requests exceed the number of units available, however, we will allocate the available units pro rata among rights holders who over-subscribed based on the number of over-subscription units for which they have subscribed. See "The Rights Offering" "Limitation on the Purchase of Units" for a description of certain limitations on purchase and "The Rights Offering" "Over-Subscription Privilege." To properly exercise your over-subscription privilege, you must deliver the subscription payment related to your over-subscription privilege before the Subscription Rights offering expires. Because we will not know the total number of unsubscribed units before the subscription offering expires, if you wish to maximize the number of units you purchase pursuant to your over-subscription privilege, you will need to deliver payment in an amount equal to the aggregate Unit Subscription Price for the maximum number of units available, assuming that no stockholder other than you has purchased any units pursuant to such stockholder's basic subscription right and over-subscription privilege. Any excess subscription payments received by the subscription agent will be promptly returned without interest. We do not intend to extend the subscription period for the subscription offering. If the subscription period is extended (the "extension period"), (i) all basic subscription rights exercised prior to the beginning of the extension period will be honored first, (ii) all over-subscription privileges exercised prior to the beginning of the extension period will be honored second, and (iii) all basic subscription rights and over-subscription privileges exercised during the extension period will be filled on a first-come, first-serve basis. Any subscription received during the extension period but after the date on which the Subscription Rights issued in the Subscription Rights are fully subscribed will not be allocated any units. The subscription agent will notify rights holder of the number of units, if any, allocated to each promptly after the completion of allocation process. There is no over-subscription privilege applicable to the Series A Rights. May the Subscription Rights or Series Rights that I exercise be reduced for any reason? We expect that there will be a sufficient number of units available to honor your basic subscription rights in full. As a result, if the subscription offering is completed, you will receive whole units to the full extent you have properly exercised your basic subscription rights in whole or in part for such whole units. Sufficient units may not be available to honor your request for additional units pursuant to the over-subscription privilege. If exercises of over-subscription privileges exceed the number of units available, we will allocate the available units pro-rata among rights holders who over-subscribed based on the number of over-subscription units for which the holders have subscribed. 17 Table of Contents The maximum number of shares of our common stock available for issuance in this offering is 70,000,000 shares. If at any time the issuance of shares pursuant to the exercise of the Subscription Rights or the Series A Rights exceeds such share limitation, no additional shares will be issued, the offering will be terminated, and any outstanding rights will immediately expire and the amount subscribed for by each holder will be proportionally reduced. In the event that the exercise by a holder of the basic subscription right or the over-subscription privilege could, as determined by us in our sole discretion, potentially result in a limitation on our ability to use net operating losses, tax credits and other tax attributes, which we refer to as the "Tax Attributes," under the Internal Revenue Code of 1986, as amended, and rules promulgated by the Internal Revenue Service, we may, but are under no obligation to, reduce the exercise by such stockholder of the basic subscription right or the over-subscription privilege to such number of shares of common stock as we, in our sole discretion, shall determine to be advisable in order to preserve its ability to use the Tax Attributes. Why are we conducting this offering? We are conducting this offering as part of our strategic plan to raise funds aimed at accelerating our capital structure initiatives. By repurchasing preferred stock at a discount and reducing our outstanding debt, we will lower our preferred stock PIK (payment in kind) dividend accrued and debt interest expense and the offering will provide additional liquidity for addressing other general corporate needs. Our board of directors has approved this offering and has evaluated and determined the pricing and financial terms of the securities offered. After careful review and analysis by our board of directors, we believe this offering is in the best interests of our company and its stockholders. However, the board is not making any recommendation regarding your exercise of the Subscription Rights and Series Rights. The board considered and evaluated several factors related to this offering, including: "Our current capital resources and indebtedness, and our future need for additional liquidity and capital;" "Our need for increased financial flexibility in order to enable us to achieve our business plan;" "The size and timing of the offering and alternative securities to be offered;" "The most effective use of proceeds to decrease dividends and interest expense;" "The potential dilution to our current shareholders if they choose not to participate in the offering;" "The impact on our cumulative net operating losses and their potential limitation;" "The non-transferability of the Subscription Rights;" and "Alternatives available for raising capital. Am I required to exercise the Subscription Rights or Series Rights that I receive in this offering? No. You may exercise any number of your Subscription Rights or Series Rights, or you may choose not to exercise any of your Subscription Rights or Series Rights. If, however, you choose not to exercise your Subscription Rights or Series Rights or you exercise less than your full amount of Subscription Rights or Series Rights and other stockholders fully exercise their Subscription Rights and Series Rights, the percentage of common stock owned by other stockholders will increase relative to your ownership percentage and your voting and other rights in our company will likewise be diluted." "Description of Securities" for a description of the voting and liquidation rights of our common stock and preferred stock. May I sell, transfer or assign my Subscription Rights or Series Rights? No. You may not transfer, sell or assign any of the Subscription Rights or the Series A Rights distributed to you, except that such rights will be transferable by operation of law (e.g., by death). The Subscription Rights and Series Rights will not be listed on any securities exchange or trading market. 18 Table of Contents The shares of common stock and Series A Rights comprising the units will be issued separately. Units will not be issued as a separate security and will be non-transferable. Shares of common stock issued upon the exercise of the Subscription Rights and the Series A Rights are expected to be listed on The Nasdaq Capital Market under the symbol "FPAY." How do I exercise my Subscription Rights or Series Rights if my shares of common stock are held in my name? If you hold your shares of common stock in your name and you wish to participate in this offering, you must deliver a properly completed and duly executed subscription certificate and Series Rights certificate and all other required subscription documents, together with payment of the maximum price for the Subscription Rights and Series Rights exercised, to the subscription agent for the offering before 5:00A p.m., Eastern time, on the applicable expiration date. Please follow the delivery instructions on the subscription certificate and Series Rights certificate. Do not deliver documents to us. You are solely responsible for completing delivery of your subscription certificate and Series Rights certificates, all other required subscription documents and subscription payment to the subscription agent. You should allow sufficient time for delivery of your subscription materials to the subscription agent so that the subscription agent receives them by 5:00A p.m., Eastern time, on the applicable expiration date. See "To whom should I send my forms and payment?" below. If you send a payment that is insufficient to purchase the number of units you requested or insufficient to exercise the number of rights you requested pursuant to your Series Rights, or if the number of units you requested or the number of rights you requested is not specified in the forms, the payment received will be applied to exercise your Subscription Rights and Series Rights to the fullest extent possible based on the amount of the payment received pursuant to your Subscription Rights and Series Rights. Any payment that is received but not so applied will be refunded to you without interest or penalty (subject to the rounding of the amount so applied to the nearest whole cent). We will announce the Unit Subscription Price in a press release issued no later than 9:00 a.m., Eastern time, on the business day after the expiration date of the Subscription Rights. If at the expiration date of the Subscription Rights, the alternate price is lower than the initial price, any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. What form of payment is required to purchase units or exercise the Series Rights? As described in the instructions accompanying the subscription certificate and Series Rights certificate, payments submitted to the subscription agent must be made in U.S.A dollars. Checks or bank drafts drawn on U.S.A banks should be payable to the order of "Continental Stock Transfer & Trust Company, as the subscription agent for FlexShopper, Inc." If you hold your shares of common stock in the name of a broker, dealer, custodian bank or other nominee (including any mobile investment platform), separate payment instructions may apply. Please contact your nominee, if applicable, for further payment instructions. How do I exercise my Subscription Rights or Series Right if my shares of common stock are held in the name of a broker, dealer, custodian bank or other nominee? If you hold shares of common stock in the name of a broker, dealer, custodian bank or other nominee (including any mobile investment platform) that uses the services of Depository Trust Company, then Depository Trust Company will credit two basic subscription rights to your nominee record holder for each share of common stock that you beneficially owned or issuable upon the conversion of our preferred stock owned as of the record date. If you are not contacted by your nominee (including any mobile investment platform), you should contact your nominee as soon as possible. How soon must I act to exercise my Subscription Rights or Series Rights? If your shares of common stock are registered in your name and you elect to exercise any of your Subscription Rights or Series Rights, the subscription agent must receive your properly completed and duly executed subscription certificate or Series Rights certificate, all other required subscription documents and full subscription payment, before 5:00A p.m., Eastern time, on the applicable expiration date. If you hold shares in the name of a broker, dealer, 19 Table of Contents custodian bank or other nominee (including any mobile investment platform), your nominee may establish an earlier deadline before the expiration of this offering by which time you must provide the nominee with your instructions and payment to exercise your Subscription Rights or Series Rights. Although we will make reasonable attempts to provide this prospectus to our stockholders to whom rights are distributed, this offering and all related Subscription Rights and Series Rights will expire at 5:00A p.m., Eastern time, on the applicable expiration date, whether or not we have been able to locate and deliver this prospectus to you or any other stockholder. After I exercise my Subscription Rights and Series Rights, can I change my mind? No. Once made, all exercises of the Subscription Rights and Series A Rights are irrevocable. Can this offering be terminated or extended? Yes. If we terminate this offering, neither we nor the subscription agent will have any obligation with respect to Subscription Rights or Series Rights that have been exercised except to promptly return, without interest or penalty, any subscription payment the subscription agent received from you and we would not be obligated to issue units to rights holders who have exercised their Subscription Rights or shares of common stock to rights holder who have exercised their Series Rights prior to termination. We may extend this offering for one or more additional periods in our sole discretion not to exceed 30A days from the initial expiration date, in which case all basic subscription rights and over-subscription privileges exercised during the extension period will be filled on a first-come, first-serve basis. We will announce any extension in a press release issued no later than 9:00A a.m., Eastern time, on the business day after the most recently announced expiration date. How were the Unit Subscription Price and exercise price of the Series Rights determined? The Unit Subscription Price and exercise price of Series Rights were set by our board of directors, considering, among other things, input from the dealer-manager for this offering. The factors considered by our board are discussed in "The Rights Offering" "Reasons for this Offering" and "Determination of the Unit Subscription Price and Exercise Price." How was the discount to market price determined by our board of directors for purposes of establishing the Unit Subscription Price and exercise price? Our board of directors considered, among other things, the following factors in determining the discount to market price for purposes of establishing the Unit Subscription Price and exercise price: "The current and historical trading prices of our common stock;" "The price at which holders might be willing to participate in this offering;" "Our need for additional capital and liquidity;" "The cost of capital from other sources;" and "A comparable precedent transactions, including the percentage of shares offered, the terms of the Subscription Rights and Series A Rights being offered, the Unit Subscription Price and exercise price and the discount that the Unit Subscription Price and exercise prices represented to the immediately prevailing closing price of those offerings. In conjunction with the review of these factors and following discussion with the dealer-manager, our board of directors also reviewed our history and prospects, including our past and present burn rate and cash requirements, our prospects for the future, the outlook for our industry and our current financial condition. Our board of directors believes that the discount to market price should be designed to provide an incentive to our current stockholders to participate in this offering and exercise their rights. 20 Table of Contents The Unit Subscription Price or exercise price of Series Rights does not necessarily bear any relationship to any established criteria for value, other than the current market price of our common stock on certain dates. You should not consider the Unit Subscription Price or exercise price of Series Rights as an indication of the actual value of our company. We cannot assure you that the market price of our common stock will not decline during or after this offering. You should obtain a current price quote for our common stock before exercising your rights and make your own assessment of our business and financial condition, our prospects for the future, and the terms of this offering. Once made, all exercises of the Subscription Rights and Series A Rights are irrevocable. Has the board of directors made a recommendation to stockholders regarding the exercise of Subscription Rights or Series A Rights under this offering? No. Our board of directors has not made, nor will it make, any recommendation to stockholders regarding the exercise of Subscription Rights or the Series A Rights in this offering. We cannot predict the price at which shares of our outstanding common stock will trade after this offering. You should make an independent investment decision about whether or not to exercise your Subscription Rights or Series A Rights. Rights holders who exercise Subscription Rights or Series Rights risk investment loss on new money invested. We cannot assure you that the market price for common stock will remain above the price payable per share of common stock or the exercise price, or that anyone purchasing units or exercising

SeriesA Rights to purchase shares of common stock at the exercise price will be able to sell those shares in the future at the same price or a higher price. If you do not exercise your Subscription Rights or SeriesA Rights, you will lose any value represented by your Subscription Rights or SeriesA Rights, and if you do not exercise your rights in full, your percentage ownership interest and related rights in our company will be diluted. By when must I purchase shares of common stock in order to participate in this offering? May I participate in this offering if I sell my common stock after the record date? The record date for this offering is 5:00A p.m., Eastern time, on \_\_\_\_, 2024. If you purchase shares of our common stock and do not settle such purchase by 5:00A p.m., Eastern time, on \_\_\_\_, 2024 you will not receive Subscription Rights with respect to such shares. If you own common stock as of the record date, you will receive two Subscription Rights for each share of common stock beneficially owned or issuable upon the conversion of a preferred stock and may participate in this offering even if you subsequently sell your common stock. Are there any risks associated with this offering? Yes. The exercise of your Subscription Rights and SeriesA Rights involves risks. Exercising your Subscription Rights and Series Rights involves the purchase of common stock and should be considered as carefully as you would consider any other equity investment. Among other things, you should carefully consider the risks described under the heading "Risk Factors" in this prospectus and all other information contained in this prospectus. Will the directors and executive officers participate in this offering? To the extent they hold common stock as of the record date, our directors and executive officers are entitled to participate in this offering on the same terms and conditions applicable to all other stockholders. None of our directors or executive officers have entered into any binding commitment or agreement to exercise Subscription Rights received in the offering, but some have given indications they intend to participate in the offering at varying levels, though there can be no assurances any of our principal stockholders, directors and executive officers will participate in the offering. When will I receive my shares of common stock and SeriesA Rights? Holders whose shares are held of record by CedeA & Co., the nominee of Depository Trust Company, or by any other depository or nominee on their or their broker-dealers' behalf will have any shares of common stock and the SeriesA Rights comprising units they acquire credited to the account of CedeA & Co. or such other depository or nominee. With respect to all other stockholders, the shares of common stock and all SeriesA Rights will be issued in book-entry, or uncertificated form meaning you will receive a direct registration account book-entry statement from our subscription agent reflecting the ownership of these securities if you are a holder of record of shares, which may take up to 15A business days from the applicable expiration date. 21 Table of Contents What effects will this offering have on our outstanding common stock? Based on shares of common stock outstanding as of October 25, 2024, assuming the sale of all offered units and no exercise of the SeriesA Rights included in the units, we will have up to approximately 56,461,890 shares of common stock outstanding, representing an increase of approximately 163% of our outstanding shares as of the record date. If you fully exercise your basic subscription rights, your proportional common stock interest in our company will not change. If all of the SeriesA Rights to purchase shares of our common stock are exercised in full at the Unit Subscription Price (assuming that stockholders exercise Subscription Rights for all of the units that we are offering), we will have up to approximately 91,461,890 shares of common stock outstanding, representing an increase of approximately 326% in our outstanding shares as of the record date. If you exercise only a portion, or none, of your basic subscription rights, your interest in our company will be diluted and your proportional interest in our company will decrease. The number of shares of common stock outstanding listed above assumes that (a) all of the other shares of common stock outstanding on the record date will remain issued and outstanding and owned by the same persons as of the closing of this offering, and (b) we will not issue any shares of common stock in the period between the record date and the closing date of this offering. How much will we receive from this offering, and how will the proceeds be used? If all offered units are sold and assuming no exercise of the SeriesA Rights, we estimate our net proceeds from the offering will total approximately \$ \_\_ million, after deducting fees and expenses of Moody Capital, as dealer-manager, and our other estimated offering expenses. If the SeriesA Rights are exercised at the Unit Subscription Price (assuming that stockholders exercise Subscription Rights for all of the units that we are offering), we will receive additional gross proceeds from this offering of approximately \$ \_\_ million from the sale of the remaining 70,000,000 shares available. We intend to use the net proceeds from this offering to (i) provide funding for the repurchase of our series 2 convertible preferred stock from B2 FIEA V LLC, (ii) reduce a portion of the outstanding balance under our credit facility with Waterfall, (iii) finance the costs of potential acquisitions or investments in competitive and complementary payment solution businesses, and (iv) apply the balance for working capital and general corporate purposes. In the event we raise less than approximately \$20.0 million in this offering, we expect to prioritize the use of the net proceeds of this offering for funding the repurchase of our series 2 convertible preferred stock and reducing the outstanding balance under our credit agreement. Any additional net proceeds received from the exercise of the SeriesA Rights will be used for further reducing the outstanding balance under our credit agreement, as well as financing potential business acquisitions and for general corporate purposes. See "Use of Proceeds" for a more detailed description of the intended use of proceeds from this offering. If my exercise of Subscription Rights is not valid or if this offering is not completed, will my subscription payment be refunded to me? Yes. An escrow agent retained by the subscription agent will hold all funds it receives in escrow until the completion or termination of this offering. If your exercise of Subscription Rights or Series Rights is deemed not to be valid or this offering is not completed, all subscription payments received by the subscription agent will be promptly returned, without interest or penalty, following the expiration of the offering. If you own shares through a nominee (including any mobile investment platform), it may take longer for you to receive your Unit Subscription Price or exercise price repayment because the subscription agent will return payments through your nominee. What fees or charges apply if I purchase units in this offering? We are not charging any fee or sales commission to issue rights to you or, if you exercise any of your Subscription Rights, to issue units to you. If you exercise your Subscription Rights through a broker, dealer, custodian bank or other nominee (including any mobile investment platform), you are responsible for paying any fees your nominee may charge you. 22 Table of Contents What are the U.S.A federal income tax consequences of exercising my Subscription Rights or Series Rights? For U.S.A federal income tax purposes, a rights holder should generally not recognize income or loss in connection with the receipt or exercise of the Subscription Rights or SeriesA Rights in this offering. You should consult your tax advisor as to your particular tax consequences resulting from the offering. For a summary of certain U.S.A federal income tax consequences of this offering, see "Material U.S.A Federal Income Tax Considerations." To whom should I send my forms and payment? If your shares of common stock are held in the name of a broker, dealer, custodian bank or other nominee (including any mobile investment platform), then you should deliver all required subscription documents and subscription payments pursuant to the instructions provided by your nominee. If your shares of common stock are held in your name, then you should send your subscription certificate, all other required subscription documents and your subscription payment by mail to: Continental Stock Transfer & Trust Company1 State Street, 30th FloorNew York, NYA 10004Attention: Corporate ActionsA FlexShopper, Inc. You and, if applicable, your nominee are solely responsible for completing delivery to the subscription agent your subscription certificate and/or Series Rights certificate, as well as for completing delivery of all other required subscription documents and your subscription payment. You should allow sufficient time for delivery of your subscription materials to the subscription agent and for clearance of payments before applicable expiration date. If you hold your common stock through a broker, dealer, custodian bank or other nominee (including any mobile investment platform), your nominee may establish an earlier deadline before the applicable expiration date. Who is the dealer-manager? Moody Capital Solutions, Inc (Moody Capital) will act as dealer-manager for this offering. Under the terms and subject to the conditions contained in the dealer-manager agreement, Moody Capital will use its commercially reasonable efforts to solicit the exercise of the Subscription Rights and Series Rights. We have agreed to pay Moody Capital certain fees for acting as dealer-manager and to reimburse it for certain expenses incurred in connection with this offering. Moody Capital is not underwriting this offering. Moody Capital is not making any recommendation with respect to such Subscription Rights (including with respect to the exercise or expiration of such Subscription Rights), shares of common stock or SeriesA Rights. Who should I contact if I have other questions? If you have any questions regarding this offering, completion of the subscription certificate or any other subscription documents or submitting payment in the offering, please contact MacKenzie Partners, Inc., the information agent, by telephone at (212) 929-5500 (bankers and brokers) or (800) 322-2885 (all others) or by email at arightsoffer@mackenziepartners.com. 23 Table of Contents USE OF PROCEEDS Assuming the sale of all offered units and no exercise of SeriesA A Rights, SeriesA B Right and SeriesA C Rights, we estimate our net proceeds from the offering will total approximately \$ \_\_ million, after deducting fees and expenses of Moody Capital, as dealer-manager, and our other estimated offering expenses. If the SeriesA Rights are exercised at the Unit Subscription Price (assuming that stockholders exercise Subscription Rights for all of the units that we are offering), we will receive additional gross proceeds from this offering of approximately \$ \_\_ million from the sale of the remaining 70,000,000 shares available. We intend to use the net proceeds from this offering to: Provide funding for the repurchase of our series 2 convertible preferred stock from B2 FIEA V LLC. A A A On October 25, 2024, we entered into a Preferred Stock Purchase Option Agreement granting us the right at any time through October 25, 2025 to repurchase and cancel 20,000 shares of our series 2 convertible preferred stock, representing approximately 91% of the shares in such series, at varying purchase prices below the then-current liquidation value of the series 2 convertible preferred stock, ranging from \$20,250,000 to \$22,500,000, depending on when we exercise the option, from B2 FIEA V LLC, which acquired the preferred stock in a private placement in JuneA 2016. Each share of series 2 convertible preferred stock is convertible into 266.2942 shares of our common stock or an aggregate of 5,325,888 shares of our common stock, based on the series 2 convertible preferred stock issue price of \$1,000 per share and conversion rate of \$3.76 per share, and accrues dividends through an increase in its liquidation preference at an annual rate equal to 10% of the original series 2 convertible preferred stock issue price per share. The purchase price of the series 2 convertible preferred stock, which was negotiated between the parties, represents approximately 50% of the current liquidation preference of the preferred stock, which was approximately \$44.2A million as of September 30, 2024. The terms of the preferred stock repurchase provide that if we exercise the option and within 12A months following the date of the Preferred Stock Purchase Option Agreement we complete a liquidity event or a change of control occurs, we would be required to make an incremental "true-up" payment to B2 FIEA V LLC. This payment would be in an amount equal to the difference between our share price before the announcement of the liquidity event or change of control and the increased value of our share price, if any, after announcing the transaction, applied to the number of repurchased preferred shares on an as-if-converted to common stock basis. A discount of 8.3% is applied to this payment every 30-day period following the closing of the preferred stock repurchase. Additionally, assuming the shares of series 2 preferred stock are repurchased, and we are awarded monetary damages or a settlement award in connection with our patent infringement lawsuits, we would be required to pay a portion of those proceeds to B2 FIE V LLC. That portion would be determined by the increase in the value of our share price, if any, after announcing the award as applied to the number of repurchased preferred shares on an as-if-converted to common stock basis, provided that we are not required to pay B2 FIE V LLC more than \$4.00 per share on any share increase in value or 18% of the award. We intend to use a substantial portion of the net proceeds of this offering to repurchase the shares of series 2 convertible preferred stock from B2 FIEA V LLC. Reduce the outstanding balance under our credit facility with Waterfall Asset Management, LLC. A A A On MarchA 27, 2024, through a wholly owned subsidiary ("Borrower"), we entered into a credit agreement (the "Credit Agreement") with Computershare Trust Company, National Association as paying agent, various lenders from time to time party thereto and Powerscourt Investment 50, LP, an affiliate of Waterfall Asset Management, LLC, as administrative agent and lender ("Lender"). The Borrower is permitted to borrow funds under the Credit Agreement based on our cash on hand and the amortized order value of our eligible leases less certain deductions described in the Credit Agreement. Under the terms of the Credit Agreement, subject to the satisfaction of certain conditions, the Borrower may borrow up to \$150A million from the Lender until the Commitment Termination Date and must repay all borrowed amounts one year thereafter, on the date that is 12A months following the Commitment Termination Date (unless such amounts become due or payable on an earlier date pursuant to the terms of the Credit Agreement). The Commitment Termination Date is AprilA 1, 2026. The Lender was granted a security interest in certain leases and loans as collateral under the Credit Agreement. The interest rate charged on amounts borrowed is SOFR plus 9% per annum. We will pay the Lender a fee in an amount equal to 1% of the aggregate commitments as of MarchA 27, 2024, payable in 12 monthly installments on each interest payment date commencing AprilA 2024. As of JuneA 30, 2024, the outstanding balance under the Credit Agreement was \$117.5A million and amounts borrowed bear interest at 14.44%. We intend to use a portion of the net proceeds of this offering to reduce the outstanding balance (and interest payable) under the Credit Agreement. 24 Table of Contents Finance potential acquisitions of competitive companies. A A A We may also use a portion of the net proceeds of this offering to finance the costs of acquisitions or investments in competitive and complementary payment solution businesses as a part of our growth strategies. We currently have no commitments with respect to any such acquisitions or investments. Apply the balance for working capital and general corporate purposes. A A A Any remaining net proceeds from this offering after applied to the above uses will be used for working capital and general corporate purposes, including investing in our sales and marketing, product enhancement efforts, and payment of officers' salaries, consulting fees, professional fees, public reporting costs, computer equipment costs, office-related expenses and other corporate expenses, including interest and overhead. We may allocate funds from other sources to fund some or all of these activities. In the event we raise less than approximately \$20.0 million in this offering, we expect to prioritize the use of the net proceeds of this offering for funding the repurchase of our series 2 convertible preferred stock and reducing the outstanding balance under our credit agreement. If the SeriesA Rights are exercised at the Unit Subscription Price (assuming stockholders exercise Subscription Rights for all of the units that we are offering), we will receive additional gross proceeds from the offering of approximately \$ \_\_ million from the sale of the remaining 70,000,000 shares available. Any additional net proceeds received from the exercise of the SeriesA Rights will be used for further reducing the outstanding balance under our credit agreement, as well as financing potential business acquisitions and for general corporate purposes. Certain of our directors and executive officers may subscribe for the Subscription Rights in this offering; however, we do not currently know the number of units such directors and executive officers will obtain upon exercise of the Subscription Rights and the SeriesA Rights and thus are unable to determine the gross proceeds we will receive from subscriptions by our directors and executive officers. We will pay estimated expenses of approximately \$ \_\_ in connection with the offering (assuming no exercise of the Subscription Rights or SeriesA Rights by our directors and executive officers). Net offering proceeds not immediately applied to the uses summarized above will be invested in short-term, investment-grade, interest-bearing instruments, certificates of deposit, or direct or guaranteed obligations of the U.S.A government. 25 Table of Contents CAPITALIZATION The table below sets forth our capitalization as of JuneA 30, 2024 on an actual basis and on an adjusted basis to reflect our issuance of the units offered pursuant to this prospectus, assuming the sale of 35,000,000 shares of our common stock at \$ \_\_ per unit and no exercise of the SeriesA Rights in this offering and our receipt and application of the proceeds from this offering, after deducting fees and expenses of Moody Capital, as dealer-manager, and our other estimated offering expenses. This table should be read in conjunction with "Use of Proceeds" in this prospectus and our consolidated audited and unaudited financial statements and the notes thereto incorporated by reference in this prospectus. A As of JuneA 30, 2024 (unaudited) A Actual A As Adjusted Long-term debt A \$ 136,791,295 A A Stockholders' equity A A A A SeriesA 1 Convertible Preferred Stock, \$0.001 par value A A authorized 250,000 shares, issued and outstanding 170,332 shares at \$5.00 stated value issued and outstanding at JuneA 30, 2024 A A \$ 851,660 A A SeriesA 2 Convertible Preferred Stock, \$0.001 par value A A authorized 25,000 shares, issued and outstanding 21,952 shares at \$1,000 stated value A A \$ 21,952,000 A A Common Stock, \$0.0001A par value A A authorizedA 40,000,000A shares, issuedA 21,597,371A shares at JuneA 30, 2024 and 21,752,304A shares at DecemberA 31, 2023 A A \$ 2,200 A A Treasury Shares, at cost- 346,258 shares at JuneA 30, 2024 and 164,029 shares at DecemberA 31, 2023 A A (367,563 ) A A Additional paid-in capital A A \$ 42,684,380 A A Accumulated deficit A A ( 37,641,438 ) A A Total stockholders' equity A A \$ 27,481,239 A A Total capitalization A A \$ 164,460,534 A A \$ The table above excludes: A A A A \$25,349,212 of cumulative accrued dividends on our series 2 convertible preferred stock; A A

225,231 shares of common stock issuable upon the conversion of our outstanding series 1 convertible preferred stock; 5,845,695 shares of common stock issuable upon the conversion of our outstanding series 2 convertible preferred stock; 4,395,947 shares of common stock reserved for issuance upon the exercise of our outstanding stock options; 2,255,184 shares of common stock reserved for issuance upon the exercise of our outstanding warrants; 937,499 shares of common stock reserved for issuance under our equity incentive plan; and 35,000,000 shares of common stock issuable upon the exercise of the Series A Rights sold in this offering (assuming the sale of all offered units). 26 Table of Contents MARKET FOR COMMON STOCK AND DIVIDEND POLICY Our common stock is traded on The Nasdaq Capital Market under the symbol "FPAY." As of October 25, 2024, the closing price of the common stock as reported on The Nasdaq Capital Market was \$1.57 per share. As of October 25, 2024, there were approximately 126 holders of record of common stock. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees (including any mobile investment platform). We have not paid or declared any cash dividends on our common stock and do not anticipate doing so in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting us at such time as our board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if our stock price appreciates. We are additionally restricted under our Credit Agreement from declaring or making any dividends in cash or stock, subject to certain limited permitted dividends payment assuming we have positive net income and there is no existing default or event of default thereunder. 27 Table of Contents THE RIGHTS OFFERING Before deciding whether to exercise your Subscription Rights and Series A Rights, you should carefully read this prospectus, including the information set forth under the heading "Risk Factors" and the information incorporated by reference into this prospectus. Reasons for this Offering We are conducting this offering as part of our strategic plan to raise funds aimed at accelerating our capital structure initiatives. By repurchasing preferred stock at a discount and reducing our outstanding debt, we will lower our preferred stock PIK (payment in kind) dividend accrued and debt interest expense and the offering will provide additional liquidity for addressing other general corporate needs. Our board of directors has approved this offering and has evaluated and determined the pricing and financial terms of the securities offered. After careful review and analysis by our board of directors, we believe this offering is in the best interests of our company and its stockholders. However, the board is not making any recommendation regarding your exercise of the Subscription Rights and Series Rights. The board considered and evaluated several factors related to this offering, including: (i) our current capital resources and indebtedness, and our future need for additional liquidity and capital; (ii) our need for increased financial flexibility in order to enable us to achieve our business plan; (iii) the size and timing of the offering and alternative securities to be offered; (iv) the most effective use of proceeds to decrease dividends and interest expense; (v) the potential dilution to our current shareholders if they choose not to participate in the offering; (vi) the impact on our cumulative net operating losses and their potential limitation; (vii) the non-transferability of the Subscription Rights; and (viii) alternatives available for raising capital. Terms of this Offering We are distributing, at no charge, non-transferable subscription rights (the "Subscription Rights") entitling holders of our common stock and holders of our series 1 convertible preferred stock and series 2 convertible preferred stock as of the record date, whom we refer to as rights holders or you. Your Subscription Rights will consist of: (i) your basic subscription right, which will entitle you to purchase one unit for each Subscription Right; and (ii) your over-subscription privilege, which will be exercisable only if you exercise your basic subscription right in full and will entitle you to purchase additional units for which other rights holders do not subscribe, subject to the pro rata allocations and ownership limitation described in "Over-Subscription Privilege." All units are being offered and sold at a subscription price equal to the lower of (i) an initial price of \$\_\_\_\_ or (ii) an alternate price equal to 92.5% of the volume weighted average price ("VWAP") of our common stock over the last three trading days prior to the expiration date of the Subscription Rights, rounded down to the nearest whole cent (the "Unit Subscription Price"). We will announce the Unit Subscription Price no later than 9:00 a.m., Eastern time, on the business day after the expiration date of the Subscription Rights. If at the expiration date of the Subscription Rights, the alternate price is lower than the initial price, any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. 28 Table of Contents Units Each unit will consist of: (i) one share of common stock; (ii) one Series A Right exercisable for one share of common stock at an exercise price equal to the higher of (i) the Unit Subscription Price or (ii) 90% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series A Rights, which is 30 days following the closing date of the subscription offering, but in any event not to exceed 150% of the Unit Subscription Price. (iii) one Series B Right exercisable for one share of common stock at an exercise price equal to the higher of (i) the Unit Subscription Price or (ii) 87.5% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series B Rights, which is 60 days following the closing date of the subscription offering, but in any event not to exceed 200% of the Unit Subscription Price; and (iv) one Series C Right exercisable for one share of common stock at an exercise price equal to the higher of (i) the Unit Subscription Price or (ii) 85% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series C Rights, which is 90 days following the closing date of the subscription offering, but in any event not to exceed 250% of the Unit Subscription Price. Shares of our common stock and the Series A Rights comprising the units may only be purchased as a unit, but will be issued separately. Subscription Rights and Series Rights will not be transferable. Subscription Rights and Series Rights may only be exercised in aggregate for whole numbers of units. Subscription Rights may be exercised at any time during the subscription period, which commences on \_\_\_\_, 2024, and ends at 5:00 p.m., Eastern time, on \_\_\_\_, 2024, the expiration date, unless extended by us. Series A Rights, Series B Rights and Series C Rights may be exercised commencing on their date of issuance and continuing respectively, 30, 60 and 90 days following the closing of the Subscription Rights offering. The shares of common stock issued upon the exercise of Subscription Rights and Series Rights are expected to be listed on The Nasdaq Capital Market under the symbol "FPAY." We will not apply to list the Subscription Rights or Series A Rights for trading on The Nasdaq Capital Market. The Subscription Rights will be evidenced by subscription certificates that will be mailed to stockholders, except as discussed below under "Foreign Stockholders." For purposes of determining the number of units a rights holder may acquire in this offering, broker-dealers, trust companies, banks or others whose shares are held of record by Cede & Co. or by any other depository or nominee will be deemed to be the holders of the Subscription Rights that are issued to Cede & Co. or the other depository or nominee on their behalf. There is no minimum number of Subscription Rights or Series Rights that must be exercised in order for this offering to close. Over-Subscription Privilege If you exercise your basic subscription rights in full, you may also choose to exercise your over-subscription privilege. Allocation of Units Available for Over-Subscription Privileges Subject to the ownership limitation described below, we will seek to honor the over-subscription requests in full. If over-subscription requests exceed the number of units available, however, we will allocate the available units pro rata among the holders in proportion to the number of over-subscription units for which they have subscribed. Continental Stock Transfer & Trust Company, which will act as the subscription agent for the Subscription Rights and Series Rights and which we refer to as the subscription agent, will determine the over-subscription allocation based on the formula described above. To the extent your aggregate subscription payment for the actual number of unsubscribed units available to you pursuant to the over-subscription privilege is less than the amount you actually paid in connection with the exercise of the over-subscription privilege, you will be allocated only the number of unsubscribed units available to you, and 29 Table of Contents any excess subscription payment will be promptly returned to you, without interest or penalty, after the expiration of this offering. See "The Rights Offering" Limitation on the Purchase of Units for a description of certain limitations on purchase. We can provide no assurances that you will actually be entitled to purchase the number of units issuable upon the exercise of your over-subscription privilege in full at the expiration of this offering. There is no over-subscription privilege applicable to the Series A Rights. Limitation on the Purchase of Units In the event that the exercise by a stockholder of the basic Subscription Right or the over-subscription privilege could, as determined by us in our sole discretion, potentially result in a limitation on our ability to use net operating losses, tax credits and other tax attributes, which we refer to as the "Tax Attributes," under the Internal Revenue Code of 1986, as amended, which we refer to as the "Code," and rules promulgated by the Internal Revenue Service, we may, but are under no obligation to, reduce the exercise by such stockholder of the basic Subscription Right or the over-subscription privilege to such number of units as we in our sole discretion shall determine to be advisable in order to preserve our ability to use the Tax Attributes. If the amount of Subscription Rights that you exercise is so limited, any amount not used for purchases will be promptly refunded. Expiration of Offer The Subscription Rights offering will expire at 5:00 p.m., Eastern time, on \_\_\_\_, 2024, unless extended by us, and Subscription Rights may not be exercised after the expiration date. Our board of directors may determine to extend the Subscription Rights offering period, and thereby postpone the expiration date, not to exceed 30 days from the initial expiration date, to the extent it determines that doing so is in the best interest of our stockholders. If we extend the Subscription Rights offering, all basic and over-subscription privileges exercised during the extension period will be filled on a first-come, first-serve basis. Any extension of this offering will be followed as promptly as practicable by announcement thereof, and in no event later than 9:00 a.m., Eastern time, on the next business day following the previously scheduled expiration date. Without limiting the manner in which we may choose to make such announcement, we will not, unless otherwise required by law, have any obligation to publish, advertise or otherwise communicate any such announcement other than by issuing a press release or such other means of announcement as we deem appropriate. Subscription Rights may be exercised at any time during the Subscription Rights Offering period. Series A Rights, Series B Rights and Series C Rights may be exercised commencing on their date of issuance and continuing, respectively, 30, 60 and 90 days following the closing of the Subscription Rights offering. Determination of the Unit Subscription Price and Exercise Prices of Series Rights The Unit Subscription Price and exercise prices of the Series Rights were set by our board of directors considering, among other things, input from the dealer-manager for this offering. In approving the Unit Subscription Price and exercise prices of the Series Rights, the board of directors considered, among other things, the following factors: (i) the market price of common stock prior to public announcement of the Unit Subscription Price and exercise price; (ii) the fact that the Subscription Rights and Series A Rights will be non-transferable; (iii) the fact that holders of Subscription Rights will have an over-subscription privilege; (iv) the terms and expenses of this offering relative to other alternatives for raising capital, including fees payable to Moody Capital, and our ability to access capital through such alternatives; (v) comparable precedent transactions, including the range of discounts to market value represented by the subscription prices and exercise prices in other rights offerings; (vi) the size of this offering; and (vii) the general condition of the securities market. 30 Table of Contents No Recombination of Units The shares of common stock and the Series A Rights comprising the units will be issued separately upon the exercise of Subscription Rights, and the units will not trade as a separate security. Rights holders may not recombine shares of common stock and Series A Rights to receive a unit. Subscription Agent for the Offering Continental Stock Transfer & Trust Company, the subscription agent for the Subscription Rights and Series Rights, will receive for its administrative, processing, invoicing and other services a fee estimated to be up to approximately \$60,000 plus reimbursement for all out-of-pocket expenses related to the offering. A completed subscription certificate and/or Series Rights certificate, together with full payment of the initial price of the Subscription Rights and Series Rights exercised, must be sent to the subscription agent for (i) all whole numbers of units subscribed for through the exercise of a basic subscription right and the over-subscription privilege and (ii) the Series Rights exercised by one of the methods described below. We will accept only properly completed and duly executed subscription certificates and Series Rights certificates actually received at any of the addresses listed below, at or prior to 5:00 p.m., Eastern time, on the applicable expiration date. If at the expiration date of the Subscription Rights, the alternate price is lower than the initial price, any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. See "Payment for Securities" below. In this prospectus, close of business means 5:00 p.m., Eastern time, on the relevant date. Subscription Certificate Delivery Method Address/Number By Hand or Overnight Courier or Regular Mail: Continental Stock Transfer & Trust Company 1 State Street, 30th floor New York, NY 10004 Attention: Corporate Actions "FlexShopper, Inc. Delivery to an address other than one of the addresses listed above may not constitute valid delivery and, accordingly, may be rejected by us. Information Agent Any questions or requests for assistance concerning the method of subscribing for units or for additional copies of this prospectus or subscription certificates may be directed to MacKenzie Partners, Inc., the information agent, by telephone at (212) 929-5500 (bankers and brokers) or (800) 322-2885 (all others) or by email at rightsoffer@mackenziepartners.com. Rights holders may also contact their broker-dealers or nominees (including any mobile investment platform) for information with respect to this offering. Methods for Exercising the Subscription Rights and Series A Rights Exercise of the Subscription Rights and Series A Rights Subscription Rights and the Series Rights are evidenced by subscription certificates or Series Rights certificates that, except as described below under "Foreign Stockholders," will be mailed to record date stockholders or, if a record date stockholder's shares are held by a depository or nominee (including any mobile investment platform) on his, her or its behalf, to such depository or nominee. Subscription Rights and the Series Rights may be exercised by completing and signing the subscription certificate or Series Rights certificate that accompanies this prospectus and mailing it in the envelope provided, or otherwise delivering the completed and duly executed subscription certificate or Series Rights certificate to the subscription agent, together with payment in full by the applicable expiration date. Completed subscription certificates and Series Rights certificates and related payments must be received by the subscription agent prior to 5:00 p.m., Eastern time, on or before the applicable expiration date at the offices of the subscription agent at the address set forth above. The Subscription Rights offering will expire at 5:00 p.m., Eastern time, on \_\_\_\_, 2024, unless extended by us, and Subscription Rights may not be exercised after the expiration date. Subscription Rights may be exercised at any time during the Subscription Rights Offering period. Series A Rights, Series B Rights and Series C Rights may be exercised commencing on their date of issuance and continuing, respectively, 30, 60 and 90 days following the closing of the Subscription Rights offering. 31 Table of Contents Exercise of the Over-Subscription Privilege Rights holders who fully exercise all of their basic subscription rights may purchase additional shares in accordance with the over-subscription privilege by indicating on their subscription certificate the number of additional units they are willing to acquire. If sufficient units are available after all exercises of basic subscription rights, we will seek to honor over-subscriptions requests in full, subject to the pro rata allocations and ownership limitation described in "Over-Subscription Privilege." There is no over-subscription privilege applicable to the Series A Rights. Record Date Stockholders Whose Shares are Held by a Nominee Record date stockholders whose shares are held by a nominee, such as a bank, broker-dealer, trustee, depositories or mobile investment platform, must contact that nominee to exercise their Subscription Rights or Series Rights. In that case, the nominee will complete the subscription certificate or Series Rights certificate on behalf of the record date stockholder and arrange for proper payment by one of the methods set forth under "Payment for Securities" below. Nominees Nominees, such as brokers, trustees, depositories or mobile investment platforms for securities, who hold shares of common stock for the account of others, should notify the respective beneficial owners of the shares as soon as possible to ascertain the beneficial owners' intentions and to obtain instructions with respect to the Subscription Rights and Series Rights. If the beneficial owner so instructs, the nominee should complete the subscription certificate or Series Rights certificate and submit it to the subscription agent with the proper payment as described under "Payment for Securities" below. General All questions as to the validity, form, eligibility (including times of receipt and matters pertaining to beneficial ownership) and the acceptance of subscription forms and the Unit Subscription Price will be determined by us, which determinations will be final and binding. No alternative, conditional or contingent subscriptions will be accepted. We reserve the right to reject any or all subscriptions not properly submitted or the acceptance of which would, in the opinion of our counsel, be unlawful.

We reserve the right to reject any exercise of Subscription Rights or Series A Rights if such exercise is not in accordance with the terms of this offering or not in proper form or if the acceptance thereof or the issuance of units or shares of common stock thereto could be deemed unlawful. We reserve the right to waive any deficiency or irregularity with respect to any subscription certificate or Series Rights certificate. Subscriptions will not be deemed to have been received or accepted until all irregularities have been waived or cured within such time as we determine in our sole discretion. We will not be under any duty to give notification of any defect or irregularity in connection with the submission of subscription certificates or Series Rights certificates or incur any liability for failure to give such notification. Participation of Preferred Stockholders Holders of our series 1 convertible preferred stock and series 2 convertible preferred stock have the contractual right to participate in this offering pursuant to the terms of the certificates of designations for each such series of preferred stock. Each preferred stockholder will receive two Subscription Rights for each share of common stock underlying a share of preferred stock owned by such holder. A total of 12,141,852 Subscription Rights will be issued to these preferred stockholders. No Revocation or Change Once you submit the subscription certificate or Series Rights certificate or have instructed your nominee of your subscription request, you are not allowed to revoke or change the exercise or request a refund of monies paid. All exercises of Subscription Rights or Series A Rights are irrevocable, even if you learn information about us that you consider to be unfavorable. You should not exercise your Subscription Rights or Series A Rights unless you are certain that you wish to purchase units at the Unit Subscription Price or exercise your Series A Rights at the exercise price. 32 Table of Contents Transferability Subscription Rights. A A A The Subscription Rights are evidenced by a subscription certificate and are non-transferable. The Subscription Rights will not be listed for trading on The Nasdaq Capital Market or any other securities exchange or trading market. Units. A A A The common stock and the Series A Rights comprising the units may only be purchased as a unit but will be issued separately. The units will not be issued as a separate security and will not be transferable. Common Stock. A A A The shares of common stock included in units and underlying the Series Rights will be separately transferable following their issuance. All of the shares of common stock issued in this offering are expected to be listed on The Nasdaq Capital Market under the symbol  $\text{\$FPAY}$ . Series A Rights. A A A The Series A Rights are evidenced by a Series Rights certificate for each such right and are non-transferable. The Series A Rights will not be listed for trading on The Nasdaq Capital Market or any other securities exchange or trading market. Foreign Stockholders Subscription certificates and Series Rights certificates will not be mailed to foreign stockholders. Foreign stockholders will receive written notice of this offering. The subscription agent will hold the Subscription Rights and Series Rights to which those subscription certificates or Series Rights certificates relate for these stockholders' accounts until instructions are received to exercise the Subscription Rights or Series Rights certificate, subject to applicable law. Payment for Securities A participating rights holder may send to the subscription agent (a) a payment of the initial price for units acquired in the basic subscription right and any additional units subscribed for pursuant to the over-subscription privilege, (b) a properly completed and duly executed subscription certificate, (c) payment of the initial price of the Series Rights exercised and (d) properly completed and duly executed Series Rights certificate, each must be received by the subscription agent at the offices set forth above (see "Subscription Agent for the Offering"), at or prior to 5:00 p.m., Eastern time, on the applicable expiration date. A properly completed and duly executed subscription certificate and Series Rights certificate and full payment for the units or rights exercised must be received by the subscription agent at or prior to 5:00 a.m., Eastern time, the applicable expiration date, unless this offering is extended by us. All payments by a participating rights holder must be in U.S. dollars by certified checks located in the United States and payable to the order of Continental Stock Transfer & Trust Company, as the subscription agent for the offering for FlexShopper, Inc. Payment also may be made by wire transfer to the account maintained by Continental Stock Transfer & Trust Company, as the subscription agent for the offering, with reference to the holder's name. The subscription agent will deposit all funds received by it prior to the final payment date into a segregated account pending pro-rata and distribution of the units. The method of delivery of subscription certificates and Series Rights certificates along with the payment of their initial prices to us will be at the election and risk of the participating rights holders, but if sent by mail it is recommended that such certificates and payments be sent by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the subscription agent prior to 5:00 a.m., Eastern time, on the applicable expiration date. Whichever of the two methods described above is used, Subscription Rights and the Series Rights will not be successfully exercised unless the subscription agent actually receives checks and actual payment. We will announce the Unit Subscription Price in a press release issued no later than 9:00 a.m., Eastern time, on the business day after the expiration date of the Subscription Rights. If at the expiration date of the Subscription Rights or Series Rights, the alternate price is lower than the initial price, any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. If a participating rights holder who subscribes for units as part of the basic subscription right or over-subscription privilege or who exercises his or her Series Rights does not make payment of any amounts due by the applicable 33 Table of Contents expiration date or as promptly as practicable of the confirmation date, as applicable, the subscription agent reserves the right to take any or all of the following actions: (i) reallocate the units to other participating rights holders in accordance with the over-subscription privilege; (ii) reallocate the shares of common stock to other participating rights holders in accordance with the Series Rights; (iii) apply any payment actually received by it from the participating rights holder toward the purchase of the greatest whole number of units or shares of common stock that could be acquired by such participating rights holder upon exercise of the basic subscription right and/or the over-subscription privilege or Series Rights, as applicable; and/or (iv) exercise any and all other rights or remedies to which it may be entitled, including the right to set off against payments actually received by it with respect to such subscribed for units or shares of common stock. All questions concerning the timeliness, validity, form and eligibility of any exercise of Subscription Rights or Series Rights will be determined by us, whose determinations will be final and binding. We may waive any defect or irregularity or permit a defect or irregularity to be corrected within such time as we may determine, or reject the purported exercise of any right. Subscriptions will not be deemed to have been received or accepted until all irregularities have been waived or cured within such time as we determine. The subscription agent will not be under any duty to give notification of any defect or irregularity in connection with the submission of subscription certificates or Series Rights certificate or incur any liability for failure to give such notification. Escrow Arrangements; Return of Funds An escrow agent retained by the subscription agent will hold funds received in payment for units or exercise of the Series Rights in a segregated escrow account pending completion of the offering. An escrow agent retained by the subscription agent will hold this money in escrow until the offering is completed or is terminated. If the offering is terminated for any reason, all subscription payments received by the subscription agent will be promptly returned, without interest or penalty. Delivery of Securities Stockholders whose shares are held of record by Cede & Co. or by any other depository or nominee on their behalf or their broker-dealers' behalf will have any shares of common stock and Series A Rights comprising units that they acquire credited to the account of Cede & Co. or the other depository or nominee. With respect to all other stockholders, the shares of common stock and Series A Rights acquired will be issued in book-entry, or uncertificated form meaning that you will receive a direct registration account book-entry statement from our subscription agent reflecting the ownership of these securities if you are a holder of record of shares, which may take up to 15 business days from the applicable expiration date. Termination We reserve the right to terminate the offering before its expiration for any reason. In particular, we may terminate the offering, in whole or in part, if at any time before completion of the offering there is any judgment, order, decree, injunction, statute, law or regulation entered, enacted, amended or held to be applicable to the offering that in the sole judgment of the board would or might make the offering or its completion, whether in whole or in part, illegal or otherwise restrict or prohibit completion of the offering. We may choose to proceed with the offering even if one or more of these events occur. If we terminate the offering in whole or in part, we will issue a press release notifying the stockholders of such event, all affected Subscription Rights or Series Rights will expire without value, and all excess subscription payments received by the subscription agent will be promptly returned, without interest or penalty, following such termination. If this offering is terminated, all rights will expire without value and we will promptly arrange for the refund, without interest or penalty, of all funds received from rights holders. All monies received by an escrow agent retained by the subscription agent in connection with this offering will be held in escrow by the escrow agent, on our behalf, in a segregated account. Any interest earned on such an account shall be payable to us even if we determine to terminate this offering and return your subscription payment. 34 Table of Contents No Recommendation to Stockholders Our board of directors has not made, nor will it make, any recommendation to stockholders regarding the exercise of Subscription Rights or Series Rights under this offering. We cannot predict the price at which shares of our outstanding common stock will trade after this offering. You should consult with your legal, tax and financial advisors prior to making your independent investment decision about whether or not to exercise your Subscription Rights or Series Rights. Holders who exercise Subscription Rights or Series Rights risk investment loss on new money invested. We cannot assure you that the market price for common stock will ever be above the Unit Subscription Price or exercise price of the Series A Rights, or that anyone purchasing units, or exercising Series A Rights to purchase shares, will be able to sell those shares in the future at the same price or a higher price. If you do not exercise your Subscription Rights (including if you do not exercise your basic subscription rights in full) or Series Rights, you will lose any value represented by your Subscription Rights or Series Rights, and your percentage ownership interest in our company will be diluted. For more information on the risks of participating in this offering, see "Risk Factors." Effect of the Offering on Existing Stockholders; Interests of Certain Stockholders, Directors and Officers Based on shares outstanding as of October 25, 2024, after giving effect to this offering (assuming that sale of all offered units and no exercise of the Series A Rights included in the units), we would have approximately up to 56,461,890 shares of common stock outstanding, representing an increase in outstanding shares of approximately 163%. If all of the Series A Rights to purchase shares of our common stock are exercised in full at the Unit Subscription Price (assuming that stockholders exercise Subscription Rights for all of the units that we are offering), we will have up to 91,461,890 shares of common stock outstanding, representing an increase of approximately 326%. If you fully exercise the basic subscription rights that we distribute to you, your proportional interest in our company will remain the same. If you do not exercise any Subscription Rights, or you exercise less than all of your basic subscription rights, your interest in our company will be diluted, as you will own a smaller proportional interest in our company compared to your interest prior to this offering. The number of shares of common stock outstanding listed in each case above assumes that (a) all of the other shares of common stock issued and outstanding on the record date will remain issued and outstanding and owned by the same persons as of the closing of this offering, and (b) we will not issue any shares of common stock in the period between the record date and the closing of the offering. Material U.S. Federal Income Tax Treatment of Rights Distribution The U.S. federal income tax law governing transactions such as this offering is complex and does not speak directly to the consequences of certain aspects of the offering. Although we do not believe a stockholder's receipt of Subscription Rights pursuant to the offering should be treated as a taxable distribution for U.S. federal income tax purposes, our position is not binding on the IRS or the courts. If this position were finally determined by the IRS or a court to be incorrect, your receipt of Subscription Rights may be treated as the receipt of a distribution equal to the fair market value of the rights, and may result in taxable dividend income to the extent of our current and accumulated earnings and profits, with any excess being treated as a return of basis to the extent thereof and then as capital gain. See "Material U.S. Federal Income Tax Considerations." Distribution Arrangements Moody Capital is the dealer-manager for this offering. The dealer-manager will provide marketing assistance and advice to us in connection with this offering and will use its best efforts to solicit the exercise of basic subscription rights and participation in the over-subscription privileges. The dealer-manager is not underwriting this offering. Moody Capital does not make any recommendation with respect to such Subscription Rights (including with respect to the exercise or expiration of such Subscription Rights), shares of common stock, Series A Rights. We have agreed to pay the dealer-manager certain fees and to reimburse the dealer-manager for certain expenses in connection with this offering. See "Plan of Distribution." 35 Table of Contents Fees and Expenses We will pay all fees charged by the subscription agent, the information agent, and Moody Capital acting as dealer-manager for this offering. You are responsible for paying any commissions, fees, taxes or other expenses incurred in connection with the exercise of your Subscription Rights. Other Matters We are not making this offering in any state or other jurisdiction in which it is unlawful to do so, nor are we distributing or accepting any offers to purchase any shares of common stock from rights holders who are residents of those states or other jurisdictions or who are otherwise prohibited by federal or state laws or regulations to accept or exercise the Subscription Rights or Series A Rights. We may delay the commencement of this offering in those states or other jurisdictions, or change the terms of the offering, in whole or in part, in order to comply with the securities laws or other legal requirements of those states or other jurisdictions. Subject to state securities laws and regulations, we also have the discretion to delay allocation and distribution of any units you may elect to purchase by exercise of your Subscription Rights and to delay allocation and distribution of any shares of common stock you may elect to purchase by exercise of your Series Rights in order to comply with state securities laws. We may decline to make modifications to the terms of this offering requested by those states or other jurisdictions, in which case, if you are a resident in those states or jurisdictions or if you are otherwise prohibited by federal or state laws or regulations from accepting or exercising the Subscription Rights or Series Rights, you will not be eligible to participate in the offering. However, we are not currently aware of any states or jurisdictions that would preclude participation in this offering. 36 Table of Contents DESCRIPTION OF securities We are distributing, at no charge, non-transferable subscription rights (the "Subscription Rights"), entitling holders of our common stock and holders of our series 1 convertible preferred stock and series 2 convertible preferred stock as of the record date of 5:00 a.m., Eastern time, on \_\_\_\_\_, 2024, whom we refer to as a holder or you. For each share of common stock you hold or issuable upon the exercise of a share of preferred stock as of the record date, we will issue to you two Subscription Rights. Each Subscription Right consists of (a) a basic subscription right entitling you to purchase a unit at a subscription price equal to the lower of (i) an initial price of \$ \_\_\_\_\_ or (ii) an alternate price equal to 92.5% of the volume weighted average price ( $\text{\$VWAP}$ ) of our common stock over the last three trading days prior to the expiration date of the Subscription Rights, rounded down to the nearest whole cent (the "Unit Subscription Price") and (b) an over-subscription privilege which will entitle you to purchase additional units for which other rights holders do not subscribe, subject to your exercising your basic subscription right in full and other limitations. Each unit will consist of one share of common stock, one Series A Right, one Series B Right and one Series C Right, with each right entitling the holders to purchase one share of our common stock commencing upon the date of issuance. The Subscription Rights may only be exercised in aggregate for whole numbers of units. The common stock and Series A Rights comprising the units may only be purchased as a unit, but will be issued separately. The following is a description of the material terms of our charter, by-laws and General Corporation Law of the State of Delaware (the "DGCL"). This description of our charter and by-laws does not purport to be complete and is qualified in its entirety by the provisions of our charter and bylaws, copies of which have been filed with the SEC and are incorporated by reference as exhibits to the registration statement of which this prospectus is a part. General Our authorized capital stock consists of 100,000,000 shares of common stock, par value \$0.0001 per share, and 500,000 shares of preferred stock, par value \$0.001 per share, of which 250,000 shares of preferred stock have been designated as series 1 convertible preferred stock and 25,000 shares of preferred stock have been designated as series 2 convertible preferred stock. As of October 25, 2024, 21,461,890 shares of common stock were outstanding and were held by approximately 126 holders; 170,332 shares of series 1 convertible preferred stock were outstanding, convertible into 225,231 shares of common stock, and were held by 61 holders; and 21,952 shares of series 2 convertible preferred stock were outstanding, convertible into 5,845,695 shares of common stock, and were held by two holders. Units Offered The following description of the material terms and provisions of the common stock, Series A Rights, Series B Rights and Series C Rights comprising the units being offered is qualified in its entirety by reference to the form of each of the subscription rights certificate for the Series A Rights, Series B Rights and Series C Rights, filed as exhibits to the registration statement of which this prospectus forms a part. The shares of common stock, Series A Rights, Series B Rights and Series C Rights offered by this prospectus will be sold only together in units. Each unit consists of one share of common stock, one Series A





trade or business within the United States and dividends being effectively connected with that trade or business. To claim such a reduction in or exemption from withholding, the non-U.S.A holder must provide the applicable withholding agent with a properly executed (a) IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming an exemption from or reduction of the withholding tax under the benefit of an income tax treaty between the United States and the country in which the non-U.S.A holder resides or is established, or (b) IRS Form W-8ECI stating that the dividends are not subject to withholding tax because they are effectively connected with the conduct by the non-U.S.A holder of a trade or business within the United States, as may be applicable. These certifications must be provided to the applicable withholding agent prior to the payment of dividends and must be updated periodically. Non-U.S.A holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If dividends paid to a non-U.S.A holder are effectively connected with the non-U.S.A holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S.A holder maintains a permanent establishment in the United States to which such dividends are attributable), then, although exempt from U.S.A federal withholding tax (provided the non-U.S.A holder provides appropriate certification, as described above), the non-U.S.A holder will be subject to U.S.A federal income tax on such dividends on a net income basis at the regular graduated U.S.A federal income tax rates. In addition, a non-U.S.A holder that is a corporation may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits for the taxable year that are attributable to such dividends, as adjusted for certain items. Non-U.S.A holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty. Sale or Other Disposition of Common Stock Subject to the discussions below on backup withholding and foreign accounts, a non-U.S.A holder will not be subject to U.S.A federal income tax on any gain recognized upon the sale or other taxable disposition of common stock unless: (a) the gain is effectively connected with the non-U.S.A holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S.A holder maintains a permanent establishment in the United States to which such gain is attributable); (b) the non-U.S.A holder is a nonresident alien individual present in the United States for 183A days or more during the taxable year of the disposition and certain other requirements are met; or (c) the non-U.S.A holder's common stock constitutes a U.S.A real property interest (as defined in the Code), by reason of our status as a U.S.A real property holding corporation (as defined in the Code), for U.S.A federal income tax purposes. 47 Table of Contents Gain described in the first bullet point above generally will be subject to U.S.A federal income tax on a net income basis at the regular graduated rates. A Non-U.S.A holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S.A federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on any gain derived from the disposition, which may be offset by U.S.A source capital losses of the non-U.S.A holder (even though the individual is not considered a resident of the United States), provided the non-U.S.A holder has timely filed U.S.A federal income tax returns with respect to such losses. With respect to the third bullet point above, we believe we are not currently and do not anticipate becoming a USRPHC. Because the determination of whether we are a USRPHC depends on the fair market value of our USRPIs relative to the fair market value of our other business assets and our non-U.S.A real property interests, however, there can be no assurance we are not a USRPHC or will not become one in the future. If we are or were to become a USRPHC, gain arising from the sale or other taxable disposition of our common stock by a non-U.S.A holder will not be subject to U.S.A federal income tax if our common stock is (a) regularly traded, as defined by applicable Treasury Regulations, on an established securities market and such non-U.S.A holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the non-U.S.A holder's holding period. Non-U.S.A holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules. Information Reporting and Backup Withholding Subject to the discussion below on foreign accounts, a non-U.S.A holder will not be subject to backup withholding with respect to distributions on common stock we make to the non-U.S.A holder, provided the applicable withholding agent does not have actual knowledge or reason to know such non-U.S.A holder is a United States person and such non-U.S.A holder certifies its non-U.S.A status, such as by providing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or other applicable certification. Information returns generally will be filed with the IRS, however, in connection with any distributions (including deemed distributions) made on Series A Rights and common stock to the non-U.S.A holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S.A office of a non-U.S. broker generally will not be subject to backup withholding or information reporting. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-U.S.A holder resides or is established. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S.A holder's U.S.A federal income tax liability, provided the required information is timely furnished to the IRS. Additional Withholding Tax on Payments Made to Foreign Accounts Withholding taxes may be imposed under the Foreign Account Tax Compliance Act (as defined in the Code), on certain types of payments made to non-U.S.A financial institutions and certain other non-U.S.A entities. Specifically, a 30% withholding tax may be imposed on dividends (including deemed dividends) on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our common stock paid to a (a) foreign financial institution, or a (b) non-financial foreign entity (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any substantial United States ownership (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the 48 Table of Contents U.S.A Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain specified United States persons or U.S.A owned United States-owned foreign entities (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends (including deemed dividends) on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of our rights or common stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Investors should consult their tax advisors regarding the potential application of withholding under FATCA to their receipt, ownership, and exercise of Subscription Rights, Series A Rights, Series B Rights and Series C Rights and the ownership and disposition of shares of our common stock acquired upon exercise of Subscription Rights, Series A Rights, Series B Rights and Series C Rights. 49 Table of Contents PLAN OF DISTRIBUTION As soon as practicable after 5:00A p.m., Eastern time, on \_\_\_\_\_, 2024, the record date for this offering, we will distribute the Subscription Rights and subscription certificates to persons who owned settled shares of common stock at 5:00A p.m., Eastern time, on the record date. Subscription Rights and the Series Rights may be exercised by completing and signing the subscription certificate or Series Rights certificate that accompanies this prospectus and mailing it in the envelope provided, or otherwise delivering the completed and duly executed subscription certificate or Series Rights certificate to the subscription agent, together with payment in full before the applicable expiration date at the offices of the subscription agent at the address set forth above. The Subscription Rights offering will expire at 5:00 p.m., Eastern time, on \_\_\_\_\_, 2024, unless extended by us, and Subscription Rights may not be exercised after the expiration date. Subscription Rights may be exercised at any time during the Subscription Rights Offering period. Series A Rights, Series B Rights and Series C Rights may be exercised commencing on their date of issuance and continuing, respectively, 30, 60 and 90 days following the closing of the Subscription Rights offering. See "The Rights Offering" Methods for Exercising the Subscription Rights and Series Rights. If you have any questions or need further information about this offering, please contact MacKenzie Partners, Inc., the information agent, by telephone at (212) 929-5500 (bankers and brokers) or (800) 322-2885 (all others) or by email at [rightsoffer@mackenziepartners.com](mailto:rightsoffer@mackenziepartners.com). Dealer-Manager Moody Capital is the dealer-manager of this offering and, under the terms and subject to the conditions contained in its dealer-manager agreement with us, Moody Capital will provide marketing assistance and advice to us in connection with the offering. We have agreed to pay Moody Capital a cash fee equal to 6.0% of the proceeds of the offering from the exercise of the Subscription Rights and the Series Rights, a non-accountable expense cash fee equal to 1.0% of the proceeds of the offering from the exercise of the Subscription Rights and the Series Rights and an out-of-pocket accountable expense allowance of \$35,000. Notwithstanding the foregoing, we will pay Moody Capital a cash fee equal to 3.0% of the proceeds of the offering from the exercise of the Subscription Rights and the Series Rights by our executive officers and directors and their respective investment vehicles. We have agreed to indemnify Moody Capital and its affiliates against, or contribute to losses arising out of, certain liabilities, including liabilities under the Securities Act. Moody Capital's participation in this offering is subject to customary conditions contained in the dealer-manager agreement. The dealer-manager agreement provides that the dealer-manager will not be subject to any liability to us in rendering the services contemplated by the dealer-manager agreement except for any act of bad faith, willful misconduct or gross negligence of the dealer-manager. The dealer-manager and its affiliates may provide us from time to time in the future in the ordinary course of its business certain financial advisory, investment banking and other services for which it will be entitled to receive customary fees. The maximum commission to be received by any independent broker-dealer, dealer-manager or any member of FINRA will not be greater than 8.0% of the gross proceeds from the exercise of Subscription Rights in this offering. Other than as described herein, we do not know of any existing agreements between or among any stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of the underlying shares of common stock. Some of our officers, employees and directors may solicit responses from the holders of Subscription Rights. None of our officers, directors or employees will be compensated in connection with these actions by the payment of commissions or other remuneration based either directly or indirectly on the subscriptions but will be reimbursed for reasonable expenses. We have agreed to pay the subscription agent and the information agent customary fees plus certain expenses in connection with the offering. Except as described in this section, we are not paying any commissions, underwriting fees or discounts in connection with this offering. 50 Table of Contents Electronic Distribution This prospectus may be made available in electronic format on websites or via email or through other online services maintained by Moody Capital or us. Other than this prospectus in electronic format, the information on our and Moody Capital's websites is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us or Moody Capital, and should not be relied upon by investors. The foregoing does not purport to be a complete statement of the terms and conditions of the dealer-manager agreement between Moody Capital and us. A copy of the dealer-manager agreement will be filed as an exhibit to the registration statement of which this prospectus forms a part. See "Where You Can Find Additional Information." Regulation M Restrictions Moody Capital, as dealer-manager, may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act, and any fees received by it might be deemed to be underwriting discounts or commissions under the Securities Act. As an underwriter, Moody Capital would be required to comply with the requirements of the Securities Act and the Exchange Act, including Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of any purchases and sales of securities by Moody Capital acting as a principal. Under these rules and regulations, Moody Capital must not engage in any stabilization activity in connection with our securities and must not bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities, other than as permitted under the Exchange Act. Price Stabilization We have not authorized any person to engage in any form of price stabilization in connection with this offering. 51 Table of Contents LEGAL MATTERS The validity of the securities offered will be passed upon for us by Olshan Frome Wolosky LLP, New York, New York. The dealer-manager is being represented by Barton LLP, Santa Monica, California. EXPERTS The audited consolidated financial statements incorporated by reference in this prospectus and elsewhere in the registration statement have been so incorporated by reference in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing. 52 Table of Contents WHERE YOU CAN FIND ADDITIONAL INFORMATION Available Information We make periodic filings and other filings required to be filed by us as a reporting company under Sections 13 and 15(d) of the Exchange Act. The SEC maintains a website at <http://www.sec.gov> that contains the reports, proxy and information statements, and other information that issuers, such as us, file electronically with the SEC. Our website address is <http://www.flexshopper.com>. Information contained on our website, however, is not, and should not be deemed to be, incorporated into this prospectus and you should not consider information contained on our website to be part of this prospectus. We have included our website address as an inactive textual reference only. This prospectus and any prospectus supplement are part of a registration statement that we filed with the SEC and do not contain all of the information in the registration statement. The full registration statement may be obtained from the SEC or us, as provided below. Forms of the documents establishing the terms of the offered securities are or may be filed as exhibits to the registration statement or documents incorporated by reference in the registration statement. Statements in this prospectus or any prospectus supplement about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. You may inspect a copy of the registration statement through the SEC's website, as provided above. Incorporation by Reference The SEC's rules allow us to incorporate by reference information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus. Any statement contained in a previously filed document incorporated by reference will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus modifies or replaces that statement: (a) our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on April 1, 2024, as amended by Form 10-K/A, filed with the SEC on April 3, 2024; (b) our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, filed with the SEC on May 13, 2024 and for the quarter ended June 30, 2024, filed with the SEC on August 6, 2024; (c) our Definitive Proxy Statement on Schedule 14A, filed with the SEC on September 9, 2024; and (d) our Current Reports on Form 8-K filed with the SEC on March 28, 2024, October 8, 2024 and October 28, 2024. In addition to the filings listed above, we incorporate by reference any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the effective date of this registration statement and the date of this prospectus and before the completion of the offering of the securities included in this prospectus; however, we will not incorporate by reference any document or portions thereof that are not deemed to be filed with the SEC, or any information furnished pursuant to Item 2.02 or 7.01 of Form 8-K or related exhibits furnished pursuant to Item 9.01 of Form 8-K. We will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, upon such person's written or oral request, a copy of any and all of the information incorporated by reference in this prospectus. You may request a free copy of any of the documents incorporated by reference in









agent and clearance of payment prior to the expiration of the subscription period or the date guaranteed payments are due under a notice of guaranteed delivery (as applicable). See the Rights Offering's "Expiration of the Offer" in the Prospectus. The maximum number of shares of our common stock available for issuance in this offering is 70,000,000 shares. If at any time the issuance of shares pursuant to the exercise of the Subscription Rights or the Series A Rights exceeds such share limitation, no additional shares will be issued, the offering will be terminated and any outstanding rights will immediately expire and the amount subscribed for by each holder will be proportionally reduced. If you have any questions concerning the offering, please contact the 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](mailto:rightsoffer@mackenziepartners.com).

1. Method of Subscription/Exercise of Subscription Rights. To exercise your Subscription Rights, please: (1) complete Form 1 on your Non-Transferable Subscription Rights Certificate, attached to these instructions; (2) sign Form 3 of your Non-Transferable Subscription Rights Certificate; and (3) mail the properly completed and executed Non-Transferable Subscription Rights Certificate evidencing the basic rights and, if applicable, over-subscription privilege subscribed, together with payment in full of the initial price for each unit subscribed for pursuant to the basic rights and, if applicable, over-subscription privilege, to the subscription agent, on or prior to the expiration of the subscription offering.

3. Additionally, if the share of common stock and Series Rights issued pursuant to the units to be sold pursuant to the Subscription Rights are to be issued in a name other than that of the registered holder, or sent to an address other than that shown on the front of the Non-Transferable Subscription Rights Certificate, please complete Form 2 of the Non-Transferable Subscription Rights Certificate and obtain a signature guarantee on Form 4 prior to mailing the Non-Transferable Subscription Rights Certificate to the subscription agent, prior to the Subscription Rights Expiration Date. Payment of the initial price will be held in escrow by an escrow agent retained by the subscription agent, on our behalf, in a segregated account. If at the expiration date of the Subscription Rights, the alternate price is lower than the initial price, any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty.

(a) Method of Execution. (i) Execution by Registered Holder. Your signature on the Non-Transferable Subscription Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Non-Transferable Subscription Rights Certificate without any alteration or change whatsoever. Persons who sign the Non-Transferable Subscription Rights Certificate in a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the subscription agent in its sole and absolute discretion, must present to the subscription agent satisfactory evidence of their authority to so act. (ii) Execution by Person Other than Registered Holder. If the Non-Transferable Subscription Rights Certificate is executed by a person other than the holder named on the face of the Non-Transferable Subscription Rights Certificate, proper evidence of authority of the person executing the Non-Transferable Subscription Rights Certificate must accompany the same unless, for good cause, the subscription agent dispenses with proof of authority. (iii) Signature Guarantees. If you completed any part of Form 2 of the Non-Transferable Subscription Rights Certificate to provide that the common stock and Series Rights issued pursuant to the units sold pursuant to your exercise of Subscription Rights to be (x) issued in a name other than that of the registered holder, or (y) sent to an address other than that shown on the front of the Non-Transferable Subscription Rights Certificate, your signature in Form 3 must be guaranteed in Form 4 by an Eligible Guarantor Institution, as such term is defined in Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), such as a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, or by a member of a Stock Transfer Association approved medallion program such as STAMP, SEMP or MSP, subject to standards and procedures adopted by the Subscription Agent.

(b) Method of Payment and Delivery. Registered holders may send to the subscription agent (a) payment of the full initial price for units acquired in the basic right and any additional units subscribed for pursuant to the over-subscription privilege and (b) a properly completed and duly executed Non-Transferable Subscription Rights Certificate, which must be received by the subscription agent at the subscription agent's offices set forth below, at or prior to 5:00 p.m., Eastern time, on the Subscription Rights Expiration Date. A properly completed and duly executed Non-Transferable Subscription Rights Certificate and full payment for the units must be received by the subscription agent at or prior to 5:00 p.m., Eastern time, on \_\_\_\_\_, 2024 unless the offering is extended by us.

4. All payments by a registered holder must be in U.S. dollars by certified check payable to the order of Continental Stock Transfer & Trust Company, as the subscription agent for FlexShopper, Inc. Payment also may be made by wire transfer to the account maintained by an escrow agent retained by Continental Stock Transfer & Trust Company, as subscription agent, for purposes of accepting subscriptions in this offering with reference to the registered holder's name. The subscription agent will deposit all funds received by it prior to the final payment date in escrow in a segregated account maintained by an escrow agent retained by the Subscription Agent on our behalf, pending proration and distribution of the units. If at the expiration date of the Subscription Rights, the alternate price is lower than the initial price paid, any excess subscription amount paid by a registered holder, will be promptly returned to the registered holder, without interest or penalty.

A. Beneficiary Account Name: Continental Stock Transfer & Trust Company  
A. Account Number: ABA/Routing number: ABA Bank: ABA For Further Credit: A FlexShopper, Inc. A Account Number: A

5. Non-Transferable Subscription Rights Certificate and payments of initial price must be delivered to the subscription agent by hand, or overnight courier or by first class mail to the below: A Continental Stock Transfer & Trust Company 1 State Street, 30th Floor New York, NY 10004 Attention: Corporate Actions FLEXSHOPPER, INC. A Delivery to an address or by a method other than those above will not constitute valid delivery.

2. Issuance of Common Stock and Series Rights. The following deliveries and payments will be made and/or issued to the address shown on the face of your Non-Transferable Subscription Rights Certificate, unless you provide instructions to the contrary in your Non-Transferable Subscription Rights Certificate.

(a) Basic Rights. As soon as practicable following the Subscription Rights Expiration Date and the valid exercise of the basic rights, we will issue to each holder exercising their basic rights shares of common stock and Series Rights in book-entry, or uncertificated form representing shares of common stock and Series Rights, included in the units purchased pursuant to the basic rights.

(b) Over-Subscription Privilege. As soon as practicable following the Subscription Rights Expiration Date and after all prorations and adjustments contemplated by the terms of the rights offering have been effected, we will issue to each holder of Subscription Rights that validly exercises the over-subscription privilege shares of common stock and Series Rights in book-entry, or uncertificated, form representing the number of shares of common stock and Series Rights included in the units, if any, allocated to such holder of Subscription Rights pursuant to the over-subscription privilege.

(c) Excess Cash Payments. As soon as practicable following the Subscription Rights Expiration Date and after all prorations and adjustments contemplated by the terms of the rights offering have been effected, any excess subscription payments received in payment of the initial price will be mailed by the subscription agent to each holder of Subscription Rights, without interest or penalty.

3. No Sale or Transfer of Subscription Rights. The Subscription Rights granted to you are non-transferable and, therefore, you may not sell, transfer or assign your Subscription Rights to anyone.

4. Special Provisions Relating to the Delivery of Subscription Rights through the Depository Trust Company. Banks, trust companies, securities dealers and brokers (each, a "Nominee") that hold shares of our common stock, series 1 convertible preferred stock and series 2 convertible preferred stock on the Record Date as nominee for more than one beneficial owner may, upon proper showing to the subscription agent, exercise such beneficial owner's Subscription Rights through DTC on the same basis as if the beneficial owners were stockholders on the Record Date. Such Nominee may exercise the basic rights on behalf of the exercising beneficial owner through DTC's PSOP Function on the agents' subscription over PITS procedure by (1) providing a certification as to the aggregate number of basic rights exercised by the beneficial owner on whose behalf such Nominee is acting, and (2) instruct DTC to charge the Nominee's applicable DTC account for the subscription payment for the new units to facilitate the delivery of the full subscription payment to the subscription agent. DTC must receive the subscription instructions and payment for the new units no later than the Subscription Rights Expiration Date.

5. Form W-9. Each basic right holder who elects to exercise basic rights should provide the subscription agent with a correct Taxpayer Identification Number (TIN) on IRS Form W-9. See Material U.S. Federal Income Tax Consequences Information Reporting and Backup Withholding in the prospectus. Failure to provide the information on the form may subject such holder to a \$50 penalty for each such failure and to 24% federal income tax withholding with respect to dividends (including deemed dividends) that may be paid by the company on shares of its common stock, series 1 convertible preferred stock and series 2 convertible preferred stock. Foreign Persons are generally required to provide an appropriate IRS Form W-8 rather than IRS Form W-9 and may be subject to withholding on dividends (including deemed dividends) at a rate of up to 30%.

6. EX-99.2. [EX-99.2 8 ea021757201ex99-2 flex.htm](#) FORM OF INSTRUCTIONS AS TO USE OF SERIES RIGHTS CERTIFICATE Exhibit 99.2. THE TERMS AND CONDITIONS OF THE OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS DATED \_\_\_\_\_, 2024 (THE PROSPECTUS) AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM MACKENZIE PARTNERS, INC., THE INFORMATION AGENT, BY CALLING (212) 929-5500 (BANKERS AND BROKERS) OR (800) 322-2885 (ALL OTHERS) OR BY EMAIL AT [RIGHTSOFFER@MACKENZIEPARTNERS.COM](mailto:rightsoffer@mackenziepartners.com).

FORM OF INSTRUCTIONS AS TO USE OF FLEXSHOPPER, INC. NON-TRANSFERABLE SERIES A RIGHTS CERTIFICATES NON-TRANSFERABLE SERIES B RIGHTS CERTIFICATES NON-TRANSFERABLE SERIES C RIGHTS CERTIFICATES. PLEASE CONSULT THE SUBSCRIPTION AGENT, INFORMATION AGENT, YOUR BANK OR BROKER FOR ANY QUESTIONS. The following instructions relate to the rights offering being conducted by FLEXSHOPPER, INC., a Delaware corporation, to holders of our common stock, series 1 convertible preferred stock and series 2 convertible preferred stock, as described in the Prospectus. Holders of our common stock, series 1 convertible preferred stock and series 2 convertible preferred stock, as of 5:00 p.m., Eastern time, on \_\_\_\_\_, 2024 (the "Record Date") are receiving, at no charge, (i) non-transferable subscription rights (the "Subscription Rights") entitling such holders to purchase one unit of securities at a price equal to the lower of (x) an initial price of \$ \_\_\_\_ or (y) an alternate price equal to 92.5% of the volume weighted average price (the "VWAP") of our common stock over the last three trading days prior to the expiration date of the Subscription Rights, rounded down to the nearest whole cent (the "Unit Subscription Price") and an over-subscription privilege, which will be exercisable only if holder exercises his or her basic right in full and will entitle holder to purchase additional units for which other rights holders do not subscribe, subject to certain pro rata allocations and ownership limitations. Each unit will consist of one share of common stock, one series A common stock purchase right (the "Series A Right"), one series B common stock purchase right (the "Series B Right") and one series C common stock purchase right (the "Series C Right") and, collectively with the Series A Right and Series B Right, the "Series Rights", with each of the Series Rights entitling the holder to purchase one share of our common stock. There are no over-subscription privileges for the Series Rights. The offering of the Subscription Rights and the Series Rights is referred to as the "Offering". The Series Rights are exercisable commencing on their date of issuance at an exercise price equal to the higher of the (x) Unit Subscription Price or (y) (i) in the case of the Series A Rights, 90% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series A Rights, which is 30 days following the closing date of the subscription offering, but in any event not to exceed 150% of the Unit Subscription Price, (ii) in the case of the Series B Rights, 87.5% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series B Rights, which is 60 days following the closing date of the subscription offering, but in any event not to exceed 200% of the Unit Subscription Price, and (iii) in the case of the Series C Rights, 85% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series C Rights, which is 90 days following the closing date of the subscription offering, but in any event not to exceed 250% of the Unit Subscription Price, with the exercise price in each instance rounded down to the nearest whole cent. We will announce the Unit Subscription Price in a press release issued no later than 9:00 a.m., Eastern time, on the business day after the expiration date of the Subscription Rights.

A. Expiration Time. The Series A Rights will expire and will have no value at 5:00 p.m., Eastern time, on \_\_\_\_\_, 2024 (the "Series A Right Expiration Date") subject to extension or earlier termination. Your certificate for your Series A Rights (the "Non-Transferable Series A Rights Certificate") and payment of the initial exercise price of the Series A Rights (e.g., 150% of the Unit Subscription Price) must be received by the Subscription Agent on or before 5:00 p.m., Eastern time, on the Series A Right Expiration Date. Once you have exercised your Series A Rights, such exercise may not be revoked or changed, even if you later learn information that you consider to be unfavorable to the exercise of your Series A Rights. Series A Rights not exercised prior to 5:00 p.m., Eastern time, on the Series A Expiration Date will expire and will no longer be exercisable. We will not be required to sell shares of common stock to you if the subscription agent receives your Non-Transferable Series A Rights Certificate or your payment after 5:00 p.m., Eastern time, on the Series A Right Expiration Date regardless of when the Non-Transferable Series A Rights Certificate and payment were sent. If you send your Non-Transferable Series A Rights Certificate and payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the subscription agent and clearance of payment prior to the Series A Right Expiration Date or the date guaranteed payments are due under a notice of guaranteed delivery (as applicable). See the Rights Offering's "Expiration of the Offer" in the Prospectus.

A. Expiration Time. The Series B Rights will expire and will have no value at 5:00 p.m., Eastern time, on \_\_\_\_\_, 2024 (the "Series B Right Expiration Date") subject to extension or earlier termination. Your certificate for your Series B Rights (the "Non-Transferable Series B Rights Certificate") and payment of the initial exercise price of the Series B Rights (e.g., 200% of the Unit Subscription Price) must be received by the Subscription Agent on or before 5:00 p.m., Eastern time, on the Series B Right Expiration Date. Once you have exercised your Series B Rights, such exercise may not be revoked or changed, even if you later learn information that you consider to be unfavorable to the exercise of your Series B Rights. Series B Rights not exercised prior to 5:00 p.m., Eastern time, on the Series B Right Expiration Date will expire and will no longer be exercisable. We will not be required to sell shares of common stock to you if the subscription agent receives your Non-Transferable Series B Rights Certificate or your payment after 5:00 p.m., Eastern time, on the Series B Right Expiration Date, regardless of when the Non-Transferable Series B Rights Certificate and payment were sent. If you send your Non-Transferable Series B Rights Certificate and payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the subscription agent and clearance of payment prior to Series B Right Expiration Date or the date guaranteed payments are due under a notice of guaranteed delivery (as applicable). See the Rights Offering's "Expiration of the Offer" in the prospectus.

A. Expiration Time. The Series C Rights will expire and will have no value at 5:00 p.m., Eastern time, on \_\_\_\_\_, 2024 (the "Series C Right Expiration Date") subject to extension or earlier termination. Your certificate for your Series C Rights (the "Non-Transferable Series C Rights Certificate") and payment of the initial exercise price of the Series C Rights (e.g., 250% of the Unit Subscription Price) must be received by the Subscription Agent on or before 5:00 p.m., Eastern time, on the Series C Right Expiration Date. Once you have exercised your Series C Rights, such exercise may not be revoked or changed, even if you later learn information that you consider to be unfavorable to the exercise of your Series C Rights. Series C Rights not exercised prior to 5:00 p.m., Eastern time, on the Series C Expiration Date will expire and will

no longer be exercisable. We will not be required to sell shares of common stock to you if the subscription agent receives your Non-Transferable Series C Rights Certificate or your payment after 5:00 p.m., Eastern time, on the Series C Right Expiration Date regardless of when the Non-Transferable Series C Rights Certificate and payment were sent. If you send your Non-Transferable Series C Rights Certificate and payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the subscription agent and clearance of payment prior to the Series C Right Expiration Date or the date guaranteed payments are due under a notice of guaranteed delivery (as applicable). See "The Right Offering" Expiration of the Offer in the Prospectus. If, at the expiration date of each of the respective Series Rights, the exercise price as determined is lower than the initial exercise price (e.g., 150%, 200% or 250% of the Unit Subscription Price for the Series A Right, Series B Right and Series C Right, respectively), any excess amount paid by a holder will be promptly returned to the holder, without interest or penalty. The maximum number of shares of our common stock available for issuance in this offering is 70,000,000 shares. If at any time the issuance of shares pursuant to the exercise of the Subscription Rights or the Series A Rights exceeds such share limitation, no additional shares will be issued, this offering will be terminated and any outstanding rights will immediately expire and the amount subscribed for by each holder will be proportionally reduced. If you have any questions concerning this offering, please contact the 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](mailto:rightsoffer@mackenziepartners.com). 1. Method of Exercise Exercise of Series Rights A For the Series Rights that you wish to exercise, please: (1) complete Form 1 of the applicable Non-Transferable Series Rights Certificate that you wish to exercise (see each of Non-Transferable Series Rights Certificate attached to these instructions); (2) sign Form 3 of the applicable Non-Transferable Series Rights Certificate; and (3) mail the properly completed and executed Non-Transferable Series Rights Certificate evidencing the exercise of the applicable Series Rights, together with the applicable payment for each Series Right exercised (e.g., 150%, 200% or 250% of the Unit Subscription Price for the Series A Rights, Series B Rights and Series C Rights, respectively) to the subscription agent, on or prior to the applicable expiration date. If at the expiration date of each of the Series A Rights, the exercise price as determined above is lower than the initial price paid any excess subscription amount paid by a holder will be promptly returned to the holder, without interest or penalty. 3 A Additionally, if the shares of common stock issued pursuant the exercise of the Series Rights are to be issued in a name other than that of the registered holder, or sent to an address other than that shown on the front of the Non-Transferable Series Rights Certificate, please complete Form 2 of the Non-Transferable Series Right Certificate being exercised and obtain a signature guarantee on Form 4 prior to mailing the applicable Non-Transferable Series Rights Certificate to the subscription agent, prior to the applicable expiration date. Payment of the initial exercise price will be held in escrow by an escrow agent retained by the subscription agent, on our behalf, in a segregated account. (a) Method of Execution (i) Execution by Registered Holder. Your signature on the applicable Non-Transferable Series Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Non-Transferable Series Rights Certificate without any alteration or change whatsoever. Persons who sign the Non-Transferable Series Rights Certificate in a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the subscription agent in its sole and absolute discretion, must present to the subscription agent satisfactory evidence of their authority to so act. (ii) Execution by Person Other than Registered Holder. If the Non-Transferable Series Rights Certificate is executed by a person other than the holder named on the face of the Non-Transferable Series Rights Certificate, proper evidence of authority of the person executing the Non-Transferable Series Rights Certificate must accompany the same unless, for good cause, the subscription agent dispenses with proof of authority. (iii) Signature Guarantees. If you completed any part of Form 4 of the Non-Transferable Series Rights Certificate to provide that the common stock issued pursuant to your exercise of the applicable Series A Rights to be (x) issued in a name other than that of the registered holder, or (y) sent to an address other than that shown on the front of the Non-Transferable Series Rights Certificate, your signature in Form 3 must be guaranteed in Form 4 by an Eligible Guarantor Institution, as such term is defined in Rule 17Ad-15 of the Securities Exchange Act of 1934, such as a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, or by a member of a Stock Transfer Association approved medallion program such as STAMP, SEMP or MSP, subject to standards and procedures adopted by the subscription agent. (b) Method of Payment and Delivery Registered holders may send to the subscription agent (a) payment of the full initial exercise price for the Series Rights being exercised (e.g., 150%, 200% or 250% of the Unit Subscription Price for the Series A Rights, Series B Rights and Series C Rights, respectively) (b) a properly completed and duly executed Non-Transferable Series Rights Certificate for the applicable Series Rights being exercised, which must be received by the subscription agent at the subscription agent's offices set forth herein, at or prior to 5:00 p.m., Eastern time, on the applicable expiration date. A properly completed and duly executed Non-Transferable Series Rights Certificate for the Series Rights being exercised and full payment of the initial exercise price must be received by the subscription agent at or prior to 5:00 p.m., Eastern time, on the applicable expiration date unless the expiration date is extended by us. 4 A All payments by a registered holder must be in U.S. dollars by certified check payable to the order of Continental Stock Transfer & Trust Company, as the subscription agent for FlexShopper, Inc. Payment also may be made by wire transfer to the account maintained by an escrow agent retained by Continental Stock Transfer & Trust Company, as subscription agent, for purposes of accepting subscriptions in this offering, with reference to the registered holder's name. The subscription agent will deposit all funds received by it prior to the final payment date in escrow in a segregated account maintained by an escrow agent retained by the subscription agent on our behalf, pending pro-rata and distribution of the shares of common stock. If at the expiration date of each of the respective Series Rights, the final exercise price is lower than the initial exercise price, any excess amount paid by a registered holder, will be promptly returned to the registered holder, without interest or penalty. Beneficiary Account Name: Continental Stock Transfer & Trust Company Account Number:

ABA/Routing number: \_\_\_\_\_ Bank: \_\_\_\_\_ A \_\_\_\_\_ For Further Credit:  
FlexShopper, Inc. Account Number: \_\_\_\_\_ A Each Non-Transferable Series Rights Certificate and payments of the applicable exercise price (e.g., 150%, 200% or 250% of the Unit Subscription Price for the Series A Rights, Series B Rights and Series C Rights, respectively) must be delivered to the subscription agent by hand, or overnight courier or by first class mail to the below: Continental Stock Transfer & Trust Company 1 State Street, 30th Floor New York, NY 10004 Attn: Corporate Actions " FLEXSHOPPER, INC. A Delivery to an address or by a method other than those above will not constitute valid delivery. 2. Issuance of Common Stock A The following deliveries and payments will be made and/or issued to the address shown on the face of your Non-Transferable Series Rights Certificate, unless you provide instructions to the contrary in your Non-Transferable Series Rights Certificate. A (a) Series Rights. As soon as practicable following the expiration of each of the Series Rights and the valid exercise of the Series Rights, we will issue to each holder exercising their Series Rights one share of common stock for each Series Right exercised in book-entry, or uncertificated form representing the shares of common stock purchased pursuant to the Series Rights. A (b) Series Cash Payments. As soon as practicable following the expiration date of each of the Series Rights and after all prorations and adjustments contemplated by the terms of the rights offering have been effected, any excess payments received in payment of the initial price will be mailed by the subscription agent to each holder of the Series Rights, without interest or penalty. 5 A 3. No Sale or Transfer of Series Rights A The Series Rights granted to you are non-transferable and, therefore, you may not sell, transfer or assign your Series Rights to anyone. 4. Special Provisions Relating to the Delivery of Series Rights through the Depository Trust Company A Banks, trust companies, securities dealers and brokers that hold shares of our common stock, series 1 convertible preferred stock and series 2 convertible preferred stock on the Record Date as nominee for more than one beneficial owner may, upon proper showing to the subscription agent, exercise such beneficial owner's Series Rights through DTC on the same basis as if the beneficial owners were stockholders on the Record Date. Such nominee may exercise the Series Rights on behalf of the exercising beneficial owner through DTC's PSOP Function on the agents subscription over DTC's procedure by (1) providing a certification as to the aggregate number of Series Rights exercised by the beneficial owner on whose behalf such nominee is acting, and (2) instruct DTC to charge the nominee's applicable DTC account for the subscription payment for the new units to facilitate the delivery of the full subscription payment to the subscription agent. DTC must receive the subscription instructions and payment for the Series Rights exercised no later than the applicable expiration date for each of the Series Rights exercised. 5. Form W-9 A Each Series Rights holder who elects to exercise their Series Rights should provide the subscription agent with a correct Taxpayer Identification Number (TIN) on IRS Form W-9. See "Material U.S. Federal Income Tax Consequences" Information Reporting and Backup Withholding in the Prospectus. Failure to provide the information on the form may subject such holder to a \$50 penalty for each such failure and to 24% federal income tax withholding with respect to dividends (including deemed dividends) that may be paid by the Company on shares of its common stock, series 1 convertible preferred stock and series 2 convertible preferred stock. Foreign Persons are generally required to provide an appropriate IRS Form W-8 rather than IRS Form W-9 and may be subject to withholding on dividends (including deemed dividends) at a rate of up to 30%. 6 A EX-99.3 9 ea021757201ex99-3 flex.htm FORM OF LETTER TO STOCKHOLDERS WHO ARE RECORD HOLDERS Exhibit 99.3 A FORM OF LETTER TO STOCKHOLDERS WHO ARE RECORD HOLDERS FLEXSHOPPER, INC. A 35,000,000 Units Offered Pursuant to Subscription Rights Distributed to Stockholders of FlexShopper, Inc. A \_\_\_\_\_, 2024 A Dear Stockholders: A Enclosed are materials relating to the rights offering being conducted by FlexShopper, Inc., a Delaware corporation, including the prospectus dated \_\_\_\_\_, 2024 (the "Prospectus"). Please carefully review the Prospectus, which describes how you can participate in the rights offering. You will be receiving and will be able to exercise your non-transferable subscription rights (the "Subscription Rights") to purchase units of securities at a subscription price equal to the lower of (i) an initial price of \$ \_\_\_\_\_ or (ii) an alternate price equal to 92.5% of the volume weighted average price (the "VWAP") of our common stock over the last three trading days prior to the expiration date of the Subscription Rights, rounded down to the nearest whole cent (the "Unit Subscription Price"). The Subscription Rights will expire if not exercised prior to 5:00 p.m., Eastern time, on the date that is 30 days following the date of the Prospectus, unless we extend or terminate the subscription offering. We will announce the Unit Subscription Price in a press release issued no later than 9:00 a.m., Eastern time, on the business day after the expiration date of the Subscription Rights. A Each unit consists of a share of our common stock, one series A common stock purchase right (the "Series A Right"), one series B common stock purchase right (the "Series B Right") and one series C common stock purchase right (the "Series C Right") and, collectively with the Series A Right and Series B Right, the "Series Rights"). The Series Rights are exercisable commencing on their date of issuance at an exercise price equal to the higher of (x) the Unit Subscription Price or (y) (i) in the case of the Series A Rights, 90% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series A Rights, which is 30 days following the closing date of the subscription offering, but in any event not to exceed 150% of the Unit Subscription Price, (ii) in the case of the Series B Rights, 87.5% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series B Rights, which is 60 days following the closing date of the subscription offering, but in any event not to exceed 200% of the Unit Subscription Price, and (iii) in the case of the Series C Rights, 85% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series C Rights, which is 90 days following the closing date of the subscription offering, but in any event not to exceed 250% of the Unit Subscription Price, with the exercise price in each instance rounded down to the nearest whole cent. Answers to some frequently asked questions about the offering can be found under the heading "Questions and Answers Relating to This Offering" in the Prospectus. Any prospective purchaser of units pursuant to the exercise of the Subscription Rights or shares of our common stock pursuant to the exercise of the Series Rights should read the Prospectus, including without limitation the risk factors contained therein, prior to making any decision to invest in the company. A As described in the Prospectus, you will receive two Subscription Rights for each share of our common stock beneficially owned by you or issuable upon the conversion of our preferred stock owned by you as of the record date of 5:00 p.m., Eastern time, on \_\_\_\_\_, 2024 (the "Record Date"). Each Subscription Right consists of a basic right, which entitles holders to purchase one unit and an over-subscription privilege which will be exercisable only if holder exercises his or her basic right in full and will entitle the holder to purchase additional units for which other holders do not subscribe. A A We expect that there will be a sufficient number of units available to honor your basic rights in full. As a result, if the subscription offering is completed, you will receive whole units to the full extent you have properly exercised your basic rights in whole or in part for such whole units. Sufficient units may not be available to honor your request for additional units pursuant to your over-subscription privilege. If exercises of the over-subscription privileges exceed the number of units available, we will allocate the available units pro-rata among rights holders who over-subscribed based on the number of over-subscription units for which the holders have subscribed. A The maximum number of shares of our common stock available for issuance in this offering is 70,000,000 shares. If at any time the issuance of shares pursuant to the exercise of the Subscription Rights or the Series A Rights exceeds such share limitation, no additional shares will be issued, the offering will be terminated and any outstanding rights will immediately expire and the amount subscribed for by each holder will be proportionally reduced. A You will be required to submit payment in full for all the units you wish to buy in the subscription offering and for all of the Series Rights you wish to exercise in the offering. If you wish to maximize the number of units you may purchase pursuant to your over-subscription privilege, you will need to deliver payment in an amount equal to the aggregate price for the maximum number of units available to you, assuming that no shareholder other than you has purchased any units pursuant to the basic rights and over-subscription privilege. The company will eliminate fractional units resulting from the exercise of the over-subscription privilege by rounding down to the nearest whole number, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the subscription agent will be promptly returned, without interest or penalty, after the expiration of this offering. A The company can provide no assurances that you will actually be entitled to purchase (i) the number of units subscribed for pursuant to the exercise of your over-subscription privilege in full at the expiration of the subscription offering or (ii) the number of shares of common stock you elect to purchase pursuant to the exercise of your Series Rights in full at the expiration of the Series Rights. The company will not be able to satisfy your exercise of the over-subscription privilege if all of our stockholders exercise their basic rights in full, and we will only honor an over-subscription privilege to the extent sufficient units are available following the exercise of basic right. A To the extent your aggregate subscription payment for the actual number of unsubscribed units available to you pursuant to the over-subscription privilege is less than the amount you actually paid in connection with the exercise of the over-subscription privilege, you will be allocated only the number of unsubscribed units available to you, and any excess subscription payment will be promptly returned to you, without interest or penalty, after the expiration of this offering. A You are not required to exercise any or all of your Subscription Rights or Series Rights. If you do not exercise your Subscription Rights or Series Rights and the offering is completed, the number of shares of our common stock you own will not change but your percentage ownership of our total outstanding voting stock may decrease because shares may be purchased by other stockholders in the offering. Your percentage ownership of your voting stock may also decrease if you do not exercise your Subscription Right or Series Rights in full. Please see the discussion of risk factors related to the rights offering, including dilution, under the heading "Risk Factors" "Your interest in our company may be diluted as a result of the offering" in the Prospectus. 2 A The Subscription Rights and the Series Rights will be evidenced by a Non-Transferable Subscription Rights Certificate and Non-Transferable Series Rights Certificate and will cease to have any value after the respective expiration dates of the Subscription Rights and the Series Rights. A Enclosed are copies of the following documents: 1. Prospectus; 2. Non-Transferable Subscription Rights Certificate; 3. Non-Transferable Series A Rights Certificate; 4. Non-Transferable Series B Rights Certificate; 5. Non-Transferable Series C Rights Certificate; 6. Instruction as to Use of FlexShopper Non-Transferable Subscription Rights Certificate; 7. Instruction as to Use of FlexShopper Non-Transferable Series Rights Certificate; and 8. A return envelope addressed to Continental Stock Transfer & Trust Company, the subscription agent. A Your

prompt action is requested. To exercise your Subscription Rights and Series Rights, as indicated in the Prospectus, you should deliver to the subscription agent the properly completed and signed (i) Non-Transferable Subscription Rights Certificate with payment of the initial price for each unit subscribed for and (ii) Non-Transferable Series Rights Certificate for the applicable Series Rights exercised with payment of the applicable exercise price (e.g., 150%, 200% or 250% of the Unit Subscription Price for Series A Rights, Series B Rights, and Series C Rights, respectively). The subscription agent must receive the Non-Transferable Subscription Rights Certificate with payment of the initial price for the units and the Non-Transferable Series Rights Certificate for the applicable Series Rights exercised with payment of the applicable exercise price prior to their respective expiration dates. If at the respective expiration date of the Subscription Rights or Series Rights, the initial price paid is higher than the final price, the excess amount paid by a holder will be promptly returned to the holder, without interest or penalty. If you send your Non-Transferable Subscription Rights Certificates and initial Unit Subscription Price payment or the Non-Transferable Series Rights Certificates and initial exercise price payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested. We will not be required to sell units or shares of common stock to you if the subscription agent receives your Non-Transferable Subscription Rights Certificate (or your subscription payment) or Non-Transferable Series Rights Certificate (or your exercise price payment) after their respective expiration date, regardless of when the Non-Transferable Subscription Rights Certificate and subscription payment or Non-Transferable Series Rights Certificate and exercise payment were sent. See the discussion under the heading “Expiration of Offer” in the Prospectus. Once you have exercised your Subscription Rights or Series Rights, such exercise may not be revoked, even if you later learn information that you consider to be unfavorable to the exercise of your Subscription Rights or Series Rights. Additional copies of the enclosed materials may be obtained from MacKenzie Partners, Inc., the Information Agent for this offering, by telephone at (212) 929-5500 (bankers and brokers) or (800) 322-2885 (all others) or by email at [rightsoffer@mackenziepartners.com](mailto:rightsoffer@mackenziepartners.com). Any questions or requests for assistance concerning the rights offering should be directed to the Information Agent. Very truly yours, FlexShopper, Inc. Title: Russell Heister Jr. Name: Chief Executive Officer EX-99.4 10 ea021757201ex99.4 flex.htm FORM OF LETTER TO BROKERS AND OTHER NOMINEE HOLDERS Exhibit 99.4 FORM OF LETTER TO BROKERS AND OTHER NOMINEE HOLDERS FLEXSHOPPER, INC. 35,000,000 Units Offered Pursuant to Subscription Rights Distributed to Stockholders of FlexShopper, Inc. \_\_\_\_\_, 2024 To Securities Dealers, Commercial Banks, Trust Companies and Other Nominees: This letter is being distributed to securities dealers, commercial banks, trust companies and other nominees in connection with the rights offering being conducted by FlexShopper, Inc., a Delaware corporation (the “Company”), of non-transferable subscription rights (the “Subscription Rights”) distributed to holders of our common stock, series 1 convertible preferred stock and series 2 convertible preferred stock at 5:00 p.m., Eastern time, on \_\_\_\_\_, 2024 (the “Record Date”) to purchase units of securities at a subscription price equal to the lower of (i) an initial price of \$ \_\_\_\_\_ or (ii) an alternate price equal to 92.5% of the volume weighted average price (“VWAP”) of our common stock over the last three trading days prior to the expiration date of the subscription rights, rounded down to the nearest whole cent (the “Unit Subscription Price”). Each unit consists of a share of common stock, one Series A common stock purchase right (“Series A Right”), one Series B common stock purchase right (“Series B Right”) and one Series C common stock purchase right (“Series C Right”) and, collectively with the Series A Right and Series B Right, the “Series Rights”. The Subscription Rights will expire if not exercised prior to 5:00 p.m., Eastern time, on \_\_\_\_\_, 2024 unless we extend or terminate the subscription offering. We will announce the Unit Subscription Price in a press release issued no later than 9:00 a.m., Eastern time, on the business day after the expiration date of the Subscription Rights. The Series Rights are exercisable commencing on their date of issuance at an exercise price equal to the higher of (x) the Unit Subscription Price or (y) (i) in the case of the Series A Rights, 90% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series A Rights, which is 30 days following the closing date of the subscription offering, but in any event not to exceed 150% of the Unit Subscription Price, (ii) in the case of the Series B Rights, 87.5% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series B Rights, which is 60 days following the closing date of the subscription offering, but in any event not to exceed 200% of the Unit Subscription Price, and (iii) in the case of the Series C Rights, 85% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series C Rights, which is 90 days following the closing date of the subscription offering, but in any event not to exceed 250% of the Unit Subscription Price, with the exercise price in each instance rounded down to the nearest whole cent. The Subscription Rights, units and Series Rights are described in the prospectus dated \_\_\_\_\_, 2024 (the “Prospectus”). Any prospective purchaser of units pursuant to the exercise of the Subscription Rights or shares of common stock pursuant to the exercise of the Series Rights should read the Prospectus, including without limitation the risk factors contained therein, prior to making any decision to invest in the Company. As described in the Prospectus, each holder of common stock registered in your name or the name of your nominee is receiving, at no charge, two Subscription Rights for each share of common stock beneficially owned or issuable upon the conversion of our preferred stock, entitling the holders to purchase one unit at the Unit Subscription Price. Fractional Units will not be sold. In the event that the holder purchases all units available to it pursuant to its basic Subscription Rights, holders may also exercise an over-subscription privilege to purchase a portion of units that are not purchased by other holders through the exercise of their basic Subscription Rights, subject to availability. If the number of units remaining after the exercise of all basic Subscription Rights is not sufficient to satisfy all requests for units pursuant to over-subscription privilege, we will allocate the available units pro rata among rights holders in proportion to the number of over-subscription units for which they have subscribed. The subscription agent will determine the over-subscription allocation based on the formula described above. The maximum number of shares of our common stock available for issuance in this offering is 70,000,000 shares. If at any time the issuance of shares pursuant to the exercise of the Subscription Rights or the Series A Rights exceeds such share limitation, no additional shares will be issued, the offering will be terminated and any outstanding rights will immediately expire and the amount subscribed for by each holder will be proportionally reduced. Each holder will be required to submit payment in full for all the units it wishes to buy with its over-subscription privilege. Because we will not know the total number of unsubscribed units prior to the expiration of the Subscription Rights, if holders wish to maximize the number of units they may purchase pursuant to the over-subscription privilege, they will need to deliver payment in an amount equal to the aggregate initial price for the maximum number of units available to holders, assuming that no holders other than the holder has purchased any units pursuant to the basic Subscription Rights and over-subscription privilege. To the extent the amount paid by holders in connection with the exercise of the over-subscription privilege is higher than the aggregate subscription payment of the number of unsubscribed units actually received by holders pursuant to the over-subscription privilege, holder will be allocated only the number of unsubscribed units available to the holder, and any excess subscription payment will be promptly returned to holder, without interest or penalty, after the expiration of this offering. Only whole numbers of shares of common stock and Series Rights exercisable for whole numbers of shares will be issuable to you in this offering; any right to a fractional share to which you would otherwise be entitled will be terminated, without consideration to you. The Company can provide no assurances that each holder will actually be entitled to purchase the number of units subscribed for pursuant to the exercise of its over-subscription privilege in full at the expiration of the offering. While we will seek to honor over-subscription requests in full, if the over-subscription requests exceed the number of units available, we will allocate the available units pro rata among the rights holders in proportion to the number of over-subscription units for which they have subscribed. Continental Stock Transfer & Trust Company will act as the subscription agent in connection with this offering and will determine the over-subscription allocation. The Subscription Rights and Series Rights will be evidenced by a Non-Transferable Subscription Rights Certificate and Non-Transferable Series Rights Certificate registered in the holder’s name or its nominee and will cease to have any value after their respective expiration dates. We are asking persons who hold shares of common stock beneficially or issuable upon the conversion of our preferred stock and who have received the Subscription Rights or Series Rights distributable with respect to those shares through a broker, dealer, custodian bank or other nominee (including any mobile investment platform), as well as persons who hold the shares of common stock directly and prefer to have such institutions effect transactions relating to the Subscription Rights or Series Rights on their behalf, to contact the appropriate institution or nominee and request it to effect the transactions for them. All commissions, fees and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses of the subscription agent, the information agent and the dealer-manager, incurred in connection with the exercise of the Subscription Rights or Series Rights will be for the account of the holder of the Subscription Rights or Series Rights, and none of such commissions, fees or expenses will be paid by the Company or the subscription agent. Enclosed are copies of the following documents: 1. Prospectus; 2. Instructions as to Use of FlexShopper, Inc. Non-Transferable Subscription Rights; 3. Instructions as to Use of FlexShopper, Inc. Non-Transferable Series Rights; 4. A form of letter which may be sent to your clients for whose accounts you hold shares of our common stock registered in your name or the name of your nominee; 5. Beneficial Owner Election; and 6. Nominee Holder Certificate. Your prompt action is requested. To exercise the Subscription Rights and Series Rights, as indicated in the Prospectus, holders should deliver to the subscription agent the properly completed and signed (i) Non-Transferable Subscription Rights Certificate with payment of the initial price for each unit subscribed for and (ii) Non-Transferable Series Rights Certificate for the applicable Series Rights exercised with payment of the applicable exercise price (e.g., 150%, 200% or 250% of the Unit Subscription Price for Series A Rights, Series B Rights, and Series C Rights, respectively). The subscription agent must receive the Non-Transferable Subscription Rights Certificate with payment of the initial price for the units and the Non-Transferable Series Rights Certificate for the applicable Series Rights exercised with payment of the applicable exercise price prior to their respective expiration dates. Once a holder has exercised its Subscription Right or Series Rights, such exercise may not be revoked, even if the holder later learns information that it considers to be unfavorable to the exercise of its Subscription Rights or Series Rights. Additional copies of the enclosed materials may be obtained from MacKenzie Partners, Inc., the Information Agent, by telephone at (212) 929-5500 (bankers and brokers) or (800) 322-2885 (all others) or by email at [rightsoffer@mackenziepartners.com](mailto:rightsoffer@mackenziepartners.com). Any questions or requests for assistance concerning the rights offering should be directed to the Information Agent. FLEXSHOPPER, INC. By: Russell Heister Jr. Title: Chief Executive Officer EX-99.5 11 ea021757201ex99.5 flex.htm FORM OF BROKER LETTER TO CLIENTS WHO ARE BENEFICIAL HOLDERS Exhibit 99.5 FORM OF LETTER TO CLIENTS OF BROKERS AND OTHER NOMINEE HOLDERS FLEXSHOPPER, INC. 35,000,000 Units Offered Pursuant to Subscription Rights Distributed to Stockholders of FlexShopper, Inc. \_\_\_\_\_, 2024 To Our Clients: Enclosed for your consideration are (i) a prospectus, dated \_\_\_\_\_, 2024 (the “Prospectus”), (ii) Instructions as to Use of FlexShopper, Inc. Non-Transferable Subscription Rights and (iii) Instructions as to Use of FlexShopper, Inc. Non-Transferable Series Rights Certificates relating to the rights offering being conducted by FlexShopper, Inc., a Delaware corporation (the “Company”), of non-transferable subscription rights (the “Subscription Rights”) entitling holders to purchase units of securities consisting of one share of common stock, one Series A common stock purchase right (“Series A Right”), one Series B common stock purchase right (“Series B Right”) and one Series C common stock purchase right (“Series C Right”) and, collectively with Series A Right and Series B Right, the “Series Rights”) at a subscription price equal to the lower of (i) an initial price of \$ \_\_\_\_\_ or (ii) an alternate price equal to 92.5% of the volume weighted average price (“VWAP”) of our common stock over the last three trading days prior to the expiration date of the Subscription Rights, rounded down to the nearest whole cent (the “Unit Subscription Price”). The Subscription Rights will expire if not exercised prior to 5:00 p.m., Eastern time, on the date that is 30 days following the date of the Prospectus, unless we extend or terminate the subscription offering. We will announce the Unit Subscription Price in a press release issued no later than 9:00 a.m., Eastern time, on the business day after the expiration date of the Subscription Rights. The Series Rights are exercisable commencing on their date of issuance at an exercise price equal to the higher of (x) the Unit Subscription Price or (y) (i) in the case of the Series A Rights, 90% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series A Rights, which is 30 days following the closing date of the subscription offering, but in any event not to exceed 150% of the Unit Subscription Price, (ii) in the case of the Series B Rights, 87.5% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series B Rights, which is 60 days following the closing date of the subscription offering, but in any event not to exceed 200% of the Unit Subscription Price, and (iii) in the case of the Series C Rights, 85% of the VWAP of our common stock over the last three trading days prior to the expiration date of the Series C Rights, which is 90 days following the closing date of the subscription offering, but in any event not to exceed 250% of the Unit Subscription Price, with the exercise price in each instance rounded down to the nearest whole cent. As described in the Prospectus, each holder of common stock (whether beneficially owned or issuable upon the conversion of our preferred stock) will receive two Subscription Rights. Each Subscription Right entitles holders as of the record date of 5:00 p.m., Eastern time, on \_\_\_\_\_, 2024 (the “Record Date”), to a basic right, which will allow such holder to purchase one unit, and an over-subscription privilege which will be exercisable only if holder exercises his or her basic right in full and will entitle holder to purchase additional units for which other rights holders do not subscribe. You will be required to submit payment in full for all the units you wish to buy in the rights offering. If you wish to maximize the number of units you may purchase pursuant to your over-subscription privilege, you will need to deliver payment in an amount equal to the estimated Unit Subscription Price for the maximum number of units available to you, assuming that no shareholder other than you has purchased any units pursuant to the basic rights and over-subscription privilege. The Company will eliminate fractional units resulting from the exercise of the over-subscription privilege by rounding down to the nearest whole number, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the Continental Stock Transfer & Trust Company, which will act as the subscription agent for the offering, will be promptly returned, without interest or penalty. The Company can provide no assurances that you will actually be entitled to purchase the number of units subscribed for pursuant to the exercise of your over-subscription privilege in full at the expiration of the subscription offering. Subject to the ownership limitation described below, the Company will seek to honor the over-subscription requests in full. If over-subscription requests exceed the number of units available, however, the Company will allocate the available units pro rata among the rights holders in proportion to the number of over-subscription units for which they have subscribed. Continental Stock Transfer & Trust Company will determine the over-subscription allocation. To the extent the actual number of unsubscribed units available to the holder pursuant to the over-subscription privilege is less than the amount actually paid for in connection with the exercise of the over-subscription privilege, the holder will be allocated only the number of unsubscribed units available to the holder, and any excess subscription payment will be promptly returned to the holder, without interest or penalty, after the expiration of this offering. The Subscription Rights are evidenced by a Non-Transferable Subscription Rights Certificate issued to shareholder of record and will cease to have any value after the expiration of the Subscription Rights. Each of the Series Rights will be evidenced by a Non-Transferable Series Right Certificate issued to stockholders who exercised their Subscription Rights and will cease to have any value after the applicable expiration date for each Series Right. THE MATERIALS ENCLOSED ARE BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF COMMON STOCK CARRIED BY THE COMPANY IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. THE SUBSCRIPTION RIGHTS AND SERIES RIGHTS MAY BE EXERCISED ONLY BY US AS THE RECORD OWNER AND PURSUANT TO YOUR INSTRUCTIONS. Accordingly, we request instructions as to whether you wish us to elect to subscribe for any units to which you are entitled pursuant to the terms and subject to the conditions set forth in the Prospectus and whether you wish us to exercise the Series Rights. However, we urge you to read the document carefully before instructing us to exercise your Subscription Rights or Series Rights. If you wish to have us, on your behalf, exercise the Subscription Rights for units or Series Rights for shares of common stock to which you are entitled, please so instruct us by completing, executing and returning to us the Beneficial Owner Election form. A Beneficial Owner Election form to us should be forwarded as promptly as possible in order to permit us to exercise your Subscription Rights or Series Right on your behalf in accordance with the provisions of the rights offering. The subscription offering will expire on \_\_\_\_\_





























































































