



Rent-A-Center Unveils New Digital Platform to Accelerate Growth as the Lease-to-Own Landscape Evolves

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Preferred Dynamix launches innovation partner program to pilot digital platform with seven national retailers

Preferred Digital and Preferred Marketplace will enable over 60 Million Americans to shop a wider array of retailers and brands, where and how they want

PLANO, Texas--(BUSINESS WIRE)--Nov. 19, 2020-- Rent-A-Center, Inc. (the "Company" or "Rent-A-Center") (NASDAQ/NGS: RCII) has begun an exciting new chapter for its virtual business with the launch of a new platform to unlock shopping power and choice for underserved consumers. The new platform is from [Preferred Dynamix](#)™, a leading lease-to-own (LTO) fintech company and business of Rent-A-Center, Inc. It will include a mobile application and marketplace to empower unbanked and underbanked consumers with more financial freedom. At the same time, the platform will enable retailers and consumer brands to access an extensive customer base for LTO to drive incremental sales in this unprecedented business environment.

Preferred Dynamix and its set of solutions, including the Preferred Lease arm, unlock the shopping power and choice for underserved consumers. Today, according to The Federal Reserve, more than [60 million Americans](#) are considered unbanked or underbanked. These consumers do not have access to traditional financing or a trusted digital ecosystem to shop for the items they want when they want them. Preferred Dynamix's proprietary digital platform leverages new decisioning technology and a portfolio of new lease-to-own solutions to expand the ways that consumers and retailers transact.

"Throughout 2020, we have seen dramatic increases in consumer demand for frictionless, virtual retail shopping experiences," said Mitch Fadel, Chief Executive Officer, Rent-A-Center. "The new Preferred Dynamix business is uniquely positioned to connect a significant market of potential shoppers to the retail opportunities they desire through our proprietary mobile and online LTO solutions."

- **Preferred Digital**™ is the mobile application, released first in a stream of features and functions to hit the market, facilitating LTO transactions on a broad scale across participating retailers. Consumers can download the application today in Apple's App Store or Google Play and, if eligible, get approved in as few as 30 seconds to receive access to up to \$4,000 in shopping power that Preferred Dynamix will apply toward purchasing eligible consumer goods from a variety of retailers. Preferred Dynamix will then lease the selected goods to the consumers under a flexible LTO transaction.
- **Preferred Marketplace**™, when launched, is planned to be one of the largest integrated e-commerce platforms for LTO transactions that enable consumers to select the eligible items they want from any U.S. retailers – beyond Preferred Dynamix's retail partners - and lease them from Preferred Dynamix without needing to complete the transaction on the individual retailer's website.

"We want to eliminate the hurdles and level the playing field for unbanked and underbanked consumers and change the relationship they have with the household, electronic, and everyday items they want most. This large segment of our society has long desired more flexibility and options when they shop but haven't had the right digital solutions, decisioning technology, and level of shopping power that match their needs and circumstances," said Jason Hogg, Executive Vice President, Preferred Dynamix. "Preferred Dynamix is meeting a need that will ultimately create a stronger, more trusted shopping relationship between consumer and retailer that simplifies the transactional experience for consumers, reduces the upfront risk for retailers, and allows the consumer to obtain access to the high quality desired items under a LTO transaction."

Preferred Dynamix has launched an innovation partner program to pilot the digital platform and begin collaborating to develop additional proprietary capabilities to create a more frictionless end-to-end transaction experience across channels. These retailers are increasingly looking for new mechanisms to attract previously out of reach customer segments who could not access traditional financing options. Retailers now have a digital, LTO offering to increase their sales volume in the face of declining foot traffic due to the pandemic and have a significant impact on their bottom lines. Pilot retailers include Ashley HomeStore, American Tire Distributors, Value City Furniture, Bob's Discount Furniture, Conn's HomePlus, Rooms To Go, and Electronic Express.

"At Conn's HomePlus, we are focused on continuous improvement of the customer service experience. By teaming up with Preferred Lease and their new Preferred Dynamix platform, we can streamline the experience of both our banked and unbanked customers to receive virtual leases on our hundreds of products, from home entertainment to furniture and appliances," said Norm Miller, Conn's Chairman and CEO. "As technology continues to evolve, we are committed to offering easy-to-access and simplified shopping solutions for all of our customers, positively impacting the communities we serve."

"At Value City Furniture, we believe everyone has the right to a well-furnished life, and we strive to offer a diverse set of financial solutions that meet the needs of all of our customers. Preferred Dynamix offers an LTO solution that a growing share of our customer's want, and their new mobile application is making the approval process quick and easy," said Hadley Hatch, Head of Finance Marketing, Value City Furniture. "Additionally, this new technology allows for a contactless in-store application experience, which is more imperative today than ever before. Preferred Dynamix identified this as a growing customer need and invested in the innovation necessary to address this behavioral change. As always, we truly appreciate the cutting-edge technology that Preferred Dynamix brings to our business."

For more information about the Preferred Dynamix platform, please visit www.preferredynamix.com.

About Rent-A-Center, Inc.

Rent-A-Center, Inc. (NASDAQ: RCII) is an industry leading omni-channel lease-to-own provider for the credit constrained customer. The Company focuses on improving the quality of life for its customers by providing access and the opportunity to obtain ownership of high-quality, durable products via small payments over time under a flexible lease-purchase agreement and no long-term debt obligation. Preferred Lease provides virtual and staffed lease-to-own solutions to retail partners in stores and online enabling our partners to grow sales by expanding their customer base utilizing our differentiated offering. The Rent-A-Center Business and Mexico segments provide lease-to-own options on products such as furniture, appliances, consumer electronics, and computers in approximately 2,000 Rent-A-Center stores in the United States, Mexico, and Puerto Rico and on its e-commerce platform, Rentacenter.com. The Franchising segment is a national franchiser of approximately 400 franchise locations. Rent-A-Center is headquartered in Plano, Texas. For additional information about the Company, please visit our website at Rentacenter.com or Investor.rentacenter.com.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "predict," "continue," "should," "anticipate," "believe," or "confident," or the negative thereof or variations thereon or similar terminology and including, among others, statements concerning the expected benefits of the Company's Preferred Dynamix platform, the launch of the Company's Preferred Marketplace solution, potential demand from unbanked and underbanked consumers and from retail partners and other matters regarding its new platform and lease-to-own offering. The Company believes that the expectations reflected in such forward-looking statements are accurate. However, there can be no assurance that such expectations will occur. The Company's actual future performance could differ materially and adversely from such statements. Factors that could cause or contribute to such differences include, but are not limited to: (1) the impact of the COVID-19 pandemic and related government and regulatory restrictions issued to combat the pandemic, including adverse changes in such restrictions, and impacts on (i) demand for the Company's lease-to-own products, (ii) the Company's retail partners, (iii) the Company's customers and their willingness and ability to satisfy their lease obligations, (iv) the Company's suppliers' ability to satisfy merchandise needs, (v) the Company's coworkers, (vi) the Company's financial and operational performance, and (vii) the Company's liquidity; (2) the general strength of the economy and other economic conditions affecting consumer preferences and spending; (3) factors affecting the disposable income available to the Company's current and potential customers; (4) the appeal of the Company's new Preferred Dynamix platform to retail partners and consumers; (5) risks related to the Company's virtual lease-to-own business, including the Company's ability to continue to develop and successfully implement the necessary technologies; (6) exposure to potential operating margin degradation due to the higher cost of merchandise in the Company's Preferred Lease offering and potential for higher merchandise losses; (7) the Company's ability to protect its proprietary intellectual property; (8) increased competition from traditional competitors, virtual lease-to-own competitors, online retailers and other competitors, including subprime lenders; (9) the Company's ability to identify and successfully market products and services that appeal to its current and future targeted customer segments; (10) consumer preferences and perceptions of the Company's brands; (11) changes in the enforcement of existing laws and regulations and the enactment of new laws and regulations adversely affecting the Company's business, including any legislative or regulatory enforcement efforts that seek to re-characterize store-based or virtual lease-to-own transactions as credit sales and to apply consumer credit laws and regulations to the Company's business; (12) the Company's compliance with applicable statutes or regulations governing its businesses; (13) information technology and data security costs; (14) the impact of any breaches in data security or other disturbances to the Company's information technology and other networks and the Company's ability to protect the integrity and security of individually identifiable data of its customers and employees; and (15) the other risks detailed from time to time in the Company's SEC reports, including but not limited to, its Annual Report on Form 10-K for the year ended December 31, 2019 and in its subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect the events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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