NEWS RELEASE

Sleep Number Receives Court Approval for Sale to Sleep Country Canada

2026-07-20

Sleep Country Canada to Acquire Substantially All Assets and Ongoing Business Operations Following a Competitive Auction

Transaction Expected to Close by July 31, 2026

Sleep Number is Continuing to Serve All Customers Online and In-Store

MINNEAPOLIS--(BUSINESS WIRE)-- Sleep Number Corporation (Nasdaq: SNBR) today announced that it received Court approval for the sale of substantially all of the Company's assets and ongoing business operations to SNBR Inc., a wholly owned subsidiary of Sleep Country Canada Inc., after making significant improvements to its prior proposal. The sale, which remains subject to customary closing conditions, is expected to close by July 31.

Sleep Number's day-to-day operations are continuing as normal, including serving customers with its newest products, servicing warranties and delivering mattresses in homes.

Linda Findley, President and Chief Executive Officer of Sleep Number, said, "We started this process with the goals of addressing our financial constraints and positioning our business for a stronger future. Combining with Sleep Country Canada enables us to achieve these goals, and today's Court approval paves the way for us to complete our transaction. Our future together is bright. With Sleep Country Canada, we will build on the strengths that make Sleep Number special: our brand, products, stores and people. We see tremendous opportunities ahead to build a leading North American mattress and bedding company that helps customers improve their sleep and wellbeing."

Findley continued, "As we work to complete the last phases of the sale process, we remain committed to serving our customers and advancing our new product line. I want to thank our team members for the continued hard work and dedication they bring each day for our customers."

Stewart Schaefer, President and Chief Executive Officer of Sleep Country Canada, said, "Sleep Country Canada's acquisition of Sleep Number is a testament to our confidence in the significant growth trajectory ahead. We see an opportunity to build on our complementary strengths and drive growth across the U.S. while introducing Sleep Number's innovative sleep solutions to Canada and other markets. We look forward to completing this exciting transaction and partnering with their talented team to continue serving customers and investing in the brand's future."

Additional Information Regarding the Court Supervised Process

Additional information regarding the court-supervised sale process is available at **forward.sleepnumber.com**. Court filings and other information related to the proceedings are available on a separate website administered by the Company's claims agent, Kroll, at **https://restructuring.ra.kroll.com/SleepNumber**, by calling toll-free at (844) 408-3387 (or +1 (646) 825-3128 for calls originating outside of the U.S.), or by sending an email to **SleepNumberInfo@ra.kroll.com**.

Advisors

Sleep Number is advised by Davis Polk & Wardwell LLP as legal advisor, Guggenheim Securities, LLC as investment banker, AP Services, an affiliate of AlixPartners, as interim management and Joele Frank, Wilkinson Brimmer Katcher as strategic communications advisor.

Sleep Country Canada is advised by Goodwin Procter LLP and Davies Ward Phillips & Vineberg LLP as legal advisors and PwC and National Bank of Canada Capital Markets as financial advisors.

About Sleep Number Corporation

Sleep Number® is the leader in personalized sleep wellness. Its mattresses are designed to evolve with each sleeper to help them feel and perform their best. With adjustable firmness, pressure-relieving support and temperature balancing comfort built into every mattress, Sleep Number beds adapt to customers' changing needs, night after night, year after year.

Backed by almost 40 years of innovation, 1,000+ patents and patents pending, and billions of hours of sleep data, Sleep Number has helped more than 16 million people achieve their best sleep. The fully integrated model ensures quality, durability, and care at every step—from design and craftsmanship to delivery and long-term support.

Sleep Number products are awarded the industry's top recognitions, including ranked #1 in customer satisfaction for mattresses purchased in-store and online, and #1 in comfort, by J.D. Power. In addition, the company is the Official Sleep + Wellness Partner of the NFL, marking a relationship that leverages players, team partnerships, and league-wide initiatives to amplify brand awareness and drive consumer engagement.

Sleep Number mattresses, bases, bedding, and furniture are available exclusively at its over 570 stores nationwide and online. To learn more, visit **SleepNumber.com** or a **store near you**.

Cautionary Note Regarding the Company’s Common Shares

The Company cautions that trading in its securities (including, without limitation, the Company’s common shares) during the pendency of the Chapter 11 cases is highly speculative and poses substantial risks. Trading prices for the Company’s securities may bear little or no relationship to the actual recovery, if any, by holders of the Company’s securities in the Chapter 11 Cases. The Company expects that holders of shares of the Company’s common shares will experience a complete or significant loss on their investment, depending on the outcome of the Chapter 11 Cases. Based on the purchase price in the sale agreement, the common shares are significantly out of the money and would have no recovery. The Company’s common shares were previously delisted from trading on the Nasdaq.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are predictions based on our current expectations and our projections about future events, and are not statements of historical fact. Forward-looking statements include statements concerning our anticipated combination with Sleep Country Canada and our business strategy, among other things, including anticipated trends and developments in, and management plans for, our business and the markets in which we operate. In some cases, you can identify these statements by forward-looking words, such as “estimate,” “expect,” “anticipate,” “project,” “plan,” “intend,” “believe,” “forecast,” “foresee,” “likely,” “may,” “should,” “goal,” “target,” “might,” “will,” “could,” “predict,” and “continue,” the negative or plural of these words and other comparable terminology. All forward-looking statements included in this press release are based upon information available to us as of the filing date of this Form 8-K, and we undertake no obligation to update any of these forward-looking statements for any reason. You should not place undue reliance on these forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these statements. These factors include the matters discussed in “Part I - Item 1A - Risk Factors” in our Annual Report on Form 10-K for the year ended January 3, 2026 as well as the additional factors included below. You should carefully consider the risks and uncertainties described under these sections.

In addition, a wide range of factors relating to the Chapter 11 Cases could materially affect future developments and performance.

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Source: Sleep Number Corporation