



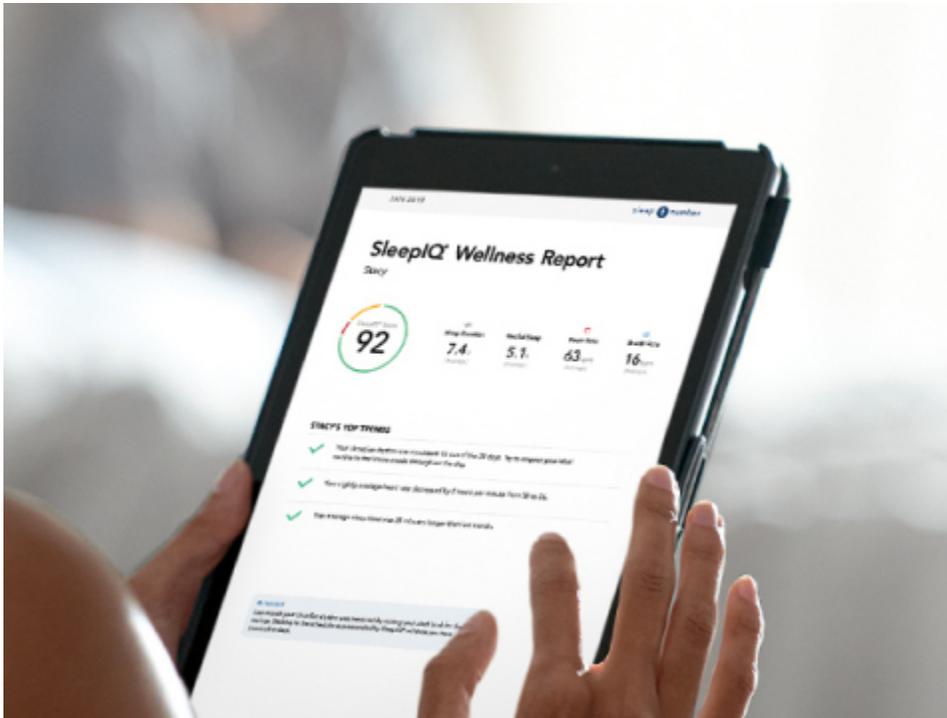
Sleep Number Announces New Sleep Innovations, Deepens Ongoing Commitment to Research Linking Sleep to Health

August 13, 2020

Analysis of nearly 1 billion sleep sessions from 360® smart beds fuels latest innovations and research

MINNEAPOLIS--(BUSINESS WIRE)--Aug. 13, 2020-- Today Sleep Number Corporation (Nasdaq: SNBR) announced its latest product innovations and the next steps in its ongoing commitment to demonstrate the direct link between quality sleep and health. The company's award-winning 360® smart beds - which have been proven to deliver up to 100 hours more restful sleep per year – are at the heart of Sleep Number's efforts to meaningfully advance the science of sleep¹. Enabled by its proprietary SleepIQ® technology, the operating system of the 360 smart bed, the company is benefitting from analyzing nearly 1 billion total sleep sessions of longitudinal sleep and biometric data points. The highly-accurate data is fueling new research insights and technologies that deliver on Sleep Number's mission of improving lives by individualizing sleep experiences, and thus improving health.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20200813005700/en/>



“Society is more concerned than ever about health and wellness, and there is an increased understanding that sleep is vital for healthy living. Quality sleep actually boosts the immune system and our 360 smart beds provide an effortless solution to achieve proven-quality sleep,” said Shelly Ibach, President and CEO, Sleep Number. “As we hold ourselves accountable to moving society forward by delivering lifechanging value, we are creating a connected health experience for our customers through their individualized SleepIQ data. Individuals can now easily understand the link between their quality sleep and a healthier life. Our purpose driven team, robust data and renowned sleep scientists are making significant advancements to address sleep challenges, which affect the health of millions.”

Meaningful Sleep Health Innovations

Research and sleep science are at the core of our new 360 smart bed and SleepIQ technology advancements. Earlier this year, Sleep Number announced its Scientific Advisory Board, an interdisciplinary group of physicians, clinicians, and researchers with expertise in sleep science and health. Chaired by Dr. Eve Van Cauter, an internationally-known expert on the health impact of sleep and circadian rhythms and professor in the

Sleep Number's Monthly Sleep Wellness Reports provide an overview of personalized insights, highlighting sleep health, circadian stability, and respiratory and cardiovascular health via heart rate variability (HRV). Initial research indicated that 8 out of 10 users found the Sleep Wellness Reports to be valuable, and 40 percent of those users changed sleep-related behaviors based upon information provided in the SleepIQ® reports. (Photo: Business Wire)

Department of Medicine at the University of Chicago, and working closely with Sleep Number's Chief Product Officer Annie Bloomquist, the Advisory Board is providing expert counsel to Sleep Number as it analyzes data to innovate new sleep health solutions. Early results of these efforts led to the development of **several new sleep innovations**, which support proactive health and wellbeing:

- Available on August 9, SleepIQ technology now also tracks an individual's nighttime **Heart Rate Variability (HRV)**, a measure of the variation of time between each heartbeat. By monitoring HRV, SleepIQ provides data to help detect energy levels and monitor the body's ability to recover from stress. The nighttime measurement is a unique advantage, as daytime HRV is heavily influenced by inputs from environment, emotions, and physical factors. By tracking HRV at night, most external factors are absent, providing a more accurate measure.

The higher or lower an individual's HRV, the clearer the picture of their overall health - high HRV, for example, may indicate greater cardiovascular fitness and physical recovery ability. A daily HRV snapshot may help individuals understand

their cardiovascular resilience and health; 360 smart bed sleepers will benefit from understanding how their nighttime heart rate variability impacts their activity level and energy each day.

- Released in April 2020, **Sleep Circadian Insights** automatically track sleep and wake times for each sleeper in the SleepIQ platform application. Using artificial intelligence, SleepIQ technology learns a sleeper's patterns and provides guidance to optimize sleep and wake times, such as what time of day they are most alert or their optimal times to work out and go to bed.

Not only will the Sleep Circadian Insights help each sleeper maximize their sleep schedule to align with their ideal circadian rhythm, it may help fight off illness. One important benefit of Sleep Circadian Insights relates to immunity, according to Dr. Van Cauter. "Human immune function is profoundly modulated by sleep and circadian rhythms," Van Cauter said. "Studies strongly suggest that insufficient sleep, poor sleep quality or irregular day-to-day timing of sleep may adversely affect immunity."

- Monthly **Sleep Wellness Reports** provide an overview of personalized insights, highlighting sleep health, circadian stability, and respiratory and cardiovascular health via HRV. The report helps sleepers effortlessly understand their sleep and see how their sleep health has changed over time. Initial research indicated that 8 out of 10 users found the Sleep Wellness Reports to be valuable, and 40 percent of those users changed sleep-related behaviors based upon information provided in the reports, such as going to bed earlier or changing their pre-bedtime routine. Sleep Number 360 smart bed sleepers can share their Sleep Wellness Reports with their healthcare providers, giving physicians unique access to individualized data that could help provide a more holistic picture of patient health. This feature was also added in April 2020.

This suite of health and wellness features within SleepIQ technology is available to all Sleep Number 360 smart bed sleepers. With more than 80% of consumers challenged by temperature concerns during sleep, the **newest 360 smart beds feature temperature-balancing layers** and proprietary comfort technologies for a cooler, drier sleep environment. The beds are designed to more closely contour to the body for greater support and spinal alignment, increased pressure relief and reduced motion transfer. They are engineered to be the most comfortable beds Sleep Number has ever made, as measured by Sleep Number's proprietary "comfort index" – a measure of a series of bed characteristics tied to consumer preference - and measurements of restful sleep in SleepIQ technology.

These new 360 smart beds were featured at CES 2020 and selected as a CES 2020 Innovation Honoree across the Smart Home, Health & Wellness and Tech for a Better World categories. The 360 smart bed portfolio starts at \$999; the new [m7 and i10 360 smart beds](#) are available now.

Commitment to Science, Research & Ongoing Innovation

Sleep Number has established an important new **consumer-based research project** aimed at identifying underlying physiological warning signs of health issues. The new **Sleep Science Research** capability within SleepIQ technology provides the company's smart sleeper community the opportunity to help advance sleep science. By opting in through SleepIQ, 360 smart bed sleepers answer periodic surveys about their health; this self-reported health history will be analyzed alongside anonymized and aggregated sleep and biometric data. Based on consumer research, the company expects high opt-in and participation rates.

The learnings will contribute to Sleep Number's insights on sleep's impact on holistic health – and possibly even predict future health trends - and inform the development of new products, services, and partnerships to advance the science of sleep. The first phase of the study beginning in fall 2020 will focus on retroactively examining the sleep data of individuals who reported having COVID-19. This study, approved by an institutional review board, could lead to identification of bio-signals that predict the onset of COVID-19 before any symptoms appear.

"Our longitudinal sleep data once again propelled us to take big steps forward to improving overall health," said Bloomquist. "Last year, our digital platform proved that 360 smart bed users who use the features and insights of their beds get up to 100 hours more quality sleep per year – which is meaningful to health outcomes. With our new Sleep Science Research initiative, we hope to unlock insights into population and sleep health patterns and find new ways for individuals to take significant and proactive steps to improving their wellbeing."

Additionally, Sleep Number unveiled a **new online resource called the [Sleep Science Portal](#), to support sleep science advancements and real-time sleep data**. Portal users can find information pertaining to sleep science, insights on sleep, news from the Scientific Advisory Board, technology updates related to the company's digital health platform, recent research findings and more. Soon, the Portal will also feature real-time insights on SleepIQ data, with context that helps the user understand their data and underlying trends that may impact sleep. This will be the first time that Sleep Number's data – which will be aggregated and anonymized – will be available for public viewing.

Continuing to build upon the [recently-announced](#) collaboration with Mayo Clinic, Sleep Number is also **funding a new study** in conjunction with Virend Somers, M.D., Ph.D., director of the Cardiovascular Facility and the Sleep Facility within Mayo Clinic's Center for Clinical and Translational Science, and a member of Sleep Number's Scientific Advisory Board. The **Excessive Sleepiness Study** will explore the triggers of sleepiness (such as sleep efficiency, sleep duration, arousals, apnea, and more) and the potential contribution of these triggers and of sleepiness itself to adverse outcomes – cardiovascular events, renal failure, development of cancer, and death.

"Sleepiness is increasingly prevalent in our fast moving, high tech society, connected across countries, continents and time zones," said Dr. Somers. "This commitment by Sleep Number will enable the analysis of thousands of sleep studies to help us better understand the mediators and implications of sleepiness in our patients."

Sleep Number has also **rebranded its Silicon Valley research facility as Sleep Number Labs**. The San Jose, Calif.-based facility and research team will benefit from the power of the Sleep Number brand, while continuing to be the home of SleepIQ technology innovation. After being acquired in 2015, Sleep Number Labs – formerly known as SleepIQ Labs – pioneered the sleep tracking technology that led to the first successfully

commercialized smart bed, the 360 smart bed. As the company's center of technology and research, Sleep Number Labs delivers science-based software innovations that lead to effortless, quality sleep.

"Sleep Number Labs is our technology incubator and primary generator of sleep science innovations," said Bloomquist. "In the land of the greatest technologists – Silicon Valley - our rebranding to Sleep Number Labs signals the dominant role that technology and innovation play in our customers' experience, as well as the invaluable place they hold in our company. By leveraging our talented team, technology insights and research, we will further define and elevate what customers can expect from their sleep experiences and deliver value to our shareholders."

About Sleep Number

As a purpose driven company, Sleep Number's mission is to improve lives by individualizing sleep experiences. Our revolutionary Sleep Number 360® smart beds deliver proven quality sleep through effortless, adjustable comfort. Our integrated SleepIQ® operating system captures nearly 13 billion biometric data points every night and offers actionable insights to improve overall sleep health and wellness.

To experience proven quality sleep, visit sleepnumber.com or one of our approximately 600 Sleep Number® stores. More information is available on our [newsroom](#) and [investor relations](#) sites.

Forward-looking Statements

Statements used in this news release relating to future plans, events, financial results or performance are forward-looking statements subject to certain risks and uncertainties including, among others, such factors as current and future general and industry economic trends and consumer confidence; risks inherent in outbreaks of pandemics or contagious diseases, including the COVID-19 pandemic; the effectiveness of our marketing messages; the efficiency of our advertising and promotional efforts; our ability to execute our company-controlled distribution strategy; our ability to achieve and maintain acceptable levels of product and service quality, and acceptable product return and warranty claims rates; our ability to continue to improve and expand our product line; consumer acceptance of our products, product quality, innovation and brand image; industry competition, the emergence of additional competitive products, and the adequacy of our intellectual property rights to protect our products and brand from competitive or infringing activities; claims that our products, processes, advertising, or trademarks infringe the intellectual property rights of others; availability of attractive and cost-effective consumer credit options; pending and unforeseen litigation and the potential for adverse publicity associated with litigation; our manufacturing processes with minimal levels of inventory, which may leave us vulnerable to shortages in supply; our dependence on significant suppliers and third parties and our ability to maintain relationships with key suppliers or third-parties, including several sole-source suppliers or providers of services; rising commodity costs and other inflationary pressures; risks inherent in global sourcing activities, including tariffs, pandemics, strikes, and the potential for shortages in supply; risks of disruption in the operation of our main manufacturing facilities or assembly distribution facilities; increasing government regulation; the adequacy of our and third-party information systems to meet the evolving needs of our business and existing and evolving risks and regulatory standards applicable to data privacy and security; the costs and potential disruptions to our business related to upgrading our management information systems; the vulnerability of our and third-party information systems to attacks by hackers or other cyber threats that could compromise the security of our systems, result in a data breach or disrupt our business; and our ability to attract, retain and motivate qualified management, executive and other key team members, including qualified retail sales professionals and managers. Additional information concerning these and other risks and uncertainties is contained in the company's filings with the Securities and Exchange Commission (SEC), including the Annual Report on Form 10-K, and other periodic reports filed with the SEC. The company has no obligation to publicly update or revise any of the forward-looking statements in this news release.

1 Based on internal analysis of sleep sessions assessing sleepers who use multiple features of Sleep Number products. Claim based on sleepers achieving over 15 more minutes of restful sleep per sleep session.

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