

Dear Stockholder:

On June 27, 2024, the board of directors (the “Board”) of Purple Innovation, Inc. (the “Company”) adopted a Stockholder Rights Agreement (the “NOL Rights Plan”) pursuant to which the Board declared a dividend of one preferred share purchase right (each, a “Right”) for each outstanding share of our Common Stock. The dividend was distributed to stockholders of record as of the close of business on July 26, 2024.

The Board adopted the NOL Rights Plan to diminish the risk that we could experience an “ownership change” as defined under Internal Revenue Code Section 382, which could substantially limit our ability to use our current net operating losses (“Current NOLs”) to reduce our anticipated future tax liability. The NOL Rights Plan is intended to deter any acquisition of our Common Stock in excess of amounts that could result in such an “ownership change” under Internal Revenue Code Section 382. If you currently “beneficially own” greater than 4.9% of our outstanding Common Stock, you may acquire additional shares of our Common Stock without triggering the NOL Rights Plan, but only if the acquisition does not increase the percentage of your stock ownership by more than an additional one-half of one percentage point of our outstanding shares of Common Stock, and if you currently “beneficially own” less than 4.9% of our outstanding Common Stock, you may acquire additional shares up to 4.9% of our outstanding Common Stock without triggering the NOL Rights Plan. On June 30, 2024, we had projected \$238 million of Current NOLs available for use to offset our future federal taxable income.

No action is required on your part at this time concerning the Rights. Until the occurrence of certain specified events, the Rights will not be exercisable and no certificates for the Rights will be sent to you. You do not need to turn in or exchange your existing stock certificates, if any, in connection with the issuance of the Rights.

We encourage you to carefully read and retain the Summary of Rights included with this letter, which summarizes the key terms of the NOL Rights Plan. A copy of the NOL Rights Plan has been filed with the Securities and Exchange Commission (the “SEC”) as an exhibit to a Current Report on Form 8-K filed on June 28, 2024, which is available free of charge online at the SEC’s website at www.sec.gov or at our website at <https://investors.purple.com>. You may also request a copy of the NOL Rights Plan free of charge by writing to the Company at the following address:

Purple Innovation, Inc.
4100 North Chapel Ridge Rd., Suite 200
Lehi, Utah 84043
Attention: Investor Relations

As always, thank you for your continued investment in, and support of, our Company.

Sincerely,

PURPLE INNOVATION, INC.

Tricia McDermott
Chief Legal Officer & Secretary