![Sphere3D logo]

## Sphere 3D Signs Definitive Agreement to Acquire HVE and Unified ConneXions

January 19, 2017

*Accretive acquisition adds advanced technology and expertise*

SAN JOSE, Calif., Jan. 19, 2017 (GLOBE NEWSWIRE) -- Sphere 3D Corp. (NASDAQ:ANY), a containerization, virtualization, and data management solutions provider, today announced that HVE ConneXions, LLC, and Unified ConneXions, Inc. (collectively, "UCX") will join the  Sphere 3D family of companies.

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Sphere 3D has signed a definitive agreement to acquire HVE ("Hybrid Virtualization Engine") ConneXions, a hybrid cloud technology company focused on converged and hyperconverged infrastructure, along with its sister company, Unified ConneXions, Inc., which provides expert, professional, and IT services to corporate, government, and educational institutions.  By adding UCX's world-class products, technologies, professional services and engineering talent, Sphere 3D will expand its virtualization practice as well as enhance its ability to accelerate the delivery of hybrid cloud solutions to customers.  The acquisition is subject to customary closing conditions and is anticipated to close before January 31, 2017.

*Transaction Highlights*

- The combined virtualization revenue of HVE and UCX represented over $7 million for calendar year 2016.
- Will help accelerate Company's path to profitability
- Expected to be accretive in first quarter of 2017
- Will expand virtualization market share in education, healthcare and other key verticals
- Will add significant engineering talent to support channel partners and customers through advanced professional services and support capabilities

Sphere 3D and UCX share the architectural design philosophy that next-generation virtualization and storage solutions require distributed workloads to achieve the fastest performance while maintaining flexible and cost-effective scalability. In addition, both companies share a common vision that a mix of virtual desktops and container based application delivery is critical to address the increasing demand for virtual workspace environments.

UCX is based in the metropolitan area of Dallas, Texas, and maintains three facilities including a 20,000 square foot integration center in Plano, Texas, corporate headquarters in Dallas, which includes a network operation center ("NOC") and a data center, and a sales and services office located in Waxahachie, TX.  The UCX engineers support customers' IT initiatives by providing strategic, architectural, operational, and implementation planning related to the customers' entire IT and network infrastructure.  In addition to each next generation appliance that the UCX team engineers and deploys, they also provide proactive 24x7x365 monitoring services for those appliances under maintenance service contracts.  The UCX services team has the ability to work with customers either onsite or remotely, and is certified in a wide range of technologies that include Microsoft, VMware, Citrix, NVIDIA, and various networking technologies. Its highly trained and skilled virtualization engineers have a broad range of experience and technical expertise, which has allowed UCX to differentiate itself by offering both exceptional solutions and services to partners and customers.

Joseph L. O'Daniel, President and CEO of Unified ConneXions, will take on the new role of President of Virtualization and Professional Services for Sphere 3D.  Chris Cunningham, Vice President and CFO of Unified ConneXions, will take on the new role of Senior Vice President of Business Operations and Professional Services.  David Harmon, President of HVE, will become Vice President of Virtualization.

In addition to the aforementioned new virtualization team, the company has moved to optimize the focus of the storage team and is pleased to announce that Randy Gast, current Chief Operating Officer of Sphere 3D, will take on the additional new role of President of Storage for Sphere 3D.

The combined Sphere 3D and UCX teams will focus on expediting the migration of applications and their associated data to a modernized IT infrastructure for its customers, as well as empower workload mobility across their virtual and cloud environments, while continuing to provide expert and professional IT services.

*Quotes*

"This is a very important day for Sphere 3D," said  Eric Kelly, CEO and Chairman, Sphere 3D. "UCX has exceptional leadership teams, innovative technology, industry recognized engineering talent, and an outstanding track record of delivering next generation solutions to their customers. We are honored to welcome them into the Sphere 3D family, and together we will build on our combined history of innovation and partnership with our customers to deliver data center solutions that support advanced IT strategies and business requirements."

"At UCX, we have focused our time, attention, and resources on helping thousands of customers with their IT needs. This includes over 100,000 virtual desktop deployments, countless server workloads, and numerous service-related projects and IT consulting, all while delivering incredible performance and reliability," said Joseph O'Daniel, President and CEO of Unified ConneXions. "Our highly skilled sales, marketing, engineers, solution

architects, and support staff are genuinely excited to join the Sphere 3D team. With our common commitment to next generation solutions, we look forward to helping customers accelerate their digital transformation."

"We have utilized the services of Unified ConneXions since 2009," said Jerry N. Allen, Executive Director of Technology and Information, Crowley Independent School District. "Without a doubt, we would not be in the position we are now without their expertise and guidance. Our Technology Services department has gone from getting little to no respect and faith from our stakeholders, to now being the most counted on team to complete the task with efficiency and timeliness. We are very thankful to have partnered with Joseph O'Daniel and the Unified ConneXions team."

"HVE has been a huge asset in taking our company to the next level! Their virtual hardware solutions are incredible, engineering knowledge is always impressive, and the service they provide is second to none," said John Feldman, VP of Sales, Cynergy Technology. "We are very fortunate to be partnered with HVE, and are extremely excited for what the future holds."

"We had a situation where other desktop infrastructure solutions in the marketplace, were not performing to our high performance standards," said Bryce Morrow, Chief Information Officer, The Beck Group. "We worked extensively to test the HVE VDI solution and found their solution not only met, but exceeded our standards. Our people who needed this solution are now able to perform their duties with the proper tools to drive efficiency in our workflow and process. The HVE implementation has also allowed us to share these technology resources across the country."

## About Sphere 3D

Sphere 3D Corp. (NASDAQ:ANY) delivers data management, and desktop and application virtualization solutions via hybrid Cloud, Cloud and on-premise implementations through its global reseller network. Sphere 3D, along with its wholly-owned subsidiaries Overland Storage and Tandberg Data, has a strong portfolio of brands including Glassware 2.0™ NEO®, RDX®, SnapCLOUD ™ SnapScale®, SnapServer®, SnapSync ™ and V3®. For more information, visit www.sphere3d.com. Follow us on Twitter @Sphere3D, @overlandstorage, and @tandbergdata.

## About HVE ConneXions

HVE ConneXions is one of the fastest growing technology providers of next generation storage and virtualization solutions. Our engineering philosophy is dedicated to creating Manageable, Scalable, Reproducible, and Predictable (MSRP) solutions based on proven virtualization technologies running on high-performance next generation solutions. For more information and technical specifications on the HVE product line, visit www.hveconnexions.com.

## About Unified ConneXions

Unified ConneXions, Inc. is committed to providing expert and professional IT and systems engineering services to corporate, government, and educational institutions. Unified ConneXions offers a wide range of services for any size organization. These services include network design and implementation, strategic architectural and operational planning, training in the use of the network, application training within the network, high-speed wireless communications for LAN and WAN environments, and consulting for any other type of technology applications. For more information, please visit www.ucx.co.

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