



Sphere 3D Reports First Quarter 2023 Financial Results and Operational Updates

May 11, 2023

TORONTO, Ontario, Canada, May 11, 2023– Sphere 3D Corp. ("Sphere 3D" or the "Company") (Nasdaq: ANY), dedicated to becoming the leading carbon-neutral Bitcoin mining company operating at an industrial scale, today reported financial results for the first quarter of FY 2023 ended March 31, 2023. The Company is also providing results of its Bitcoin Mining Operation and operational updates.

2023 First Quarter Highlights and Recent Developments

- Revenue increased by \$1.6 million, to \$3.0 million during the quarter ended March 31, 2023.
- The Company mined 110.25 Bitcoin in during the quarter ended March 31, 2023.
- The Company ended the quarter with 446 PH/s.
- 3,900 miners began hashing in May with an additional 6,500 expected in the next 60 days.

CFO Comments

"As we bring exahash online, growing our revenue, we are simultaneously reducing our cost structure. We have made great strides and are well positioned in 2023" said Kurt Kalbfleisch, CFO.

Hashrate Update

Sphere 3D had approximately 0.45 EH/s hashing at March 31, 2023, with a total of 1.5 EH/s expected to be hashing in 60 days.

Bitcoin Asset and Value

As of March 31, 2023, the Company had Bitcoin holdings of 22.0 with a market value of \$0.6 million.

First Quarter FY 2023 Financial Results:

- Bitcoin production during the first quarter of 2023 was 110.25 coins, compared to 18.15 coins for the first quarter of 2022.
- Revenue was \$3.0 million, compared to \$1.4 million for the first quarter of 2022, an increase of 114%.
- Operating costs and expenses for the quarter were \$6.8 million, compared to \$16.5 million for the first quarter of 2022, a reduction of 59%.
- Other income (expense), net, for the period totaled \$0.3 million, compared to \$0.5 million, net, of other income, for the first quarter of 2022.
- Digital mining revenue for the first quarter was \$2.5 million, compared to \$0.7 million for the first quarter of 2022, an increase of 257%.
- Depreciation and amortization was \$1.0 million, compared to \$6.4 million for the first quarter of 2022.
- Net loss from operations was \$3.5 million, or a net loss of \$0.05 per share, compared to a net loss from operations of \$14.6 million, or a net loss of \$0.23 per share, for the first quarter of 2022.

About Sphere 3D

Sphere 3D Corp. (Nasdaq: ANY) is a net carbon-neutral cryptocurrency miner with decades of proven enterprise data-services expertise. The Company is growing its industrial-scale digital asset mining operation through the capital-efficient procurement of next-generation mining equipment and partnering with best-in-class data center operators. Sphere 3D is dedicated to increasing shareholder value while honoring its commitment to strict environmental, social, and governance standards. For more information about the Company, please visit [Sphere3D.com](https://www.sphere3d.com).

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events, including the timing of the proposed transaction and other information related to the proposed transaction. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions. Expectations and beliefs regarding matters discussed herein may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The forward-looking statements contained in this communication are also subject to other risks and uncertainties, including those more fully described in filings with the SEC, including Sphere 3D's reports filed on Form 10-K and Form 8-K and in other filings made by Sphere 3D with the SEC from time to time and available at www.sec.gov. These forward-looking statements are based on current expectations, which are subject to change.

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