

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 14, 2024

SPHERE 3D CORP.

(Exact name of registrant as specified in its charter)

Ontario
(State or other jurisdiction
of incorporation)

001-36532
(Commission
File Number)

98-1220792
(IRS Employer
Identification No.)

243 Tresser Blvd, 17th Floor
Stamford, Connecticut, United States 06901
(Address of principal executive offices) (ZIP Code)

Registrant's telephone number, including area code: (647) 952 5049

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbols</u>	<u>Name of each exchange on which registered</u>
Common Shares	ANY	NASDAQ Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On November 14, 2024, we issued a press release announcing our financial results for our third fiscal quarter ended September 30, 2024. The information contained in the press release is incorporated herein by reference and furnished as Exhibit 99.1.

The information in this Item 2.02 and Exhibit 99.1 is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

[99.1 Press release dated November 14, 2024](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 14, 2024

SPHERE 3D CORP.

By: /s/ Patricia Trompeter
Patricia Trompeter
Chief Executive Officer



Sphere 3D Reports Third Quarter 2024 Financial Results

STAMFORD, Connecticut, November 14, 2024 - Sphere 3D Corp. (NASDAQ: ANY) ("Sphere 3D"), a Bitcoin mining company operating at an industrial scale, today reported financial results for the quarter ended September 30, 2024.

2024 Third Quarter Highlights

- Sphere 3D and Simple Mining LLC entered into a letter of intent to acquire a 12.5 MW site in Iowa featuring average sub 4c energy.
- Sphere 3D mined 38.7 Bitcoin during the quarter.
- Sphere 3D ended the quarter with 0.7 EH/s.

CEO Comments

"Our priority remains focused on our long-term strategy of reducing reliance on high-cost hosting partners and increasing vertical integration," said Patricia Trompeter, CEO of Sphere 3D, "Recently, we took steps to reduce counterparty risk by exiting a hosting contract, which brought a \$3.0 million inflow. This was the best decision given the less favorable economics post-halving. The temporary downtime of some machines is planned and part of our ongoing efforts to shift to improved hosting solutions and build out our own infrastructure. This approach enables us to take greater control of our future. Additionally, as we upgrade our fleet with the latest generation machines, we anticipate some short-term fluctuations in exahash and Bitcoin output. However, we're confident these adjustments will enhance our efficiency and position us for sustainable growth."

Hashrate Update

Sphere 3D had approximately 0.7 EH/s hosted at September 30, 2024 operational.

Bitcoin Asset and Value

As of September 30, 2024, the Company had Bitcoin holdings of 1.3, with a market value of approximately \$0.08 million.

Third Quarter FY 2024 Financial Results

- Bitcoin production during the third quarter of 2024 was 38.7 Bitcoin, compared to 181.7 Bitcoin for the third quarter of 2023. The decrease is due to a combination of machines temporarily coming offline for a hosting contract buyout, machine refresh and strategic planning following the changes in economics due to the halving.
 - Mining revenue for the third quarter was \$2.4 million, compared to \$5.1 million for the third quarter of 2023.
 - Other Income for the third quarter of 2024 was \$5.8 million up from \$0.1 million in the third quarter of 2023. We received \$3.0 million in the third quarter related to a hosting contract buyout with one of our former partners.
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- Operating costs and expenses for the quarter were \$7.5 million, down from \$12.1 million for the third quarter of 2023.
- Depreciation and amortization was \$1.7 million, compared to \$2.0 million for the third quarter of 2023.
- Net income was \$0.1 million, or \$0.01 basic earnings per share and \$0.005 diluted earnings per share, compared to a net loss of \$6.3 million, or a net loss of \$0.50 per share, for the third quarter of 2023.

About Sphere 3D

Sphere 3D Corp. (NASDAQ: ANY) is a cryptocurrency miner growing its industrial-scale Bitcoin 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 growing shareholder value while honoring its commitment to strict environmental, social, and governance standards. For more information about Sphere 3D, please visit 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, 10-Q 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.

Sphere 3D Contact

Kurt Kalbfleisch, CFO, Sphere 3D
Investor.relations@sphere3d.com

SPHERE 3D CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended September 30, 2024		Nine Months Ended September 30, 2024	
	2024	2023	2024	2023
Revenues:	(Unaudited)		(Unaudited)	
Bitcoin mining revenue	\$ 2,355	\$ 5,102	\$ 13,967	\$ 12,592
Service and product revenue	-	622	-	1,624
Total revenues	<u>2,355</u>	<u>5,724</u>	<u>13,967</u>	<u>14,216</u>
Operating costs and expenses:				
Cost of Bitcoin mining revenue (exclusive of depreciation and amortization shown below)	2,731	4,292	10,997	10,331
Cost of service and product revenue	-	221	-	728
Sales and marketing	-	217	-	768
Research and development	-	362	-	859
General and administrative	3,032	3,399	9,470	10,504
Depreciation and amortization	1,737	2,028	5,374	4,428
Impairment of acquired intangible assets	-	1,231	-	1,231
Impairment of property and equipment	-	-	860	-
Loss on disposal of property and equipment	-	315	691	566
Change in fair value of Bitcoin	8	-	(695)	-
Realized gain on sale of Bitcoin	-	(136)	-	(908)
Impairment of Bitcoin	-	199	-	549
Total operating costs and expenses	<u>7,508</u>	<u>12,128</u>	<u>26,697</u>	<u>29,056</u>
Loss from operations	(5,153)	(6,404)	(12,730)	(14,840)
Other income (expense):				
Unrealized (loss) gain on investment in equity securities	(446)	-	4,093	-
Other income, net	5,775	100	6,462	1,464
Interest expense	-	(10)	-	(1,183)
Income (loss) before income taxes	176	(6,314)	(2,175)	(14,559)
Provision for income taxes	72	-	74	4
Net income (loss)	104	(6,314)	(2,249)	(14,563)
Less: Non-controlling interest - income	-	(7)	-	76
Net income (loss) available to common shareholders	<u>\$ 104</u>	<u>\$ (6,307)</u>	<u>\$ (2,249)</u>	<u>\$ (14,639)</u>
Net income (loss) per share:				
Basic	<u>\$ 0.01</u>	<u>\$ (0.50)</u>	<u>\$ (0.12)</u>	<u>\$ (1.29)</u>
Diluted	<u>\$ 0.005</u>	<u>\$ (0.50)</u>	<u>\$ (0.12)</u>	<u>\$ (1.29)</u>
Shares used in computing net income (loss) per share:				
Basic	<u>20,733,022</u>	<u>12,653,413</u>	<u>18,681,399</u>	<u>11,340,973</u>
Diluted	<u>22,323,306</u>	<u>12,653,413</u>	<u>18,681,399</u>	<u>11,340,973</u>

SPHERE 3D CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars)

	September 30, 2024 (Unaudited)	December 31, 2023 (Unaudited)
ASSETS		
Cash and cash equivalents	\$ 4,950	\$ 586
Digital assets, net	79	986
Investment in equity securities	6,950	-
Other current assets	2,522	11,938
Total current assets	14,501	13,510
Property and equipment, net	23,391	24,166
Intangible assets, net	3,467	4,581
Other non-current assets	2,896	3,406
Total assets	<u>\$ 44,255</u>	<u>\$ 45,663</u>
LIABILITIES, TEMPORARY EQUITY AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 3,419	\$ 5,346
Total temporary equity	4,858	13,794
Total shareholders' equity	35,978	26,523
Total liabilities, temporary equity, and shareholders' equity	<u>\$ 44,255</u>	<u>\$ 45,663</u>