

**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): May 13, 2020

**Sphere 3D Corp.**

(Exact name of registrant as specified in its charter)

**Ontario, Canada**  
(State or other jurisdiction  
of incorporation)

**001-36532**  
(Commission File Number)

**98-1220792**  
(IRS Employer Identification No.)

**895 Don Mills Road,  
Bldg. 2, Suite 900  
Toronto, Ontario**  
(Address of principal executive offices)  
Registrant's telephone number, including area code

**M3C 1W3**  
(Zip Code)  
**(858) 571-5555**

**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 (see General Instruction A.2. below):

- 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:

Title of Each Class  
**Common Shares**

Trading Symbol(s)  
**ANY**

Name of Each Exchange on Which Registered  
**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 May 13, 2020, we issued a press release announcing our financial results for our fourth fiscal quarter and fiscal year ended December 31, 2019. 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 8.01 Other Events.**

Sphere 3D Corp. (the "Company") will be relying on the Securities and Exchange Commission's Order under Section 36 of the Securities Exchange Act of 1934 Granting Exemptions From Specified Provisions of the Exchange Act and Certain Rules Thereunder dated March 4, 2020 (Release No. 34-88318) as superseded by a subsequent order (Release No. 34-88465) issued on March 25, 2020 (collectively, the "Order") to delay the filing of its quarterly report on Form 10-Q for the first quarter ended March 31, 2020 (the "Quarterly Report") with the original deadline of May 15, 2020, due to the effect caused by the delay in filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 2019 (the "Annual Report").

The delay in filing of the Company's Annual Report is a result of the disruption due to the unprecedented conditions surrounding the COVID-19 pandemic spreading throughout the United States, Canada and elsewhere as previously disclosed in the Company's Form 8-K filed on March 27, 2020, along with disclosure on the risk factors addressing the impact of COVID-19.

The delay in filing of the Company's Quarterly Report is a result of the additional time needed to complete the audit of the financial statements to be included in the Annual Report, and as a result the Company could not ascertain the opening balance of the financial statements to be included in the Quarterly Report. The Company is also unable to extend the capacity of the accounting and finance departments required to file the Quarterly Report by May 15, 2020, the original filing deadline, without incurring unreasonable effort or expense. The limited capacity of accounting and finance personnel was utilized to ensure the submission of its Annual Report on Form 10-K for the year ended December 31, 2019 by no later than May 14, 2020 in accordance with the Company's Form 8-K filed on March 27, 2020.

Based upon the revised schedule of the completion of the audit procedures for the Quarterly Report, the Company expects to file its Quarterly Report by no later than June 29, 2020, 45 days after the original filing deadline.

## **Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

[99.1](#) [Press release dated May 13, 2020](#)

## **Cautionary Note Regarding Forward-Looking Statements**

This Current Report on Form 8-K contains statements as to the Company's beliefs and expectations of the outcome of future events that are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Examples of these statements include, but are not limited to, statements regarding the anticipated impact of the COVID-19 outbreak on travel and physical locations and the anticipated impact of such outbreak on our results of operations. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. These risks and uncertainties include, but are not limited to, the effects of the COVID-19 outbreak, including levels of consumer, business and economic confidence generally, the duration of the COVID-19 outbreak and severity of such outbreak, the pace of recovery following the COVID-19 outbreak, the effect on our supply chain and our ability to implement cost containment and business recovery strategies. Except as required by law, the Company does not undertake any obligation to release publicly any revisions to forward-looking statements made by it to reflect events or circumstances occurring after the date hereof or the occurrence of unanticipated events.

## 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: May 14, 2020

### SPHERE 3D CORP.

By: /s/ Kurt L. Kalbfleisch  
Kurt L. Kalbfleisch  
Chief Financial Officer

## EXHIBIT INDEX

Exhibit Number	Description
<a href="#">99.1</a>	<a href="#">Press Release Issued May 13, 2020</a>



## Sphere 3D Reports Fiscal Year 2019 Financial Results

**SAN JOSE, Calif.** - May 13, 2020 - Sphere 3D Corp. (NASDAQ: ANY), a company delivering containerization, virtualization, and data management solutions, today reported financial results for its year ended December 31, 2019.

### Fiscal Year Financial Results:

On November 13, 2018, the Company closed the divestiture of its Overland subsidiary and related business. Beginning in the fourth quarter of 2018, the financial results of Overland for fiscal years 2019 and 2018 have been reflected in the Company's consolidated statements of operations as discontinued operations. All results below exclude discontinued operations. Our results for fiscal year 2019 were as follows:

- Net revenue for 2019 was \$5.6 million, compared to \$9.0 million for 2018.
- Gross margin for 2019 was 33.2%, compared to 18.6% for 2018.
- Operating expenses for 2019 were \$7.9 million, compared to \$14.3 million for 2018.
- Share-based compensation expense for 2019 was \$0.6 million, compared to \$1.6 million for 2018. Depreciation and amortization was \$1.9 million for 2019, compared to \$1.7 million for 2018.
- Net loss from continuing operations for 2019 was \$4.3 million, or a net loss of \$1.59 per share, compared to a net loss from continuing operations of \$12.7 million, or a net loss of \$7.65 per share, for 2018.
- Net loss from discontinued operations for 2018 was \$13.5 million, or a net loss of \$8.15 per share.

### Subsequent to Year End:

- On April 30, 2020, the Company entered into a Securities Purchase Agreement relating to the issuance and sale, in the aggregate, 1,694,000 shares of the Company's Series D Convertible Preferred Stock, no par value and warrants to purchase up to 1,694,000 common shares of the Company in a private placement transaction for a value of \$1.1 million. This transaction combined with the conversion of the below convertible debentures, which were both completed after the reporting period, have increased the Company's equity balance by adding approximately \$1.5 million to the equity balance that was reported as of December 31, 2019.
  - Between April 7, 2020 and April 24, 2020, the Company converted \$377,000 of convertible debentures and issued 580,580 common shares of the Company, of which 271,040 common shares were issued to related parties.
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**Investor Conference Call:**

Sphere 3D will not be hosting a fiscal year 2019 earnings conference call.

**About Sphere 3D**

Sphere 3D Corp. (NASDAQ: ANY) delivers containerization, virtualization, and data management solutions via hybrid cloud, cloud and on-premise implementations through its global reseller network and professional services organization. Sphere 3D has a portfolio of brands, including HVE ConneXions, UCX ConneXions, and SnapServer® dedicated to helping customers achieve their IT goals. For more information, visit [www.sphere3d.com](http://www.sphere3d.com). Follow us on Twitter [@Sphere3D](https://twitter.com/Sphere3D) and [@HVEconneXions](https://twitter.com/HVEconneXions)

**Safe Harbor Statement**

This press release contains forward-looking statements that involve risks, uncertainties, and assumptions that are difficult to predict. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of risks and uncertainties including, without limitation, our inability to obtain additional debt or equity financing; any increase in our cash needs; the Company's ability to maintain listing with the NASDAQ Capital Market; market adoption and performance of our products; the level of success of our collaborations and business partnerships; possible actions by customers, partners, suppliers, competitors or regulatory authorities; and other risks detailed from time to time in our periodic reports contained in our Annual Information Form and other filings with Canadian securities regulators ([www.sedar.com](http://www.sedar.com)) and in prior periodic reports filed with the United States Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)). Sphere 3D undertakes no obligation to update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise, except as required by law.

**Investor Contact:**

Kurt Kalbfleisch

+1-858-495-4211

[Investor.relations@sphere3d-overland.com](mailto:Investor.relations@sphere3d-overland.com)

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**SPHERE 3D CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(In thousands, except share and per share data)*

	Twelve Months Ended	
	December 31,	
	2019	2018
	(Unaudited)	
Revenue	\$ 5,579	\$ 9,030
Cost of revenue	3,725	7,351
Gross profit	<u>1,854</u>	<u>1,679</u>
Operating expenses:		
Sales and marketing	1,831	3,375
Research and development	2,052	3,425
General and administrative	3,925	7,499
Impairment of acquired intangible assets	70	-
	<u>7,878</u>	<u>14,299</u>
Loss from operations	(6,024)	(12,620)
Interest expense - related party	(331)	(76)
Interest expense	(22)	-
Other income, net	2,096	10
Net loss from continuing operations	(4,281)	(12,686)
Net loss from discontinued operations	-	(13,522)
Net loss	<u>\$ (4,281)</u>	<u>\$ (26,208)</u>
Net loss per share:		
Continuing operations	\$ (1.59)	\$ (7.65)
Discontinued operations	-	(8.15)
Net loss per share basic and diluted	<u>\$ (1.59)</u>	<u>\$ (15.80)</u>
Shares used in computing net loss per share:		
Basic and diluted	<u>2,692,510</u>	<u>1,658,862</u>

**SPHERE 3D CORP.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(In thousands)*

	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
<b>ASSETS</b>		
Cash and cash equivalents	\$ 149	\$ 341
Accounts receivable, net	369	1,142
Inventories	753	1,230
Other current assets	670	784
Total current assets	1,941	3,497
Investment in affiliate	2,100	2,100
Property and equipment, net	2	6
Intangible assets, net	2,301	3,348
Goodwill	1,385	1,385
Other assets	677	950
Total assets	<u>\$ 8,406</u>	<u>\$ 11,286</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities	\$ 6,646	\$ 9,639
Redeemable preferred shares	-	6,571
Other long-term liabilities	520	683
Total shareholders' equity (deficit)	1,240	(5,607)
Total liabilities and shareholders' equity (deficit)	<u>\$ 8,406</u>	<u>\$ 11,286</u>