

**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 14, 2019**

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)

M3C 1W3
(Zip Code)

Registrant's telephone number, including area code **(858) 571-5555**

(Former name or former address, if changed since last report)

Not Applicable

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))

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 15, 2019, we issued a press release announcing our financial results for our first fiscal quarter ended March 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 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

On November 12, 2018, we received a letter from the Nasdaq Listing Qualifications department of The Nasdaq Stock Market LLC notifying us that we were not in compliance with the requirement of Nasdaq Marketplace Rule 5550(b)(1) for continued inclusion on the NASDAQ Capital Market because the Company’s stockholders’ equity of \$707,000 reported in the Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2018, is below the required minimum of \$2.5 million. The Company submitted a plan to regain compliance, which was accepted by Nasdaq on January 11, 2019.

On May 14, 2019, we received written notification from The NASDAQ Stock Market, LLC notifying us that we had not regained compliance with the minimum value of the Company’s stockholders’ equity of \$2.5 million as set forth in Nasdaq Marketplace Rule 5550(b)(1) for continued inclusion on the NASDAQ Capital Market. The Staff had determined that the Company’s common stock would be delisted from Nasdaq unless the Company timely requests a hearing before a Nasdaq Hearings Panel (the “Panel”).

Accordingly, the Company plans to request a hearing before the Panel. Assuming the Company’s timely filing of such request, the Company’s common stock will continue to trade on The Nasdaq Capital Market under the symbol “ANY” until the Panel issues its decision following the hearing and through the expiration of any additional extension period granted by the Panel. The Panel has discretion to grant an exception for up to 180 days after the NASDAQ Staff’s initial delisting decision. There can be no assurance that the Panel will grant the Company’s request for continued listing. If the Company’s common stock ceases to be listed for trading on Nasdaq, the Company expects that its common stock would be traded on the over-the-counter market.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

[99.1](#) [Press release dated May 15, 2019](#)

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 15, 2019

SPHERE 3D CORP.

By: /s/ Peter Tassiopoulos
Peter Tassiopoulos
Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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99.1	Press Release Issued May 15, 2019
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Sphere 3D Reports First Quarter Fiscal Year 2019 Financial Results

SAN DIEGO, Calif. – May 15, 2019 – Sphere 3D Corp. (NASDAQ: ANY), a company delivering containerization, virtualization, and data management solutions, today reported financial results for its first quarter ended March 31, 2019.

“This quarter was the first full quarter since the divestiture of Overland in Q4 of 2018. We were able to reduce our operating expense in Q1 2019 vs Q1 2018 by just over 50%, and saw an increase in gross margins as well,” said Peter Tassiopoulos, chief executive officer of Sphere3D, adding, “We continue to assess the business for additional potential improvements to our operating results.”

First Quarter 2019 Financial Results:

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

- Revenue for the first quarter of 2019 was \$2.1 million, compared to \$2.4 million for the first quarter 2018.
 - Gross margin for the first quarter of 2019 was 32.6%, compared to 18.7% for the first quarter of 2018.
 - Operating expenses for the first quarter of 2019 were \$2.4 million, compared to \$4.9 million for the first quarter of 2018.
 - Share-based compensation expense for the first quarter of 2019 was \$124,000, compared to \$821,000 for the first quarter of 2018. Depreciation and amortization was \$267,000 in the first quarter of 2019, compared to \$1.5 million for the first quarter of 2018.
 - Net loss from continuing operations for the first quarter of 2019 was \$1.8 million, or a net loss of \$0.82 per share, compared to a net loss from continuing operations of \$5.1 million, or a net loss of \$5.35 per share, for the first quarter of 2018.
 - Net loss from discontinued operations for the first quarter of 2018 was \$1.7 million, or a net loss of \$1.76 per share.
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Investor Conference Call:

Sphere 3D will not be hosting a first quarter 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. Follow us on Twitter [@Sphere3Dand@HVEconneXions](https://twitter.com/Sphere3Dand@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) and in prior periodic reports filed with the United States Securities and Exchange Commission (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

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

	Three Months Ended March 31,	
	2019	2018
	(Unaudited)	
Revenue	\$ 2,130	\$ 2,373
Cost of revenue	1,435	1,930
Gross profit	695	443
Operating expenses:		
Sales and marketing	453	781
Research and development	697	1,111
General and administrative	1,252	3,000
	2,402	4,892
Loss from operations	(1,707)	(4,449)
Interest expense - related party	(142)	(558)
Interest expense	(3)	-
Other income (expense), net	8	(126)
Net loss from continuing operations	(1,844)	(5,133)
Net loss from discontinued operations	-	(1,690)
Net loss	\$ (1,844)	\$ (6,823)
Net loss per share:		
Continuing operations	\$ (0.82)	\$ (5.35)
Discontinued operations	-	(1.76)
Net loss per share basic and diluted	\$ (0.82)	\$ (7.11)
Shares used in computing net loss per share:		
Basic and diluted	2,236,590	959,828

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

	March 31, 2019	December 31, 2018
	(Unaudited)	(Unaudited)
<u>ASSETS</u>		
Cash and cash equivalents	\$ 139	\$ 341
Accounts receivable, net	859	1,142
Inventories	1,247	1,230
Other current assets	596	784
Total current assets	2,841	3,497
Investment in affiliate	2,100	2,100
Property and equipment, net	5	6
Intangible assets, net	3,101	3,348
Goodwill	1,385	1,385
Other assets	1,114	950
Total assets	<u>\$ 10,546</u>	<u>\$ 11,286</u>
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
Current liabilities	\$ 9,594	\$ 9,639
Series A redeemable preferred shares	6,701	6,571
Other long-term liabilities	1,433	683
Total shareholders' deficit	(7,182)	(5,607)
Total liabilities and shareholders' deficit	<u>\$ 10,546</u>	<u>\$ 11,286</u>