

**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): **March 29, 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**

**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))

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 March 29, 2019, we issued a press release announcing our financial results for our fourth fiscal quarter and fiscal year ended December 31, 2018. 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 March 29, 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: March 29, 2019

**SPHERE 3D CORP.**

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

## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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<a href="#">99.1</a>	<a href="#">Press Release Issued March 29, 2019</a>
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**Sphere 3D Reports Fiscal Year 2018 Financial Results**

**SAN JOSE**, Calif. – March 29, 2019 – Sphere 3D Corp. (NASDAQ: ANY), a company delivering containerization, virtualization, and data management solutions, today reported financial results for its year ended December 31, 2018.

“2018 was a year of transition with a number of challenges that needed to be overcome in order to complete the divestiture of Overland-Tandberg and restructuring of our credit facilities,” said Peter Tassiopoulos, chief executive officer of Sphere3D. “The impact of our focusing on the restructuring, coupled with our limited financial resources, negatively impacted the Company’s performance. With that behind us, we can now focus on seeking to create shareholder value.”

**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 2018 and 2017 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 2018 were as follows:

- Net revenue for 2018 was \$9.0 million, compared to \$12.6 million for 2017.
  - Product revenue for 2018 was \$6.1 million, compared to \$9.7 million for 2017. The overall decrease in revenue was partially due to our divestiture of Overland and our limited liquidity which delayed shipments. In addition, in 2017 there was a significant product transaction related to a one-time opportunity resulting in \$2.2 million of product revenue that did not reoccur in 2018.
  - Service revenue was \$2.9 million in each of the years 2018 and 2017.
  - Gross margin for 2018 was 18.6%, compared to 25.0% for 2017.
  - Operating expenses for 2018 were \$14.3 million, compared to \$21.2 million for 2017. In 2017 we recorded an impairment charge of \$2.3 million.
  - Share-based compensation expense for 2018 was \$1.6 million, compared to \$7.8 million for 2017. Depreciation and amortization was \$1.7 million for 2018, compared to \$3.4 million for 2017.
  - Net loss from continuing operations for 2018 was \$12.7 million, or a net loss of \$7.65 per share, compared to a net loss from continuing operations of \$15.4 million, or a net loss of \$24.78 per share, for 2017.
  - Net loss from discontinued operations for 2018 was \$13.5 million, or a net loss of \$8.15 per share, compared to a net loss from discontinued operations of \$10.8 million, or a net loss of \$17.30 per share, for 2017.
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**Grant of Inducement Award:**

In March 2019, the Company's Board of Directors granted 100,000 inducement restricted stock units to Stoney Hall, who has joined the sales and marketing team of the Company. This grant vests over an 18-month vesting period. These RSUs were granted as an inducement material to employment in accordance with NASDAQ Listing Rule 5635 (c)(4).

**Investor Conference Call:**

Sphere 3D will not be hosting a fiscal year 2018 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 per share data)*

	Year Ended December 31,	
	2018	2017
	(Unaudited)	
Net revenue	\$ 9,030	\$ 12,599
Cost of revenue	7,351	9,454
Gross profit	1,679	3,145
Operating expenses:		
Sales and marketing	3,375	3,402
Research and development	3,425	5,867
General and administrative	7,499	9,653
Impairment of acquired intangible assets.....	-	2,294
	14,299	21,216
Loss from operations	(12,620)	(18,071)
Interest expense - related party	(76)	-
Other income, net	10	1,799
Loss before income taxes	(12,686)	(16,272)
Benefit from income taxes	-	(852)
Net loss from continuing operations	(12,686)	(15,420)
Net loss from discontinued operations.....	(13,522)	(10,764)
Net loss.....	\$ (26,208)	\$ (26,184)
Net loss per share:		
Continuing operations.....	\$ (7.65)	\$ (24.78)
Discontinued operations.....	(8.15)	(17.30)
Net loss per share basic and diluted	\$ (15.80)	\$ (42.08)
Shares used in computing net loss per share:		
Basic and diluted	1,658,862	622,203

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

	<b>December 31,</b> <b>2018</b>	<b>December 31,</b> <b>2017</b>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 341	\$ 600
Accounts receivable, net	1,142	1,911
Inventories	1,230	1,449
Other current assets	784	418
Assets of discontinued operations	-	72,009
Total current assets	<u>3,497</u>	<u>76,387</u>
Intangible assets, net	3,348	5,198
Goodwill	1,385	1,385
Other assets	3,056	310
Total assets	<u>\$ 11,286</u>	<u>\$ 83,280</u>

**LIABILITIES AND (DEFICIT) EQUITY**

Current liabilities	\$ 9,639	\$ 6,800
Liabilities of discontinued operations.....	-	63,780
Series A redeemable preferred shares.....	6,571	-
Other long-term liabilities	683	2,237
Total shareholders' (deficit) equity	<u>(5,607)</u>	<u>10,463</u>
Total liabilities and shareholders' (deficit) equity	<u>\$ 11,286</u>	<u>\$ 83,280</u>