

**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): **August 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**

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 August 14, 2019, we issued a press release announcing our financial results for our second fiscal quarter ended June 30, 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 9.01. Financial Statements and Exhibits

(d) Exhibits

[99.1](#) [Press release dated August 14, 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: August 14, 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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99.1	Press Release Issued August 14, 2019
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Sphere 3D Reports Second Quarter Fiscal Year 2019 Financial Results

SAN DIEGO, Calif. – August 14, 2019 – Sphere 3D Corp. (NASDAQ: ANY), a company delivering containerization, virtualization, and data management solutions, today reported financial results for its second quarter ended June 30, 2019.

“The second quarter revenue was negatively impacted by our cash constraints and our move to new hardware suppliers for our HVE line of products. Despite the drop in revenue, we were able to reduce our net loss, quarter over quarter, through a reduction in our operating expenses in Q2,” said Peter Tassiopoulos, chief executive officer of Sphere3D, adding, “For the first 6 months of 2019, when compared to the same period in 2018, we were able to reduce our net loss by over 60% and will continue to look for opportunities to improve operating results.”

On November 13, 2018, the Company closed the divestiture of its Overland subsidiary and related business. The financial results of Overland for the second quarter and six months ended 2018 have been reflected in the Company’s consolidated statements of operations as discontinued operations. Results below exclude discontinued operations. Our results for the second quarter and six months ended June 30, 2019 were as follows:

Second Quarter 2019 Financial Results:

- Revenue for the second quarter of 2019 was \$1.0 million, compared to \$2.7 million for the second quarter 2018.
- Gross margin for the second quarter of 2019 was 25.4%, compared to 17.5% for the second quarter of 2018.
- Operating expenses for the second quarter of 2019 were \$1.8 million, compared to \$3.3 million for the second quarter of 2018.
- Share-based compensation expense for the second quarter of 2019 was \$0.1 million, compared to \$0.4 million for the second quarter of 2018. Depreciation and amortization was \$0.3 million in both the second quarter of 2019 and 2018.
- Net loss from continuing operations for the second quarter of 2019 was \$1.7 million, or a net loss of \$0.72 per share, compared to a net loss from continuing operations of \$4.0 million, or a net loss of \$2.36 per share, for the second quarter of 2018.
- Net loss from discontinued operations for the second quarter of 2018 was \$2.0 million, or a net loss of \$1.16 per share.

Six Months Ended June 30, 2019 Financial Results:

- Revenue for the first six months of 2019 was \$3.1 million, compared to \$5.1 million for the first six months of 2018.
 - Gross margin for the first six months of 2019 was 30.4%, compared to 18.1% for the first six months of 2018.
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- Operating expenses for the first six months of 2019 were \$4.2 million, compared to \$8.2 million for the first six months of 2018.
- Share-based compensation expense for the first six months of 2019 was \$0.2 million, compared to \$1.3 million for the first six months of 2018. Depreciation and amortization was \$0.5 million in the first six months of 2019, compared to \$1.1 million for the first six months of 2018.
- Net loss from continuing operations for the first six months of 2019 was \$3.5 million, or a net loss of \$1.55 per share, compared to a net loss from continuing operations of \$9.2 million, or a net loss of \$6.86 per share, in the first six months of 2018.
- Net loss from discontinued operations for the first six months of 2018 was \$3.7 million, or a net loss of \$2.75 per share.

Investor Conference Call:

Sphere 3D will not be hosting a second 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 [@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) 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		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
Revenue	\$ 963	\$ 2,698	\$ 3,093	\$ 5,071
Cost of revenue	718	2,225	2,153	4,155
Gross profit	<u>245</u>	<u>473</u>	<u>940</u>	<u>916</u>
Operating expenses:				
Sales and marketing	491	740	944	1,521
Research and development	516	899	1,213	2,010
General and administrative	761	1,691	2,013	4,691
	<u>1,768</u>	<u>3,330</u>	<u>4,170</u>	<u>8,222</u>
Loss from operations	(1,523)	(2,857)	(3,230)	(7,306)
Interest expense - related party	(144)	(1,212)	(286)	(1,770)
Interest expense	(12)	-	(15)	-
Other income (expense), net	14	41	22	(85)
Net loss from continuing operations	(1,665)	(4,028)	(3,509)	(9,161)
Net loss from discontinued operations	-	(1,974)	-	(3,664)
Net loss	<u>\$ (1,665)</u>	<u>\$ (6,002)</u>	<u>\$ (3,509)</u>	<u>\$ (12,825)</u>
Net loss per share:				
Continuing operations	\$ (0.72)	\$ (2.36)	\$ (1.55)	\$ (6.86)
Discontinued operations	-	(1.16)	-	(2.75)
Net loss per share basic and diluted	<u>\$ (0.72)</u>	<u>\$ (3.52)</u>	<u>\$ (1.55)</u>	<u>\$ (9.61)</u>
Shares used in computing net loss per share:				
Basic and diluted	<u>2,300,469</u>	<u>1,706,289</u>	<u>2,268,706</u>	<u>1,335,104</u>

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

	June 30, 2019	December 31, 2018
	(Unaudited)	(Unaudited)
ASSETS		
Cash and cash equivalents	\$ 151	\$ 341
Accounts receivable, net	500	1,142
Inventories	1,170	1,230
Other current assets	703	784
Total current assets	2,524	3,497
Investment in affiliate	2,100	2,100
Property and equipment, net	5	6
Intangible assets, net	2,873	3,348
Goodwill	1,385	1,385
Other assets	1,025	950
Total assets	<u>\$ 9,912</u>	<u>\$ 11,286</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities	\$ 10,493	\$ 9,639
Series A redeemable preferred shares	6,832	6,571
Other long-term liabilities	1,315	683
Total shareholders' deficit	(8,728)	(5,607)
Total liabilities and shareholders' deficit	<u>\$ 9,912</u>	<u>\$ 11,286</u>