UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the Month of August, 2016

Commission File Number: **001-36532**

Sphere 3D Corp.

240 Matheson Blvd. East
Mississauga, Ontario, Canada, L4Z 1X1
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F. ☐ Form 20-F x Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes ☐ No x

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

The information contained in this Form 6-K is incorporated by reference into, or as additional exhibits to, as applicable, the registrant's outstanding registration statements.

DOCUMENTS FILED AS PART OF THIS FORM 6-K

In connection with its announcement of financial results for the quarter ended June 30, 2016, Sphere 3D Corp. is filing the following documents:

- Management's discussion and analysis;
- Interim unaudited consolidated financial statements; and
- Certifications of the principal executive officer and principal financial officer.

SIGNATURE

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

	Sphere 3D Corp.
By:	/s/ Kurt L. Kalbfleisch
Name:	Kurt L. Kalbfleisch
Title:	Senior Vice President, Chief Financial Officer

Date: August 12, 2016

Exhibit Index

99.1	Management's Discussion and Analysis of Financial Condition and Results of Operations For the Three and Six Months Ended June 30, 2016.
99.2	Condensed Consolidated Financial Statements (unaudited) of Sphere 3D Corp. For the Three and Six Months Ended June 30, 2016 and 2015.
99.3	Rule 13a-14(a)/15d-14(a) Certification of principal executive officer of Sphere 3D Corp.
99.4	Rule 13a-14(a)/15d-14(a) Certification of principal financial officer of Sphere 3D Corp.

EXHIBIT 99.1

Second Quarter Report
Three and Six Months Ended June 30, 2016

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following quarterly management's discussion and analysis ("MD&A") should be read in conjunction with our unaudited condensed consolidated financial statements and the accompanying notes of Sphere 3D Corp. (the "Company") for the three and six months ended June 30, 2016. The condensed consolidated financial statements have been presented in United States ("U.S.") dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Unless the context otherwise requires, any reference to the "Company," "Sphere 3D," "we," "our," "us" or similar terms refers to Sphere 3D Corp. and its subsidiaries. Unless otherwise indicated, all references to "$" and "dollars" in this discussion and analysis mean U.S. dollars. This MD&A includes forward-looking statements that involve risks, uncertainties and assumptions that are difficult to predict. Words and expressions reflecting optimism, satisfaction or disappointment with current prospects, as well as words such as "believes," "hopes," "intends," "estimates," "expects," "projects," "plans," "anticipates" and variations thereof, or the use of future tense, identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. Such forward-looking statements are not guarantees of performance and our actual results could differ materially from those contained in such statements. Factors that could cause or contribute to such differences include, but are not limited to: our ability to raise additional capital to fund operations; our ability to maintain compliance with the financial covenants in our credit facilities; our ability to successfully integrate the business of Overland Storage, Inc. ("Overland") with our other businesses; our ability to maintain and increase sales volumes of our products; our ability to continue to control costs and operating expenses; our ability to generate cash from operations; the ability of our suppliers to provide an adequate supply of components for our products at prices consistent with historical prices; our ability to repay our debt as it comes due; our ability to introduce new competitive products and the degree of market acceptance of such new products; the timing and market acceptance of new products introduced by our competitors; our ability to maintain strong relationships with branded channel partners; customers', suppliers', and creditors' perceptions of our continued viability; rescheduling or cancellation of customer orders; loss of a major customer; our ability to enforce our intellectual property rights and protect our intellectual property; general competition and price measures in the market place; unexpected shortages of critical components; worldwide information technology spending levels; and general economic conditions. Further, our customers may use our products in ways that may infringe the intellectual property rights of third parties and/or require a license from third parties. Although we encourage our customers to use our products only in a manner that does not infringe third party intellectual property rights, and we know that most of our clients do so, we cannot guarantee that such third parties will not seek remedies against us for providing products that may enable our customers to infringe the intellectual property rights of others. For more information on these risks, you should refer to the Company's filings with the securities regulatory authorities, including the Company's most recently filed annual information form, which is available on SEDAR at www.sedar.com and EDGAR at www.sec.gov. In evaluating such statements we urge you to specifically consider various factors identified in this report, any of which could cause actual results to differ materially from those indicated by such forward-looking statements. Forward-looking statements speak only as of the date of this report and we undertake no obligation to publicly update any forward-looking statements to reflect new information, events or circumstances after the date of this report. Actual events or results may differ materially from such statements.

Overview

Sphere 3D delivers containerization and virtualization technologies along with data management products that enable workload-optimized solutions. We achieve this through a combination of containerized applications, virtual desktops, virtual storage and physical hyper-converged platforms. Sphere 3D's value proposition is simple and direct—we allow organizations to deploy a combination of public, private, or hybrid cloud strategies while backing them up with storage solutions.

Sphere 3D, through the design of a proprietary virtualization software, created its own platform, Glassware 2.0™ ("Glassware"), for the delivery of applications from a server-based computing architecture. This is accomplished through a number of unique approaches to virtualization utilized by Glassware including the use of software "containers" and "microvisors." A container refers to software that takes an application and all the things required to run that application and encapsulates them with software. By doing so, users can run numerous applications from a single server and on a single copy of the operating system. A microvisor refers to the technology that allows non-Windows® based applications to run on the same servers as Windows software through the use of a lightweight emulator.

In August 2015, we completed an acquisition of assets related to the RDX® removable disk product lines from Imation Corp. ("Imation"). The activity from this acquisition is included in our results of operations beginning August 2015.

Generation of revenue. We generate the majority of our revenue from sales of our disk systems, data management and storage products. The balance of our revenue is provided by selling maintenance contracts and rendering related services. The majority of our sales are generated from sales of our branded products through a worldwide channel, which includes systems integrators and value-added resellers. Glassware software sales are not material.

We reported net revenue of $19.6 million for the second quarter of 2016, compared with $18.4 million for the second quarter of 2015. We reported a net loss of $9.6 million, or $0.19 per share, for the second quarter of 2016 compared with a net loss of $8.9 million, or $0.25 per share, for the second quarter of 2015. We reported net revenue of $39.2 million for the first half of 2016, compared with $38.5 million for the first half of 2015. We reported a net loss of $17.7 million, or $0.37 per share, for the first half of 2016 compared with a net loss of $18.4 million, or $0.52 per share, for the first half of 2015.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with GAAP requires us to make judgments, assumptions and estimates that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. We base our estimates on historical experience and various other assumptions we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates and such differences may be material.

We believe our critical accounting policies and estimates are those related to impairment of goodwill, other indefinite-lived intangible assets and long-lived assets, goodwill and intangible assets, research and development costs, revenue recognition, inventory valuation, warranty costs, legal, and other contingencies. We consider these policies critical because they are both important to the portrayal of our financial condition and operating results, and they require us to make judgments and estimates about inherently uncertain matters. Our Company's critical accounting policies and estimates used in the preparation of our consolidated financial statements are reviewed regularly by management and have not changed from those disclosed in the December 31, 2015 audited consolidated financial statements.

Results of Operations

The following table sets forth certain financial data as a percentage of net revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	70.4	68.5	70.0	69.5
Gross profit	29.6	31.5	30.0	30.5
Operating expenses:				
Sales and marketing	32.0	29.9	31.4	28.9
Research and development	11.6	14.8	12.0	12.8
General and administrative	27.0	33.3	27.0	31.0
	70.6	78.0	70.4	72.7
Loss from operations	(41.0)	(46.5)	(40.4)	(42.2)
Interest expense	(6.4)	(4.7)	(5.8)	(3.8)
Other (expense) income, net	(1.2)	3.7	1.9	(1.4)
Loss before income taxes	(48.6)	(47.5)	(44.3)	(47.4)
Provision for income taxes	0.5	0.7	0.6	0.5
Net loss	(49.1)%	(48.2)%	(44.9)%	(47.9)%

A summary of our sales mix as a percentage of net revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Disk systems	60.2%	46.8%	61.2%	48.3%
Tape automation systems	13.8	17.4	13.8	17.4
Tape drives and media	15.1	20.8	13.8	19.5
Service	10.9	15.0	11.2	14.8
	100.0%	100.0%	100.0%	100.0%

The Second Quarter of 2016 compared with the Second Quarter of 2015

Net Revenue. Net revenue increased to $19.6 million during the second quarter of 2016 from $18.4 million during the second quarter of 2015, an increase of $1.2 million. The increase in net revenue is primarily a result of our acquisition in August 2015 of Imation’s RDX® product line which accounted for 12.0% of net revenues in the second quarter of 2016, offset by a decrease in service revenue of $0.6 million due to the decrease in tape automation product sales, which resulted in a decrease in sales of extended service contracts. Original equipment manufacturer (“OEM”) net revenue accounted for 18.6% and 14.7% of net revenues in the second quarter of 2016 and 2015, respectively.

Product Revenue

Net product revenue increased to $17.5 million during the second quarter of 2016 compared to $15.6 million during the second quarter of 2015, an increase of $1.9 million. Revenue from disk systems increased by $3.2 million primarily related to additions of $2.4 million of net product revenue from the RDX® product line acquired from Imation in August 2015, partially offset by a $1.3 million decrease in tape automation, and tape drives and media revenue.

Service Revenue

Net service revenue decreased to $2.1 million during the second quarter of 2016 from $2.8 million during the second quarter of 2015. The decrease of approximately $0.7 million was primarily due to the decrease in tape automation product sales which resulted in a decrease in sales of extended service contracts.

Gross Profit. Overall gross profit was constant at $5.8 million during the second quarter of 2016 and the second quarter of 2015. Gross margin of 29.6% for the second quarter of 2016 decreased from 31.5% for the second quarter of 2015.

Gross Profit on Product Revenue

Gross profit on product revenue during the second quarter of 2016 was $4.7 million compared to $4.4 million during the second quarter of 2015. Gross margin on product revenue of 26.8% for the second quarter of 2016 decreased slightly from 28.0% for the second quarter of 2015.

Gross Profit on Service Revenue

Gross profit on service revenue during the second quarter of 2016 was $1.1 million compared to $1.4 million during the second quarter of 2015. The decrease of $0.3 million was primarily due to the decrease in sales of extended service contracts due to decreased tape automation product sales during the quarter. Gross margin on service revenue was 52.9% for the second quarter of 2016 compared to 51.5% for the second quarter of 2015.

Sales and Marketing Expense. Sales and marketing expense in the second quarter of 2016 increased to $6.3 million from $5.5 million during the second quarter of 2015. The increase of $0.8 million was primarily due to a $0.5 million increase in share-based compensation expense and $0.2 million increase in business development costs.

Research and Development Expense. Research and development expense in the second quarter of 2016 decreased to $2.3 million from $2.7 million during the second quarter of 2015. The decrease of $0.4 million was primarily due to a $0.7 million decrease in employee and related expenses associated with a decrease in average headcount, offset by a $0.3 million increase in share-based compensation expense.

General and Administrative Expense. General and administrative expense in the second quarter of 2016 decreased to $5.3 million from $6.1 million during the second quarter of 2015. The decrease of $0.8 million was primarily due to a $0.7 million decrease in legal fees, a $0.3 million decrease in amortization expense related to intangible assets, and a $0.3 million combined decrease in bad debt expense and outside contractors. These decreases were offset by a $0.6 million increase in share-based compensation expense.

Interest Expense. Interest expense in the second quarter of 2016 increased to $1.3 million from $0.9 million during the second quarter of 2015. The $0.4 million increase in interest expense is related to our $12.6 million net increase in debt, and an increase in amortization of issuance costs for warrants issued in connection with the additional draws on our FBC credit facility which was paid in full in April 2016.

Other Income (Expense), Net. Other income (expense), net, in the second quarter of 2016 was $0.2 million of expense, net, compared to $0.7 million of income, net, in the second quarter of 2015. The expense in 2016 was primarily related to realized foreign currency losses. The income in 2015 was primarily related to realized foreign currency gains of $0.4 million and $0.2 million related the other income.

The First Half of 2016 compared with the First Half of 2015

Net Revenue. Net revenue increased to $39.2 million during the first half of 2016 from $38.5 million during the first half of 2015, an increase of $0.7 million. The increase in net revenue is primarily a result of our acquisition in August 2015 of Imation's RDX® product line which accounted for 13.9% of net revenues in the first half of 2016, offset by a $3.4 million decrease in tape automation, and tape drives and media revenue, as well as a decrease in service revenue of $1.3 million due to the decrease in tape automation product sales, which resulted in a decrease in sales of extended service contracts. OEM net revenue accounted for 19.3% and 17.2% of net revenues in the first half of 2016 and 2015, respectively.

Product Revenue

Net product revenue increased to $34.8 million during the first half of 2016 from $32.8 million during the first half of 2015, an increase of approximately $2.0 million. Revenue from disk systems increased by $5.4 million primarily related to addition of net product revenue from the RDX® product line acquired from Imation in August 2015, partially offset by a $3.4 million decrease in tape automation, and tape drives and media revenue.

Service Revenue

Net service revenue decreased to $4.4 million during the first half of 2016 from $5.7 million during the first half of 2015. The decrease of approximately $1.3 million was primarily due to the decrease in tape automation product sales, which resulted in a decrease in sales of of extended service contracts.

Gross Profit. Overall gross profit was relatively constant at $11.8 million during the first half of 2016 compared to $11.7 million during the first half of 2015. Gross margin was relatively constant at 30.0% for the first half of 2016 compared to 30.5% for the first half of 2015.

Gross Profit on Product Revenue

Gross profit on product revenue during the first half of 2016 was $9.4 million compared to $8.7 million during the first half of 2015, an increase of $0.7 million. Gross margin on product revenue was relatively constant at 27.0% for the first half of 2016 compared to 26.5% for the first half of 2015.

Gross Profit on Service Revenue

Gross profit on service revenue during the first half of 2016 was $2.3 million compared to $3.1 million during the first half of 2015. The decrease of $0.8 million was primarily due to the decrease in tape automation product sales, which resulted in a decrease in sales of extended service contracts. Gross margin on service revenue was relatively constant at 53.1% for the first half of 2016 compared to 53.8% for the first half of 2015.

Sales and Marketing Expense. Sales and marketing expense in the first half of 2016 increased to $12.3 million from $11.1 million during the first half of 2015. The increase of $1.2 million was primarily due to a $1.1 million increase in share-based compensation expense, and a $0.4 million increase in business development costs, offset by a $0.3 million decrease in employee and related expenses associated with a decrease in average headcount.

Research and Development Expense. Research and development expense in the first half of 2016 decreased to $4.7 million from $4.9 million during the first half of 2015. The decrease of $0.2 million was due to an decrease of $0.7 million in employee and related expenses associated with a decrease in average headcount, and a $0.2 million decrease in outside contractors and development costs, offset by a $0.7 million increase in share-based compensation expense.

General and Administrative Expense. General and administrative expense in the first half of 2016 decreased to $10.6 million from $11.9 million during the first half of 2015. The decrease of $1.3 million was due to a $0.7 million decrease in legal fees, a $0.6 million decrease in amortization expense related to intangible assets, a $0.4 million decrease in auditor and tax related fees, a $0.4 million decrease in outside contractors, and a $0.4 million decrease in bad debt expense and other miscellaneous corporation expenses. These decreases were offset by a $1.3 million increase in share-based compensation expense.

Interest Expense. Interest expense in the first half of 2016 increased to $2.3 million from $1.5 million during the first half of 2015. The $0.8 million increase in interest expense is related to our $12.6 million net increase in debt, and an increase in amortization of issuance costs for warrants issued in connection with the additional draws on our FBC credit facility which was paid in full in April 2016.

Other Income (Expense), Net. Other income (expense), net, in the first half of 2016 was $0.7 million of income compared to expense of $0.5 million in the first half of 2015. The income in 2016 was primarily related to realized foreign currency gains of $0.3 million, and a gain on warrant liability of $0.3 million. The expense in 2015 was primarily related to realized foreign currency losses of $0.8 million, offset by other income of $0.3 million.

Liquidity and Capital Resources

At June 30, 2016, we had cash of $4.3 million compared to cash of $8.7 million at December 31, 2015. In the first half of 2016, we incurred a net loss of $17.7 million. Cash management and preservation continue to be a top priority. We expect to incur negative operating cash flows as we increase our sales volume, and as we work to improve operational efficiencies.

As of June 30, 2016, we had net working capital of $7.4 million, reflecting a decrease in current assets of $5.5 million and an decrease in current liabilities of $22.7 million compared to December 31, 2015. The decrease in current assets is primarily attributable to a $4.3 million decrease in cash and a $1.1 million decrease in accounts receivable. The decrease in current liabilities is primarily attributable to a $16.6 million reclassification of debt to long-term primarily related the debt agreement we entered into with Opus Bank and the payoff of our two previously existing credit facilities. In addition, we had a $3.9 million decrease in other current liabilities of which $2.5 million related to the settlement of the contingent liability related to the acquisition of RDX® from Imation and $1.4 million related to a change in warrant liability, and a $1.8 million decrease in accounts payable and accrued liabilities.

In April 2016, we modified our convertible note with FBC Holdings, pursuant to which the holder made an additional advance of $5.0 million to us, bringing the outstanding balance to $24.5 million. The $5.0 million additional advance was applied to the outstanding balance of the credit facility held by FBC Holdings.

In April 2016, we entered into a Credit Agreement with Opus Bank for a term loan in the amount of $10.0 million and a credit facility in the amount of $10.0 million. A portion of the proceeds were used to pay off our credit facilities with FBC Holdings and Silicon Valley Bank, which were both subsequently terminated upon repayment. The remainder of the proceeds will be used for working capital and general business requirements. As of June 2016, we had draws of $8.2 million on the Opus Bank credit facility.

Management has projected that cash on hand and available borrowings under our credit facility may not be sufficient to allow the Company to continue operations for the next 12 months. Significant changes from the Company's current forecast, including but not limited to: (i) failure to comply with the financial covenants in our credit facility, (ii) shortfalls from projected sales levels; (iii) unexpected increases in product costs; (iv) increases in operating costs; and (v) changes in the historical timing of collecting accounts receivable could have a material adverse impact on our ability to access the level of funding necessary to continue its operations at current levels. If any of these events occur or if we are not able to secure additional funding, we may be forced to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible, and/or suspend or curtail planned programs. Any of these actions could materially harm our business, results of operations and future prospects. We may seek debt, equity, or equity-based financing (such as convertible debt) when market conditions permit.

We incurred losses from operations and negative cash flows from operating activities for the 12 months ended December 31, 2015, and such losses might continue for a period of time. As a result of our recurring losses from operations and negative cash flows, the report from our independent registered public accounting firm regarding our consolidated financial statements for the year ended December 31, 2015 includes an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern.

During the first half of 2016, we used net cash in operating activities of $13.8 million, compared to $11.2 million in the first half of 2015. The use of cash during the first half of 2016 was primarily a result of our net loss of $17.7 million offset by $8.2 million in non-cash items, which were primarily share-based compensation, depreciation and amortization, and gain on warrant liability. In addition, we had decreases in cash from accounts receivable of $1.5 million, inventory of $0.7 million, accounts payable and accrued liabilities of $1.2 million, accrued payroll and employee compensation of $0.3 million, and deferred revenue of $0.6 million.

During the first half of 2016, net cash used in investing activities was $0.2 million compared to $0.3 million used in investing activities in the first half of 2015. During the first half of 2016 and 2015, additions to fixed assets totaled $0.2 million and $0.1 million, respectively.

During the first half of 2016, net cash provided by financing activities was $9.6 million compared to $11.1 million during the first half of 2015. During the first half of 2016, we received $18.2 million from proceeds in borrowings, and $3.7 million in proceeds from exercised warrants, offset by $12.4 million of payments on our credit facilities. During the first half of 2015, we received $5.2 million of gross proceeds from private placements, $5.0 million from proceeds in borrowings from our related party credit facility, and $0.8 million from proceeds from exercised warrants.

Off-Balance Sheet Arrangements

During the ordinary course of business, we provide standby letters of credit to third parties as required for certain transactions initiated by us. As of June 30, 2016, we had no standby letters of credit that were not recorded on our condensed consolidated balance sheets.

Recently Issued Accounting Pronouncements

See Note 2 to our condensed consolidated financial statements for information about recent accounting pronouncements.

Quantitative and Qualitative Disclosures about Market Risk.

Market risk represents the risk of loss that may impact our financial position, results of operations, or cash flows due to adverse changes in financial and commodity market prices and rates. We are exposed to market risk from changes in foreign currency exchange rates as measured against the U.S. dollar. These exposures are directly related to our normal operating and funding activities. Historically, we have not used derivative instruments or engaged in hedging activities.

Foreign Currency Risk. We conduct business on a global basis and a significant portion of our sales in international markets are not denominated in U.S. dollars. Export sales represent a significant portion of our sales and are expected to continue to represent a significant portion of sales. In addition, our wholly-owned foreign subsidiaries incur costs that are denominated in local currencies. As exchange rates vary, these results may vary from expectations when translated into U.S. dollars, which could adversely impact overall expected results. The effect of exchange rate fluctuations on our results of operations during the first half of 2016 and 2015 resulted in a gain of $0.3 million and a loss of $0.8 million, respectively, to our condensed consolidated financial statements.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Risk Factors

An investment in our company involves a high degree of risk. In addition to the risk factor below and the other information included or incorporated by reference in this report, you should carefully consider each of the risk factors described in our annual information form for the fiscal year ended December 31, 2015. These risks and uncertainties are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the risks actually occur, our business and financial results could be harmed. In that case, the trading price of our common stock could decline.

Our credit facility contains restrictions and requirements on our operations, including financial covenants. We have in the past failed to comply with financial covenants in certain of our loan documents, and similar defaults in the future could adversely affect our financial condition and our ability to meet our payment obligations on our indebtedness.

We have obtained external funding for our business through a credit agreement with Opus Bank. The credit agreement contains restrictions on the amount of debt we may incur and other restrictions and requirements on our operations. We have in the past defaulted under financial covenants in our previous loan documents, which was waived by our previous lender. Upon the occurrence of certain events of default under our current credit facility, our lender may elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit. In the event of such acceleration or if we are unable to otherwise maintain compliance with covenants set forth in these arrangements or if these arrangements are otherwise terminated for any reason, it could have a material adverse effect on our ability to access the level of funding necessary to continue operations at current levels. If any of these events occur, management may be forced to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible, and/or suspend or curtail planned programs. Any of these actions could materially harm our business, results of operations and future prospects.

If our common shares are delisted from the NASDAQ Global Market, our business, financial condition, results of operations and share price could be adversely affected, and the liquidity of our common shares and our ability to obtain financing could be impaired.

On August 1, 2016, we received a letter from the NASDAQ Stock Market LLC (“NASDAQ”) notifying us that we were not in compliance with the requirement of Nasdaq Listing Rule 5450(a)(1) (“Listing Rule”) for continued listing on the NASDAQ Global Market as a result of the closing bid price for our common shares being below $1.00 for 30 consecutive business days. This notification had no effect on the listing of our common shares at this time. In accordance with the Listing Rule, we have 180 calendar days, or until January 30, 2017, to regain compliance with such rule. To regain compliance, we must have a closing bid price of our common shares above $1.00 for a minimum of 10 consecutive business days. No assurance can be given that we will regain compliance during that period. If we do not regain compliance with the rule by January 30, 2017, we may be eligible for an additional 180 calendar day compliance period. To qualify for this additional time, we would need to transfer the listing of our common shares to The NASDAQ Capital Market by applying for such transfer, meeting the continued listing requirement for market value of publicly held shares, and meeting all other initial listing standards, with the exception of the bid price requirement.

Any delisting of our common shares from the NASDAQ Global Market could adversely affect our ability to attract new investors, decrease the liquidity of our outstanding common shares, reduce our flexibility to raise additional capital, reduce the price at which our common shares trade, and increase the transaction costs inherent in trading such shares with overall negative effects for our shareholders. In addition, delisting of our common shares could deter broker-dealers from making a market in or otherwise seeking or generating interest in our common shares, and might deter certain institutions and persons from investing in our securities at all. If our board of directors exercises its discretion to approve a reverse share split to seek to regain compliance with the NASDAQ listing requirements and increase the per share trading price of our common shares, the announcement of the reverse share split could adversely affect the trading price per share even if we ultimately regain compliance. For these reasons and others, delisting could adversely affect our business, financial condition, and results of operations.

EXHIBIT 99.2

SPHERE 3D CORP.

Condensed Consolidated Financial Statements (Unaudited)
Three and Six Months Ended June 30, 2016 and 2015
(Expressed in U.S. dollars)

SPHERE 3D CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands of U.S. dollars, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(Unaudited)		(Unaudited)	
Net revenue:				
Product revenue	$ 17,465	$ 15,647	$ 34,804	$ 32,823
Service revenue	2,127	2,755	4,407	5,677
	19,592	18,402	39,211	38,500
Cost of product revenue	12,793	11,261	25,391	24,133
Cost of service revenue	1,001	1,336	2,066	2,621
Gross profit	5,798	5,805	11,754	11,746
Operating expenses:				
Sales and marketing	6,270	5,496	12,323	11,110
Research and development	2,266	2,724	4,708	4,914
General and administrative	5,289	6,133	10,600	11,926
	13,825	14,353	27,631	27,950
Loss from operations	(8,027)	(8,548)	(15,877)	(16,204)
Interest expense - related party	(925)	(777)	(1,853)	(1,318)
Interest expense	(336)	(83)	(448)	(161)
Other (expense) income, net	(229)	680	730	(534)
Net loss before income taxes	(9,517)	(8,728)	(17,448)	(18,217)
Provision for taxes	98	128	236	181
Net loss	$ (9,615)	$ (8,856)	$ (17,684)	$ (18,398)
Net loss per share:				
Basic and diluted	$ (0.19)	$ (0.25)	$ (0.37)	$ (0.52)
Shares used in computing net loss per share:				
Basic and diluted	49,444	35,892	47,596	35,450

See accompanying notes to condensed consolidated financial statements.

SPHERE 3D CORP.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands of U.S. dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(Unaudited)		(Unaudited)	
Net loss	$ (9,615)	$ (8,856)	$ (17,684)	$ (18,398)
Other comprehensive income (loss):				
Foreign currency translation adjustments	34	(313)	(166)	(68)
Total other comprehensive income (loss)	34	(313)	(166)	(68)
Comprehensive loss	$ (9,581)	$ (9,169)	$ (17,850)	$ (18,466)

See accompanying notes to condensed consolidated financial statements.

SPHERE 3D CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	June 30, 2016	December 31, 2015
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 4,324	$ 8,661
Accounts receivable, net of allowance for doubtful accounts of $2,160 and $1,567, respectively	12,302	13,401
Inventories	12,034	11,326
Other current assets	2,417	3,155
Total current assets	31,077	36,543
Property and equipment, net	3,620	3,972
Intangible assets, net	51,630	54,019
Goodwill	44,296	44,132
Other assets	451	445
Total assets	$ 131,074	$ 139,111
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 9,643	$ 10,855
Accrued liabilities	3,722	4,326
Accrued payroll and employee compensation	2,296	2,625
Deferred revenue	6,055	6,150
Other current liabilities	1,132	5,050
Debt	814	7,391
Debt, related party	—	10,000
Total current liabilities	23,662	46,397
Deferred revenue, long-term	1,215	1,675
Long-term debt — related party, net	24,094	19,500
Long-term debt, net	17,155	—
Long-term deferred tax liabilities	2,821	2,755
Other long-term liabilities	598	644
Total liabilities	69,545	70,971
Commitments and contingencies (Note 12)		
Shareholders' equity:		
Common stock, no par value, unlimited shares authorized; 51,025 and 45,198 shares issued and outstanding as of June 30, 2016 and December 31, 2015, respectively	147,297	136,058
Accumulated deficit	(84,467)	(66,783)
Accumulated other comprehensive loss	(1,301)	(1,135)
Total shareholders' equity	61,529	68,140
Total liabilities and shareholders' equity	$ 131,074	$ 139,111

See accompanying notes to condensed consolidated financial statements.

Approved by the Directors on August 2, 2016:

Eric L. Kelly, Director and Glenn M. Bowman, Director

SPHERE 3D CORP.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)

	Six Months Ended June 30,	
	2016	**2015**
	(Unaudited)	
Operating activities:		
Net loss	$ (17,684)	$ (18,398)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,154	3,928
Share-based compensation	4,703	1,322
Provision for losses on accounts receivable	625	745
Gain on warrant liability	(348)	—
Deferred tax provision	64	—
Changes in operating assets and liabilities:		
Accounts receivable	(1,516)	2,245
Inventories	(659)	55
Accounts payable and accrued liabilities	(1,217)	126
Accrued payroll and employee compensation	(333)	(609)
Deferred revenue	(558)	(1,117)
Other assets and liabilities, net	(27)	485
Net cash used in operating activities	(13,796)	(11,218)
Investing activities:		
Purchase of fixed assets	(184)	(131)
Purchase of intangible assets	—	(95)
Development costs capitalized as intangible assets	—	(108)
Net cash used in investing activities	(184)	(334)
Financing activities:		
Proceeds from borrowings	18,195	—
Payments for credit facility, net	(7,391)	—
Proceeds from borrowings - related party	—	5,061
Payments for borrowings - related party	(5,000)	—
Proceeds from exercised warrants	3,703	763
Proceeds from issuance of common stock	60	5,188
Proceeds from exercised options	—	225
Payment for restricted stock tax liability on net settlement	(6)	(163)
Net cash provided by financing activities	9,561	11,074
Effect of exchange rate changes on cash	82	(81)
Net decrease in cash and cash equivalents	(4,337)	(559)
Cash and cash equivalents, beginning of period	8,661	4,258
Cash and cash equivalents, end of period	$ 4,324	$ 3,699
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 255	$ 277
Non-cash investing and financing activities:		
Issuance of common shares for settlement of liabilities	$ 871	$ 774
Issuance of warrants in relation to related party debt	$ 485	$ 923
Issuance of warrants in relation to settlement of liabilities	$ 350	$ —
Contingent liability for the acquisition of intangible assets	$ —	$ (2,500)
Reclassification of warrant liability instrument to equity	$ 1,099	$ —

See accompanying notes to condensed consolidated financial statements.

SPHERE 3D CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1 — ORGANIZATION AND BUSINESS

Sphere 3D Corp. (the "Company") was incorporated under the *Business Corporations Act (Ontario)* on May 2, 2007. On March 24, 2015, the Company completed a short-form amalgamation with a wholly-owned subsidiary. In connection with the short-form amalgamation, the Company changed its name to "Sphere 3D Corp." ("Sphere 3D").

The Company delivers containerization and virtualization technologies along with data management products that enable workload-optimized solutions. The Company achieves this through a combination of containerized applications, virtual desktops, virtual storage and physical hyper-converged platforms. The Company's products allow organizations to deploy a combination of public, private or hybrid cloud strategies while backing them up with the latest storage solutions. Sphere 3D, along with its wholly-owned subsidiaries Overland Storage and Tandberg Data, has a portfolio of brands including Glassware 2.0™, SnapCLOUD™, SnapScale®, SnapServer®, V3®, RDX®, and NEO®.

These condensed consolidated statements include the financial statements of the Company, its wholly-owned subsidiaries, Overland, V3 Systems Holdings, Inc., and Sphere 3D Inc.

The Company has projected that cash on hand and available borrowings under the Company's credit facility may not be sufficient to allow the Company to continue operations for the next 12 months. Significant changes from the Company's current forecast, including but not limited to: (i) failure to comply with the financial covenants in our credit facility, (ii) shortfalls from projected sales levels; (iii) unexpected increases in product costs; (iv) increases in operating costs; and (v) changes in the historical timing of collecting accounts receivable could have a material adverse impact on the Company's ability to access the level of funding necessary to continue its operations at current levels. If any of these events occur or if we are not able to secure additional funding, the Company may be forced to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible, and/or suspend or curtail planned programs. Any of these actions could materially harm the Company's business, results of operations and future prospects. The Company may seek debt, equity or equity-based financing (such as convertible debt) when market conditions permit.

In April 2016, the Company entered into a credit agreement with Opus Bank for up to $20.0 million in debt financing. A portion of the proceeds were used to pay off the Company's two then-current credit facilities and the remainder of the proceeds will be used for working capital and general business requirements. The Company also refinanced the remaining $5.0 million under its related party credit facility into its outstanding convertible note.

The Company incurred losses from operations and negative cash flows from operating activities for the 12 months ended June 30, 2016, and such losses might continue for a period of time. The Company's recurring losses and negative cash flows from operations raise substantial doubt about its ability to continue as a going concern. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The condensed consolidated financial statements of the Company have been prepared by management in accordance with accounting principles generally accepted in the United States of America ("GAAP"), applied on a basis consistent for all periods. They do not include all the disclosures required by GAAP for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015, which have been prepared in accordance with GAAP. These condensed consolidated financial statements include the accounts of the Company and its

subsidiaries, all of which are wholly owned. All intercompany balances and transactions have been appropriately eliminated upon consolidation.

Use of Estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of provisions for litigation claims, deferred revenue, allowance for doubtful receivables, inventory valuation, warranty provisions, deferred income taxes, and impairment assessments of property and equipment, intangible assets and goodwill. Actual results could differ from these estimates.

Foreign Currency

The financial statements of foreign subsidiaries, for which the functional currency is the local currency, are translated into U.S. dollars using the exchange rate at the condensed consolidated balance sheet date for assets and liabilities and a weighted-average exchange rate during the year for revenue, expenses, gains and losses. Translation adjustments are recorded as other comprehensive income (loss) within shareholders' equity. Gains or losses from foreign currency transactions are recognized in the condensed consolidated statements of operations. Such transactions resulted in a loss of $0.3 million compared to a gain of $0.4 million for the three months ended June 30, 2016 and 2015, respectively. Such transactions resulted in a gain of $0.3 million and a loss of $0.8 million for the six months ended June 30, 2016 and 2015, respectively.

Inventories

Inventories are stated at the lower of cost or market using the first-in-first-out method. We assess the value of inventories periodically based upon numerous factors including, among others, expected product or material demand, current market conditions, technological obsolescence, current cost, and net realizable value. If necessary, we write down its inventory for obsolete or unmarketable inventory by an amount equal to the difference between the cost of the inventory and the estimated market value.

Goodwill and Intangible Assets

Goodwill represents the excess of consideration paid over the value assigned to the net tangible and identifiable intangible assets acquired. For intangible assets purchased in a business combination, the estimated fair values of the assets received are used to establish their recorded values. For intangible assets acquired in a non-monetary exchange, the estimated fair values of the assets transferred (or the estimated fair values of the assets received, if more clearly evident) are used to establish their recorded values. Valuation techniques consistent with the market approach, income approach and/or cost approach are used to measure fair value.

Purchased intangible assets are amortized on a straight-line basis over their economic lives of 25 years for channel partner relationships, four to nine years for developed technology, eight years for capitalized development costs, and five to 25 years for customer relationships as this method most closely reflects the pattern in which the economic benefits of the assets will be consumed.

Impairment of Goodwill, Other Indefinite-Lived Intangible Assets and Long-Lived Assets

Goodwill and other indefinite-lived assets are tested for impairment on an annual basis at December 31, or more frequently if there are indicators of impairment. Triggering events for impairment reviews may be indicators such as adverse industry or economic trends, restructuring actions, lower projections of profitability, or a sustained decline in our market capitalization. Other indefinite-lived intangible assets are quantitatively assessed for impairment, if necessary, by comparing their estimated fair values to their carrying values. If the carrying value exceeds the fair value, the difference is recorded as an impairment.

Long-lived assets, such as property and equipment and intangible assets subject to amortization, are reviewed for recoverability whenever events or changes in circumstances indicate the carrying value may not be recoverable. Our consideration includes, but is not limited to: (i) significant under-performance relative to historical or projected future operating results; (ii) significant changes in the manner of use of the assets or the strategy for the Company's overall business; (iii) significant decrease in the market value of the assets; and (iv) significant negative industry or economic trends. When the carrying value is not considered recoverable, an impairment loss for the amount by which the carrying value of a long-lived asset exceeds its fair value is recognized, with an offsetting reduction in the carrying value of the related asset. See Note 5 - Intangible Assets and Goodwill for further information on impairment.

Revenue Recognition

Revenue from sales of products is recognized when persuasive evidence of an arrangement exists, the price is fixed or determinable, collectability is reasonably assured and delivery has occurred. Under this policy, revenue on direct product sales, excluding sales to distributors, is recognized upon shipment of products to customers. These customers are not entitled to any specific right of return or price protection, except for any defective product that may be returned under our standard product warranty. Revenue from services, such as extended product warranties, are deferred and recognized over the period of the service agreement.

Title and risk of loss transfer to the customer when the product leaves the Company's dock, except for one subsidiary where title and risk of loss transfer to the customer when the product arrives at the customer's location. Product sales to distribution customers are subject to certain rights of return, stock rotation privileges and price protection. Because we are unable to estimate its exposure for returned product or price adjustments, revenue from shipments to these customers is not recognized until the related products are in turn shipped to the ultimate customer by the distributor. For products for which software is more than an incidental component, we recognize revenue in accordance with current authoritative guidance for software revenue recognition.

The Company enters into revenue arrangements that may consist of multiple deliverables of its product and service offerings, such as for sales of hardware devices and extended warranty services. The Company allocates revenue to deliverables in multiple element arrangements based on relative selling prices. The Company determines its vendor-specific objective evidence ("VSOE") based on its normal pricing and discounting practices for the specific product or service when sold separately. When the Company is not able to establish VSOE for all deliverables in an arrangement with multiple elements, the Company attempts to determine the selling price of each element based on third party evidence of selling price, or based on the Company's actual historical selling prices of similar items, whichever management believes provides the most reliable estimate of expected selling prices.

Warranty and Extended Warranty

We record a provision for standard warranties provided with all products. If future actual costs to repair were to differ significantly from estimates, the impact of these unforeseen costs or cost reductions would be recorded in subsequent periods.

Separately priced extended on-site warranties and service contracts are offered for sale to customers on all product lines. We contract with third party service providers to provide service relating to on-site warranties and service contracts. Extended warranty and service contract revenue and amounts paid in advance to outside service organizations are deferred and recognized as service revenue and cost of service, respectively, over the period of the service agreement.

Research and Development Costs

Research and development expenses include payroll, employee benefits, stock-based compensation expense, and other headcount-related expenses associated with product development. Research and development expenses also include third party development and programming costs, localization costs incurred to translate software for international markets, and the amortization of purchased software code and services content. Such costs related to software development are included in research and development expense until the point that technological feasibility is reached, which for our software products, is generally shortly before the products are released to manufacturing. Once technological feasibility is reached, such costs are capitalized and amortized to cost of revenue over the estimated lives of the products. During the three months ended June 30, 2016 and 2015, no development costs were capitalized. During the six months ended June 30, 2016 and 2015, zero and $0.1 million, respectively, of development costs were capitalized.

Share-based Compensation

We account for share-based awards, and similar equity instruments, granted to employees, non-employee directors, and consultants under the fair value method. Share-based compensation award types include stock options and restricted stock. We use the Black-Scholes option pricing model to estimate the fair value of option awards on the measurement date, which generally is the date of grant. The expense is recognized over the requisite service period (usually the vesting period) for the estimated number of instruments for which service is expected to be rendered. The fair value of restricted stock is estimated based on the market value of the Company's common shares on the date of grant. The fair value of options granted to non-employees is estimated at the measurement date using the Black-Scholes option pricing model and the unvested options remeasured at each reporting date, with changes in fair value recognized in expense in the condensed consolidated statement of operations.

Share-based compensation expense for options with graded vesting is recognized pursuant to an accelerated method. Share-based compensation expense for restricted stock is recognized over the vesting period using the straight-line method. Share-based compensation expense for an award with performance conditions is recognized when the achievement of such performance conditions are determined to be probable. If the outcome of such performance condition is not determined to be probable or is not met, no compensation expense is recognized and any previously recognized compensation expense is reversed.

We have not recognized, and do not expect to recognize in the near future, any tax benefit related to share-based compensation cost as a result of the full valuation allowance of our net deferred tax assets and its net operating loss carryforward.

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") that are adopted by the Company as of the specified effective date. If not discussed, the Company believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company's condensed consolidated financial statements upon adoption.

In April 2016, the FASB issued Accounting Standards Update ("ASU") 2016-10, *Revenue From Contracts With Customers (Topic 606): Identifying Performance Obligations and Licensing* ("ASU 2016-10"). ASU 2016-10 clarifies the following two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas. The effective date of ASU 2016-10 will coincide with ASU 2014-09 and, as described below, ASU 2014-09 will be effective for annual reporting periods beginning after December 15, 2017. The impact on our consolidated financial condition and results of operations as a result of the adoption of ASU 2016-10 has not yet been determined.

In March 2016, the FASB issued ASU No. 2016-08, *Revenue From Contracts With Customers (Topic 606): Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)* ("ASU 2016-08"). ASU 2016-08 amends the principal-versus-agent implementation guidance in ASU 2014-09. ASU 2016-08 clarifies the principal-versus-agent guidance in Topic 606 and requires an entity to determine whether the nature of its promise to provide goods or services to a customer is performed in a principal or agent capacity and to recognize revenue in a gross or net manner based on its principal/agent designation. The effective date of ASU 2016-08 will coincide with ASU 2014-09 and, as described below, ASU 2014-09 will be effective for annual reporting periods beginning after December 15, 2017. The impact on our consolidated financial condition and results of operations as a result of the adoption of ASU 2016-08 has not yet been determined.

In February 2016, the FASB issued ASU 2016-09, *Compensation - Stock Compensation (Topic 718)* ("ASU 2016-09"). ASU 2016-09 was issued as part of the FASB's Simplification Initiative. The objective of the Simplification Initiative is to identify, evaluate, and improve areas of GAAP for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. The areas for simplification in ASU 2016-09 involve several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is permitted for any entity in any interim or annual period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all

of the amendments in the same period. We have not yet selected a transition method and the impact on our consolidated financial condition and results of operations as a result of the adoption of ASU 2016-09 has not yet been determined.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). ASU 2016-02 requires increased transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under ASU 2016-02, a lessee will recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-to-use asset representing its right to use the underlying asset for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current GAAP. ASU 2016-02 retains a distinction between finance leases (i.e. capital leases under current GAAP) and operating leases. The classification criteria for distinguishing between finance leases and operating leases will be substantially similar to the classification criteria for distinguishing between capital leases and operating leases under current GAAP. The accounting applied by the lessor is largely unchanged from that applied under current GAAP. The amendments of this ASU are effective for reporting periods beginning after December 15, 2018, with early adoption permitted. An entity will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The impact on our consolidated financial condition and results of operations as a result of the adoption of ASU 2016-02 has not yet been determined.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* ("ASU 2015-17"). ASU 2015-17 requires companies to classify all deferred tax assets and liabilities as non-current on the balance sheet instead of separating deferred taxes into current and non-current amounts. For public business entities, the guidance is effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted for all companies in any interim or annual period. The guidance may be adopted on either a prospective or retrospective basis. We have not yet selected a transition method and we are currently evaluating the effect that the updated standard will have on our consolidated financial statements and related disclosures.

In July 2015, the FASB issued Accounting Standards Update ("ASU") 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. ASU 2015-11 requires that for entities that measure inventory using the first-in, first-out method, inventory should be measured at the lower of cost and net realizable value. *Topic 330, Inventory*, currently requires an entity to measure inventory at the lower of cost or market. Market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. ASU 2015-11 is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. The amendments should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The impact on our consolidated financial condition and results of operations as a result of the adoption of ASU 2015-11 has not yet been determined.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements — Going Concern*. ASU 2014-15 provides that in connection with preparing financial statements for each annual and interim reporting period, an entity's management should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). ASU 2014-15 is effective for the annual reporting period ending after December 15, 2016, and for annual and interim periods thereafter. Early application is permitted. The impact on our consolidated financial disclosures as a result of the adoption of ASU 2014-15 has not yet been determined.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 outlines a single comprehensive model for accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. ASU 2014-09 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. We have not yet selected a transition method and the impact on our consolidated financial condition and results of operations as a result of the adoption of ASU 2014-09 has not yet been determined.

Recently Adopted Accounting Pronouncements

In April 2015, the FASB issued ASU 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs.* ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from that debt liability, consistent with the presentation of a debt discount. The recognition and measurement guidance for debt issuance costs is not affected by ASU 2015-03. ASU 2015-03 is effective fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early application is permitted. The impact on our consolidated financial condition and results of operations as a result of the adoption of ASU 2015-03 was not material.

In September 2015, the FASB issued ASU No. 2015-16, *Business Combinations (Topic 805).* ASU No. 2015-16 requires that an acquirer recognizes adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. This guidance requires that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change in provisional amounts, calculated as if the accounting had been completed at the acquisition date. This guidance requires an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. ASU No. 2015-16 is effective beginning fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The impact on our consolidated financial condition and results of operations as a result of the adoption of ASU 2015-16 was not material.

NOTE 3 — BUSINESS COMBINATION

RDX Asset Acquisition

In August 2015, the Company completed an acquisition of assets related to the RDX® removable disk product lines and related inventory from Imation Corp. ("Imation"). The Company issued 1,529,126 common shares with an approximate value of $6.1 million, and a warrant exercisable for 250,000 additional common shares exercisable in connection with certain purchase price adjustments under the asset purchase agreement. In February 2016, the Company settled $2.0 million to Imation in settlement of certain purchase price adjustments, as well as issued to Imation 250,000 common shares at a purchase price of $0.01 per share in connection with its exercise of the warrant.

The asset purchase agreement also terminated an existing license agreement and settled all disputes between the parties. We incurred acquisition related expenses of $0.2 million which consisted primarily of due diligence, legal and other one-time charges and are included in general and administrative expense in the consolidated statements of operations.

A summary of the estimated fair values of the assets acquired and liabilities assumed as of the closing date is as follows (in thousands):

Inventory	$	1,673
Other current assets		100
Property and equipment		789
Identifiable intangible assets		670
Total identifiable assets acquired		3,232
Contingent liability		(2,540)
Other liabilities		(20)
Net identifiable assets acquired		672
Goodwill		5,475
Net assets acquired	$	6,147

Goodwill is comprised of realization of expanded market share which provides greater control over the backup appliance components that form a key part of Sphere 3D's strategy to deliver comprehensive virtualization, storage, and data management for on premise, cloud, and hybrid infrastructures.

The fair value estimates for the assets acquired and liabilities assumed for the acquisition were based on estimates and analysis, including work performed by third party valuation specialists. The goodwill recognized upon acquisition is deductible for tax purposes.

The results of operations related to this acquisition has been included in our condensed consolidated statements of operations from the acquisition date. Pro forma results of operations have not been presented because at this time it is impracticable to provide as the information is not available at the level of detail required.

The identified intangible assets as of the date of acquisition consisted of the following (in thousands):

	Estimated Fair Value	Weighted-Average Useful Life (years)
Developed technology	$ 190	0.5
Customer relationships	480	21.3
Total identified intangible assets	$ 670	15.4

NOTE 4 — INVENTORY

The following table summarizes inventories (in thousands):

	June 30, 2016	December 31, 2015
Raw materials	$ 1,887	$ 1,734
Work in process	2,196	2,483
Finished goods	7,951	7,109
	$ 12,034	$ 11,326

NOTE 5 — INTANGIBLE ASSETS AND GOODWILL

The following table summarizes purchased intangible assets (in thousands):

	June 30, 2016	December 31, 2015
Developed technology	$ 23,684	$ 23,684
Channel partner relationships[1]	12,070	12,039
Capitalized development costs[1]	3,046	2,856
Customer relationships[1]	1,209	1,194
	40,009	39,773
Accumulated amortization		
Developed technology	(9,174)	(7,078)
Channel partner relationships	(320)	(68)
Capitalized development costs	(807)	(589)
Customer relationships	(158)	(99)
	(10,459)	(7,834)
Total finite-lived assets, net	29,550	31,939
Indefinite live intangible assets - trade names	22,080	22,080
Total intangible assets, net	$ 51,630	$ 54,019

(1) Includes the impact of foreign currency exchange rate fluctuations.

During the fourth quarter of 2015, the Company concluded that its lower net revenue due to timing of projected growth of products and integration of channel partner relationships from the acquisition of Overland could be indicators of impairment and, therefore, had a third party impairment analysis performed. At December 31, 2015, as a result of the analysis, the Company recorded an impairment of $10.7 million of which $1.7 million related to developed technology, $4.1 million related to channel partner relationships, and $4.9 million related to trade names.

Amortization expense of intangible assets was $1.3 million and $1.6 million during the three months ended June 30, 2016 and 2015, respectively. Amortization expense of intangible assets was $2.6 million and $3.3 million during the six months ended June 30, 2016 and 2015, respectively. Estimated amortization expense for intangible assets is approximately $2.6 million for the remainder of 2016 and $5.1 million, $3.4 million, $2.5 million, $2.4 million and $2.0 million in fiscal 2017, 2018, 2019, 2020, and 2021, respectively.

Goodwill

In August 2015, the Company completed an acquisition of assets related to the RDX® removable disk product lines which resulted in an addition to goodwill of $5.5 million. During the six months ended June 30, 2016 and 2015, there were no impairments recognized related to goodwill.

NOTE 6 — DEBT

Convertible Notes - Related Party

In December 2014, in connection with the acquisition of Overland, the existing debt of Overland and the remaining debt of the Company were amended and restated into a $19.5 million convertible note held by FBC Holdings (an affiliate of Cyrus Capital Partners, a related party). In April 2016, the Company modified its convertible note with FBC Holdings, pursuant to which the holder made an additional advance of $5.0 million to the Company. The convertible note is scheduled to mature March 31, 2018 and bears interest at an 8.0% simple annual interest rate, payable semi-annually. The obligations under the convertible note are secured by all assets of the Company. At June 30, 2016, the Company had $24.1 million, net of unamortized debt costs of $0.4 million, outstanding on the convertible note.

The Company has the option to pay accrued and outstanding interest either entirely in cash or common shares. If the Company choses to pay the interest in common shares, the calculation is based upon the number of common shares that may be issued as payment of interest on the convertible note and will be determined by dividing the amount of interest due by current market price as defined in the convertible note agreement.

The convertible note was originally convertible into common shares at a price equal to $7.50 per share in the case of $10 million of the convertible note and $8.50 per share in the case of $9.5 million of the convertible note. In November 2015, the convertible note was modified and the conversion prices of $7.50 per share and $8.50 per share were adjusted to $3.00 per share. In February 2016, in connection with the November 2015 modification and certain specified terms, the Company issued to the holder of the convertible note a warrant to purchase 500,000 common shares of the Company at a price of $1.62.

At the option of the Company, the convertible note is convertible into common shares at the conversion price at any time that the weighted average trading price for the common shares exceeds 150% of the conversion price (i.e. exceeds $4.50 per share), for 10 consecutive trading days on its principal stock exchange that the common shares trade.

The convertible note contains customary covenants, including covenants that limit or restrict the Company’s ability to incur liens, incur indebtedness, or make certain restricted payments. Upon the occurrence of an event of default under the convertible note, the holder may declare all amounts outstanding to be immediately due and payable. The convertible note specifies a number of events of default (some of which are subject to applicable grace or cure periods), including, among other things, non-payment defaults, covenant defaults, cross-defaults to other materials indebtedness, bankruptcy and insolvency defaults, and material judgment defaults. As of June 30, 2016, the Company was not in default of any covenants of the convertible note.

For the three months ended June 30, 2016 and 2015, interest expense, including amortization of debt costs, on the convertible note was $0.5 million and $0.4 million, respectively. For the six months ended June 30, 2016 and 2015, interest expense, including amortization of debt costs, on the convertible note was $1.0 million and $0.8 million, respectively. At June 30, 2016 and December 31, 2015, there were no accrued liabilities related to interest expense.

Opus Bank Credit Agreement

In April 2016, the Company entered into a Credit Agreement with Opus Bank for a term loan in the amount of $10.0 million and a credit facility in the amount of $10.0 million. A portion of the proceeds were used to pay off the Company's credit facilities with FBC Holdings and Silicon Valley Bank. The remainder of the proceeds will be used for working capital and general business requirements. At June 30, 2016, the outstanding balance of the term loan and credit facility was $18.0 million, net of unamortized debt costs of $0.2 million.

The term loan facility matures the earlier of the maturity date of the related party convertible note, or April 6, 2020, or such earlier date upon which the term loan may be accelerated in accordance with the terms of the agreement. Borrowings under the term loan facility bear interest, adjusted annually, equal to the higher of (a) the rate of interest in effect for such day at the prime rate (or the average prime rate if a high and a low prime rate are therein reported) plus 2.75% or (b) 6.25%. The obligations under the term loan facility are secured by substantially all assets of the Company other than the stock of its subsidiaries organized outside of the U.S. and Canada that are pledged to secure the Company's obligations under the Company's convertible note. Monthly payments of principal on the term loan begin on April 1, 2017, in 36 equal installments of $277,778 each.

The term loan contains customary covenants, including covenants that limit or restrict the Company's ability to incur liens, incur indebtedness, or make certain restricted payments. Upon the occurrence of an event of default under the term loan, the holder may declare all amounts outstanding to be immediately due and payable. The term loan specifies a number of events of default (some of which are subject to applicable grace or cure periods), including, among other things, non-payment defaults, covenant defaults, cross-defaults to other materials indebtedness, bankruptcy and insolvency defaults, and material judgment defaults.

The credit facility matures the earlier of the maturity date of the related party convertible note, or April 6, 2018, or such earlier date upon which the term loan may be accelerated in accordance with the terms of the agreement. Borrowings under the credit facility bear interest, adjusted annually, equal to the higher of (a) the rate of interest in effect for such day at the prime rate (or the average prime rate if a high and a low prime rate are therein reported) plus 2.0% or (b) 5.5%. The obligations under the credit facility are secured by substantially all assets of the Company other than the stock of its subsidiaries organized outside of the U.S. and Canada that are pledged to secure the Company's obligations under the Company's convertible note.

Further, as a condition of the extension of credit to the Company under the Credit Agreement, the Company issued to Opus Bank a warrant for the purchase of up to 1,541,768 common shares of the Company at an exercise price of $1.30 per common share. The warrant is immediately exercisable and has a six-year term.

For both the three and six months ended June 30, 2016, interest expense, including amortization of debt costs, on the Opus facilities was $0.3 million.

Terminated Credit Facilities

In December 2014, in connection with the acquisition of Overland, the Company assumed the existing credit facility of Overland. The credit facility was originally entered into in August 2011, as amended, and allowed for revolving cash borrowings up to $8.0 million, which included a $3.0 million sublimit for advances to one of the Company's subsidiaries. The proceeds of the credit facility could be used to fund the Company's working capital and to fund its general business requirements. The obligations under the credit facility were secured by substantially all assets of the Company other than the stock of its subsidiaries organized outside of the U.S. and Canada that are pledged to secure the Company's obligations under the Company's convertible note. In addition, the sublimit for advances to one of the Company's subsidiaries was increased from $3.0 million to up to $3.75 million, subject to certain conditions. Borrowings under the amended credit facility bore interest at the prime rate (as defined in the credit facility) plus a margin of either 1.50% or 1.75%, depending on the Company's net cash. Borrowings under the sublimit bear interest at the prime rate (as defined in the credit facility) plus a margin of either 2.50% or 2.75%, depending on the Company's net cash. The amended credit facility required the Company to comply with a performance plan as of the last date of each quarter in addition to all original compliance and covenant requirements. In February 2016, the credit facility was amended to extend the scheduled maturity date from February 2016 to August 2016.

The credit facility required the Company to comply with a liquidity coverage ratio and contained customary covenants, including covenants that limited or restricted the Company's and its subsidiaries' ability to incur liens and indebtedness, make

certain types of payments, merge or consolidate, and make dispositions of assets. The credit facility specified customary events of default (some of which are subject to applicable grace or cure periods) including, among other things, non-payment defaults, covenant defaults, cross-defaults to other material indebtedness, bankruptcy and insolvency defaults, and material judgment defaults. Upon the occurrence of an event of default under the credit facilities, the lender could cease making loans, terminate the credit facility, and declare all amounts outstanding to be immediately due and deduct such amounts from the Company's lockbox account on deposit with the bank.

For both the three months ended June 30, 2016 and 2015, interest expense on the credit facility was $0.1 million. For both the six months ended June 30, 2016 and 2015, interest expense on the credit facility was $0.2 million. In April 2016, the credit facility was terminated upon repayment of the outstanding balance.

Related Party Credit Facility

In December 2014, the Company entered into a revolving credit agreement with FBC Holdings for a revolving credit facility of $5.0 million. In July 2015, the credit facility was amended to extend the scheduled maturity date to May 2016 with an automatic extension to November 2016, and the aggregate borrowing amount was increased from $5.0 million to $10.0 million. In connection with this amendment, the Company agreed to issue warrants in connection with draws on the credit facility.

The credit facility contained customary covenants, including covenants that limited or restricted the Company's and its subsidiaries' ability to incur liens and indebtedness, make certain types of payments, merge or consolidate, and make dispositions of assets.

For both the three months ended June 30, 2016 and 2015, interest expense on the credit facility was $0.4 million, which included $0.4 million and $0.2 million, respectively, of amortization of issuance costs. For the six months ended June 30, 2016 and 2015, interest expense on the credit facility was $0.9 million and $0.5 million, respectively, which included $0.7 million and $0.3 million, respectively, of amortization of issuance costs. At June 30, 2016 and December 31, 2015, there was none and $0.1 million, respectively, in accrued liabilities related to interest expense and fees. In April 2016, the credit facility was terminated upon repayment of the outstanding balance.

NOTE 7 — FAIR VALUE MEASUREMENTS

The authoritative guidance for fair value measurements establishes a three tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Our financial instruments include cash equivalents, accounts receivable, prepaid expenses, accounts payable, accrued expenses, credit facilities, and related party long-term debt. Fair value estimates of these instruments are made at a specific point in time, based on relevant market information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. The carrying amount of cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued expenses are generally considered to be representative of their respective fair values because of the short-term nature of those instruments. The carrying amount of the credit facilities borrowings approximate their fair value as the interest rate of the credit facilities are substantially comparable to rates offered for similar debt instruments. The carrying value of long-term debt approximates its fair value as the borrowing rates are substantially comparable to rates available for loans with similar terms.

The following table provides information by level for liabilities that are measured at fair value using significant unobservable inputs (Level 3):

Warrant liability as of December 31, 2015	$	1,447
Additions to warrant liability		—
Change in fair value of warrants		(348)
Reclassification to equity		(1,099)
Warrant liability as of June 30, 2016	$	—

The Company determined the estimated fair value of the warrant liability using a Black-Scholes model using similar assumptions as disclosed in Note 9 - Equity Incentive Plan.

Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

The Company's non-financial assets such as goodwill, intangible assets and property and equipment are recorded at fair value when an impairment is recognized or at the time acquired in a business combination. As discussed in Note 3 - Business Combinations, the Company acquired assets related to the RDX® removable disk product lines during 2015 and recorded the acquired assets and liabilities, including goodwill, intangible assets and property and equipment at their estimated fair value. The determination of the estimated fair value of such assets required the use of significant unobservable inputs which would be considered Level 3 fair value measurements. As discussed in Note 5 - Intangible Assets and Goodwill, at December 31, 2015, the Company recorded impairment charges associated with intangible assets and reduced the carrying amount of such assets subject to the impairment to their estimated fair value.

NOTE 8 — SHARE CAPITAL

Issued and Outstanding

The Company had the following share capital issuance activity (in thousands):

Shares outstanding	Number of Shares
Balance, December 31, 2015	45,198
Issued on exercise of warrants	3,508
Issued on release of restricted stock	1,179
Issued for settlement of liabilities	1,110
Issued for private placements	30
Balance, June 30, 2016	51,025

In April 2016, as a condition of the extension of credit to the Company, the Company issued to Opus Bank a warrant for the purchase of up to 1,541,768 common shares of the Company at an exercise price of $1.30 per common share. The warrant is immediately exercisable and has a six-year term.

In March 2016, the Company entered into a warrant exchange agreement with an existing holder of 3,031,249 warrants to purchase 3,031,249 common shares of the Company. The holder agreed to exchange all of its existing warrants for new warrants of 7,199,216 entitling the holder to purchase up to, in aggregate, 7,199,216 common shares of the Company at an exercise price of $1.22. In March 2016, the holder exercised the warrants for 3,031,249 common shares of the Company. The Company received $3.7 million in proceeds from the exercise of the new warrants. The expiration date for the remaining balance of the new warrants is March 25, 2021.

In February 2016, the Company issued warrants to purchase up to 500,000 common shares to FBC Holdings in connection with our related party convertible note with FBC Holdings. The warrants expire in February 2019 and have an exercise price of $1.62 per share.

In December 2015, the Company issued warrants to purchase up to 500,000 common shares to FBC Holdings in connection with draws on the Company's related party credit facility with FBC Holdings. The warrants expire in December 2018 and have an exercise price of $1.54 per share.

In December 2015, the Company completed an equity financing of 2,527,500 common shares and warrants to purchase up to 2,527,500 common shares for a gross purchase price of approximately $5.1 million. The purchase price for one common share and a warrant to purchase one common share was $2.00. The warrants have an exercise price of $2.50 per share and a five-year term. The Company has the right to force the exercise of the warrants if the weighted average price of the common shares for 10 consecutive trading days exceeds 400% of $1.79. Warrants to purchase up to 1,500,000 common shares include a one-time adjustment provision, as defined in the agreement, which provided that the exercise price will be automatically adjusted, if the adjustment price as calculated on May 28, 2016, is less than $2.50. On May 28, 2016, the exercise price was adjusted to $1.08 for warrants to purchase up to 1,500,000 common shares based on the one-time adjustment provision.

In September and October 2015, for an aggregate offering price of approximately $3.3 million, the Company entered into subscription agreements with certain investors party thereto pursuant to which the Company agreed to issue to the investors, in the aggregate, 1,417,961 of the Company's common shares, warrants exercisable to purchase up to 354,490 common shares, and adjustment warrants (the "Adjustment Warrants"). The purchase price for one common share, a warrant to purchase one quarter of one common share, and an Adjustment Warrant was $2.33. Each warrant has an initial exercise price of $2.33 per warrant share. The warrants are immediately exercisable and have a five-year term. Each Adjustment Warrant had an initial exercise price of $0.01 per common share. In December 2015, the Company issued an additional 1,297,435 warrants to purchase 1,297,435 common shares in conjunction with the price protection clauses in effect through December 31, 2015 and the equity financing completed in December 2015. Each warrant has an exercise price of $2.33. In December 2015, the Company issued 233,964 Adjustment Warrants to purchase 233,964 common shares in conjunction with the equity financing completed in December 2015. In January 2016, 226,539 Adjustment Warrants were exercised at $0.01 per common share. The remaining Adjustment Warrants expired on March 31, 2016. Warrants exercisable to purchase up to 1,250,000 common shares issued in connection with these financings were surrendered for exchange and extinguished pursuant to a warrant exchange agreement the Company entered into with an investor in March 2016.

In August 2015, the Company completed a private placement of 606,060 common shares of the Company and warrants to purchase up to 606,060 common shares for a gross purchase price of approximately $2.0 million. The purchase price for one common share and a warrant to purchase one common share was $3.30. The warrants have an exercise price of $3.30 per share and a five-year term. In September 2015, the Company issued an additional 252,308 common shares and 252,308 warrants to purchase 252,308 common shares in conjunction with the price protection clause in effect through December 31, 2015 and the equity financing completed in September 2015. In December 2015, the Company issued an additional 141,631 common shares and 141,631 warrants to purchase 141,631 common shares in conjunction with the price protection clause and the equity financing completed in December 2015. The purchase price for one common share and a warrant to purchase one common share was adjusted to $2.33. The warrants issued in connection with this financing were surrendered for exchange and extinguished pursuant to a warrant exchange agreement the Company entered into with an investor in March 2016.

In May and June 2015, the Company completed private placements for a total of 1,621,250 common shares of the Company and warrants to purchase up to 1,621,250 common shares for a gross purchase price of approximately $5.2 million. The purchase price for one common share and a warrant to purchase one common share was $3.20. The warrants have an exercise price of $4.00

per share and a five-year term. Warrants exercisable to purchase up to 781,250 common shares issued in connection with these financings were surrendered for exchange and extinguished pursuant to a warrant exchange agreement the Company entered into with an investor in March 2016.

In March 2015, the Company issued warrants to purchase up to 200,000 common shares to FBC Holdings in connection with draws on our related party credit facility with FBC Holdings. The warrants expire in March 2018 and have an exercise price of (i) in the case of 100,000 of the warrants, $7.21 per share and (ii) in the case of 100,000 of the warrants, $5.02 per share.

In February 2015, the Company issued warrants to purchase up to 100,000 common shares to FBC Holdings in connection with draws on our related party credit facility with FBC Holdings. The warrants expire in February 2018 and have an exercise price of $4.50 per share.

The Company had the following warrants to purchase common shares outstanding (in thousands):

Outstanding at December 31, 2015	9,078
Granted, net of warrant exchange agreement	6,329
Exercised	(3,508)
Expired	(1,001)
Outstanding at June 30, 2016	10,898

NOTE 9 — EQUITY INCENTIVE PLAN

During the six months ended June 30, 2016 and 2015, the Company granted awards of restricted stock and restricted stock units of 510,823 and none, respectively. The restricted stock was fair valued based on the date of grant. During the six months ended June 30, 2016 and 2015, the Company granted awards of non-qualified stock options of 12,000 and none, respectively. The non-qualified stock options were fair valued using the Black-Scholes option pricing model. The restricted stock units and non-qualified stock options vest over a period of approximately 3.0 years.

The fair value of each option is estimated on the date of grant using the Black-Scholes option pricing model, which uses the weighted-average assumptions noted in the following table:

	Six Months Ended June 30,	
	2016	2015
Expected volatility	93.0%	n/a
Risk-free interest rate	1.5%	n/a
Dividend yield	—	—
Expected term (in years)	4.7	n/a

The Company recorded the following compensation expense related to its share-based compensation awards (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Cost of product sales	$ 100	$ 10	$ 191	$ 20
Sales and marketing	729	197	1,613	502
Research and development	417	73	892	145
General and administrative	895	307	2,007	655
Total share-based compensation expense	$ 2,141	$ 587	$ 4,703	$ 1,322

As of June 30, 2016, there was total unrecognized estimated compensation cost of approximately $11.8 million expected to be recognized over weighted average period of 1.3 years.

NOTE 10 — NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss applicable to common shareholders by the weighted-average number of common shares outstanding during the period. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company's net loss position.

Anti-dilutive common stock equivalents excluded from the computation of diluted net loss per share were as follows (in thousands):

	Six Months Ended June 30,	
	2016	2015
Common stock purchase warrants	10,898	3,183
Restricted stock not yet vested or released	4,302	170
Convertible notes	8,167	2,451
Options outstanding	3,532	3,030
Convertible notes interest	4,289	500

NOTE 11 — RELATED PARTY

Professional services of $0.3 million and $0.1 million were provided by affiliates of the Company for the three months ended June 30, 2016 and 2015, respectively. Professional services of $0.6 million and $0.2 million were provided by affiliates of the Company for the six months ended June 30, 2016 and 2015, respectively. As of June 30, 2016 and December 31, 2015, accounts payable and accrued liabilities included $0.1 million and $0.2 million, respectively, due to related parties.

NOTE 12 — COMMITMENTS AND CONTINGENCIES

Warranty and Extended Warranty

The Company had $0.6 million in deferred costs included in other current and non-current assets related to deferred service revenue at both June 30, 2016 and December 31, 2015. Changes in the liability for product warranty and deferred revenue associated with extended warranties and service contracts were as follows (in thousands):

	Product Warranty	Deferred Revenue
Liability at December 31, 2015	$ 1,029	$ 7,043
Settlements made during the period	6	(3,738)
Change in liability for warranties issued during the period[1]	421	2,984
Change in liability for preexisting warranties	(412)	—
Liability at June 30, 2016	$ 1,044	$ 6,289
Current liability	$ 734	$ 5,112
Non-current liability	310	1,177
Liability at June 30, 2016	$ 1,044	$ 6,289

(1) Includes the impact of foreign currency exchange rate fluctuations.

Litigation

From time to time, the Company may be involved in various lawsuits, legal proceedings, or claims that arise in the ordinary course of business. Management does not believe any legal proceedings or claims pending at June 30, 2016 will have, individually or in the aggregate, a material adverse effect on its business, liquidity, financial position, or results of operations. Litigation, however, is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm the Company's business.

Patent Litigation Funding Agreement

In December 2010, we entered into a litigation funding agreement (the "Funding Agreement") with Special Situations Fund III QP, L.P., Special Situations Private Equity Fund, L.P., Special Situations Technology Fund, L.P., and Special Situations Technology Fund II, L.P. (collectively, the "Special Situations Funds") pursuant to which the Special Situations Funds agreed to fund certain patent litigation brought by the Company. In May 2014, the Special Situations Funds filed a complaint against us in the Supreme Court for New York County, alleging breach of the Funding Agreement. The Special Situations Funds allege that our January 2014 acquisition of Tandberg Data entitled the Special Situation Funds to a $6.0 million payment under the Funding Agreement, and therefore the Company's refusal to make the payment constitutes a breach of the Funding Agreement by us. In November 2014, the Special Situations Funds amended their complaint to allege that we breached the Funding Agreement's implied covenant of good faith and fair dealing by settling the patent litigation with BDT in bad faith to avoid a payment obligation under the Funding Agreement. The Special Situations Funds are seeking $6.0 million in contractual damages as well as costs and fees. We believe the lawsuit to be without merit and intend to vigorously defend against the action. Discovery has closed, and the parties are briefing motions for summary judgment.

Patent Infringement

In May 2013, Safe Storage LLC ("Safe Storage"), a Delaware limited liability company, filed a complaint against Overland in the U.S. District Court for the District of Delaware alleging infringement of U.S. Patent No. 6,978,346 by our products. Safe Storage is seeking monetary damages from us and injunctive relief. In January 2015, the Delaware district court entered an order

staying Safe Storage's case against us pending the outcome of a Petition for Inter Partes Review of the claims of U.S. Patent No. 6,978,346 filed by defendants in other Safe Storage litigation. On December 9, 2015, a Final Decision was issued in the Inter Partes Review proceeding finding the challenged claims to be patentable over the cited prior art. Those defendants appealed the Final Decision to the Court of Appeals for the Federal Circuit. On August 9, 2016, the Court of Appeals affirmed the Final Decision. Safe Storage has indicated it will ask the Court lift the stay.

Other

In April 2015, we filed a proof of claim in connection with bankruptcy proceedings of V3 Systems, Inc. ("V3") based on breaches by V3 of the Asset Purchase Agreement entered into between V3 and the Company dated February 11, 2014 (the "APA"). On October 6, 2015, U.S. Dissolution Liquidating Trust ("UD Trust"), the apparent successor to V3, filed a complaint against us and certain of our current and former directors in the U.S. Bankruptcy Court for the District of Utah Central Division objecting to our proof of claim and asserting claims for affirmative relief against us and our directors. This complaint alleges, among other things, that Sphere breached the APA and engaged in certain other actions and/or omissions that caused V3 to be unable to timely sell the Sphere common shares received by V3 pursuant to the APA. The plaintiff seeks, among other things, monetary damages for the loss of the potential earn-out consideration, the value of the common shares held back by us pursuant to the APA and costs and fees. We believe the lawsuit to be without merit and intend to vigorously defend against the action.

On December 23, 2015, we filed a motion seeking to dismiss the majority of the claims asserted by the UD Trust. On January 13, 2016, we filed a counterclaim against the UD Trust in which we allege that V3 breached numerous provisions of the APA. On July 22, 2016, we filed a motion seeking to transfer venue of this action to the United States District Court for the District of Delaware. The Bankruptcy Court has scheduled the hearing on the motion to transfer venue for August 23, 2016. There is currently no hearing set on our motion to dismiss

Exhibit 99.3

Certifications

I, Eric L. Kelly, certify that:

1. I have reviewed the interim financial statements and interim MD&A (together, the "report") of Sphere 3D Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2016

/s/ Eric L. Kelly

Eric L. Kelly
Chief Executive Officer

Exhibit 99.4

Certifications

I, Kurt L. Kalbfleisch, certify that:

1. I have reviewed the interim financial statements and interim MD&A (together, the “report”) of Sphere 3D Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 12, 2016

/s/ Kurt L. Kalbfleisch

Kurt L. Kalbfleisch
Senior Vice President and Chief Financial Officer