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

May, 2015

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):

DOCUMENTS FILED AS PART OF THIS FORM 6-K

In connection with its announcement of financial results for the quarter ended March 31, 2015, Sphere 3D Corp. is filing the following documents:

- Management's discussion and analysis;
- Interim consolidated financial statements; and
- Certification 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: May 14, 2015

Exhibit Index

99.1	Management’s Discussion and Analysis of Financial Condition and Results of Operations For the Three Months Ended March 31, 2015.
99.2	Condensed Consolidated Financial Statements (unaudited) of Sphere 3D Corp. For the Three Months Ended March 31, 2015 and 2014.
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

First Quarter Report
For the Three Months Ended March 31, 2015

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 month period ended March 31, 2015. 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 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 achieve the intended cost savings and maintain quality with our manufacturing partner; 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. 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. 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 is a virtualization technology and data management solutions provider with a portfolio of products that are designed to address the complete data continuum. Sphere 3D's products enable the integration of virtual applications, virtual desktops, and storage into workflow, to allow organizations to deploy a combination of public, private or hybrid cloud strategies. The Company achieves this through the sale of solutions that are derived from its primary product groups: disk systems and virtualization, and data management and storage.

Sphere 3D's initial foray into virtualization started over five years ago, through the design of a proprietary virtualization software approach. This approach led to the creation of its own Glassware 2.0® platform ("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 encapsulates an application and the other software required to run it into one software platform. This enables users to 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.

Acquisition. In December 2014, we completed our acquisition of Overland, a provider of data storage and data protection solutions in exchange for shares of our common stock, and Overland became a wholly-owned subsidiary of the Company. Our financial position and operating performance include the financial position and operating performance of Overland from and after December 2, 2014.

Purchase of VDI Technology. In March 2014, we acquired from V3 Systems certain Virtual Desktop Infrastructure ("VDI") technology, including Desktop Cloud Orchestrator® software, which allows administrators to manage local, cloud hosted, or hybrid virtual desktop deployments, and a series of purpose-built, compact, efficient and easy-to-manage servers.

Generation of revenue. We generate the majority of our revenue from sales of our data management and data protection 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.

We reported net revenue of $20.1 million for the first quarter of 2015, compared with $0.9 million for the first quarter of 2014. We reported a net loss of $9.5 million, or $0.27 per share, for the first quarter of 2015 compared with a net loss of $0.8 million, or $0.04 per share, for the first quarter of 2014.

Recent Developments

- In January 2015, the Company announced an expanded alliance with Promark Technology, Inc., a premier U.S. focused value-added distributor ("VAD"), and a wholly-owned subsidiary of Ingram Micro, Inc. Under the terms of the agreement, Promark will offer Sphere 3D's virtualization product solutions, and continue to offer the Overland portfolio in the U.S., enabling Sphere 3D to expand its reach and better address market demand for simple, high-performance, virtualization solutions that can be deployed through distributed Private and Public Cloud Infrastructure.
- In February 2015, the Company announced cloud storage integration through new Google Drive support for Glassware, making it simple for users to utilize Glassware-virtualized Windows™ applications. As a result, Glassware virtual application users will be able to utilize Google cloud storage in the same manner as physical deployments.
- In March 2015, the Company announced a strategic collaboration with Microsoft to enable support of Glassware on Microsoft Azure. Working together, Sphere 3D and Microsoft will provide organizations with the tools to make cloud migration of Windows based end-user computing applications from physical infrastructure to Azure simple and rapid. Glassware container technology running in Azure will help enterprise customers achieve one of the guiding principles of cloud-simplifying IT infrastructure.
- On May 13, 2015, the Company signed definitive agreements for a private placement of 1,281,250 common shares of the Company and warrants to purchase up to 1,281,250 common shares for a gross purchase price of approximately $4.1 million. The transaction is anticipated to close on or about May 18, 2015 subject to customary closing conditions.
- On May 13, 2015, the Company announced it has signed a Master Purchase Agreement for virtualization products and related services with Novarad. This new agreement is in addition to the current agreement between the two companies. Under the terms of the agreement, Sphere 3D and Novarad will establish a rolling 90 day schedule for refreshing healthcare facilities with virtualization technology throughout the United States. It is anticipated that the first sites will be implemented in the third quarter of 2015. The solutions to be rolled out will be configured to address the specific needs of each facility, and will include a combination of virtualization technologies including our V3 hyper-converged platform, Glassware 2.0, and SnapScale® and SnapServer® lines of storage products.

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 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 financial statements are reviewed regularly by management and have not changed from those disclosed in the December 31, 2014 audited consolidated financial statements.

Results of Operations

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

	Three Months Ended March 31,	
	2015	**2014**
Net revenue	100.0 %	100.0 %
Cost of revenue	70.4	43.1
Gross profit	29.6	56.9
Operating expenses:		
Sales and marketing	27.9	24.1
Research and development	10.9	—
General and administrative	28.8	116.8
	67.6	140.9
Loss from operations	(38.0)	(84.0)
Interest expense	(3.1)	(1.4)
Other income (expense), net	(6.0)	0.1
Loss before income taxes	(47.1)	(85.3)
Provision for income taxes	0.3	—
Net loss	(47.4)%	(85.3)%

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

	Three Months Ended March 31,	
	2015	**2014**
Disk systems and virtualization	49.7%	90.4%
Tape drives and media	18.4	—
Tape automation systems	17.4	—
Service	14.5	9.6
	100.0%	100.0%

The First Quarter of 2015 compared with the First Quarter of 2014

Net Revenue. Net revenue increased to $20.1 million during the first quarter of 2015 from $0.9 million during the first quarter of 2014, an increase of $19.2 million. The increase in net revenue as a whole, is a result of our acquisition that was completed in December 2014, which contributed significant product offerings in the first quarter of 2015. Original equipment manufacturer (“OEM”) net revenue accounted for 20.5% of net revenues in the first quarter of 2015 and did not account for any revenues in 2014.

Product Revenue

Net product revenue increased to $17.2 million during the first quarter of 2015 from $0.8 million during the first quarter of 2014. The increase of approximately $16.4 million resulted from our acquisition that was completed in December 2014.

Service Revenue

Net service revenue increased to $2.9 million during the first quarter of 2015 from $0.1 million during the first quarter of 2014. The increase of approximately $2.8 million was primarily due to service revenue generated by our acquisition that was completed in December 2014.

Gross Profit. Overall gross profit increased to $5.9 million during the first quarter of 2015 compared to $0.5 million during the first quarter of 2014. The increase was due to increased sales volumes related to our acquisition completed in December 2014. Gross margin at 29.6% for the first quarter of 2015 decreased from 56.9% for the first quarter of 2014 due to the transition to a company with worldwide operations and a significant increase in product sales as a result of the acquisition of Overland in December 2014.

Product Revenue

Gross profit on product revenue during the first quarter of 2015 was $4.3 million compared to $0.5 million during the first quarter of 2014. The increase of $3.8 million was due to increased sales volumes related to our acquisition completed in December 2014. Gross margin on product revenue of 25.1% for the first quarter of 2015 decreased from 60.4% for the first quarter of 2014 due to the transition to a company with worldwide operations and a significant increase in product sales as a result of the acquisition of Overland in December 2014.

Service Revenue

Gross profit on service revenue during the first quarter of 2015 was $1.6 million compared to $21,000 during the first quarter of 2014. The increase of $1.6 million was primarily due to assumption of extended service contracts from our acquisition in December 2014. Gross margin on service revenue was 56.0% for the first quarter of 2015 compared to 23.9% for the first quarter of 2014 due to the assumption of higher margin service contracts from our acquisition completed in December 2014.

Share-based Compensation Expense. During each of the first quarters of 2015 and 2014, we recorded share-based compensation expense of approximately $0.7 million. Share-based compensation expense for the remainder of 2015 is expected to be approximately $1.5 million.

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

	Three Months Ended March 31,	
	2015	**2014**
Cost of product sales	$ 10	$ —
Sales and marketing	305	67
Research and development	72	—
General and administrative	348	666
	$ 735	$ 733

Sales and Marketing Expense. Sales and marketing expense in the first quarter of 2015 increased to $5.6 million from $0.2 million during the first quarter of 2014. The increase of $5.4 million was primarily due to an increase of $5.2 million related to our purchase of VDI technology and other assets from V3 in March 2014 and our acquisition of Overland in December 2014, of which $4.4 million related to employee and related expenses associated with an increase in average headcount, and the remaining $0.8 million primarily related to outside contractors.

Research and Development Expense. Research and development expense in the first quarter of 2015 increased to $2.2 million from zero during the first quarter of 2014. The increase of $2.2 million was due to an increase of $1.6 million in employee and related expenses associated with an increase in average headcount related to our acquisition in December 2014. In addition, in the first quarter of 2015, we capitalized development costs of $0.1 million compared to $0.6 million in the first quarter of 2014.

General and Administrative Expense. General and administrative expense in the first quarter of 2015 increased to $5.8 million from $1.1 million during the first quarter of 2014. The increase of $4.7 million was a result of (i) a $1.6 million increase in employee related to expenses associated with an increase in average headcount related to our purchase of VDI technology and other assets from V3 and our acquisition of Overland in December 2014, (ii) a $1.0 million increase in amortization expense related to intangible assets, (iii) a $0.7 million increase in legal and advisory expenses primarily related to general corporate and transactional matters and litigation, (iv) a $0.7 million increase in auditor fees primarily as a result of our acquisition of Overland in December 2014, and (v) a $0.6 million increase in outside contractor expenses.

Interest Expense. Interest expense in the first quarter of 2015 increased to $0.6 million from $13,000 during the first quarter of 2014. The increase is related to interest expense for the $19.5 million global debenture with affiliates of Cyrus Capital Partners, a related party, and the $9.9 million outstanding on our credit facilities, $5.0 million of which was payable to Cyrus Capital Partners.

Other Income (Expense), Net. Other income (expense), net, in the first quarter of 2015 was $1.2 million of expense compared to minimal in the first quarter of 2014. The expense in 2015 related to realized foreign currency losses.

Liquidity and Capital Resources

At March 31, 2015, we had cash of $4.4 million compared to cash of $4.3 million at December 31, 2014. In the first quarter of 2015, we incurred a net loss of $9.5 million. Our credit facilities provides for an up to $13.0 million secured revolving loan and may be used to fund our working capital and our general business requirements. At March 31, 2015, we had a balance of $9.9 million recorded as current debt. Cash management and preservation continue to be a top priority. We expect to incur negative operating cash flows as we continue to increase our Glassware sales volume, and during the continued period of integration for our acquisition of Overland completed in December 2014 as we work to combine the entities and improve operational efficiencies.

As of March 31, 2015, we had a working capital deficit of $10.0 million, reflecting a decrease in current assets of $0.9 million and an increase in current liabilities of $4.2 million compared to December 31, 2014. The decrease in current assets is primarily attributable to a decrease in accounts receivable offset by an increase in inventory. The increase in current liabilities is primarily attributable to a $5.0 million increase in current debt for amounts drawn on one of our credit facilities offset by a decrease in deferred revenue.

On May 13, 2015, the Company signed definitive agreements for a private placement of 1,281,250 Common Shares of the Company and Warrants to purchase up to 1,281,250 Common Shares for a gross purchase price of approximately $4.1 million. The transaction is anticipated to close on or about May 18, 2015 subject to customary closing conditions.

Management has projected that cash on hand, available borrowings under our credit facility, and other sources of funding will be sufficient to allow us to continue operations for the next 12 months. Significant changes from our current forecasts, including, but not limited to: (i) shortfalls from projected sales levels, (ii) unexpected increases in product costs, (iii) increases in operating costs, and/or (iv) changes to 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 our 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.

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, 2014 includes an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern.

During the first quarter of 2015, we used net cash in operating activities of $4.7 million, compared to $0.3 million in the first quarter of 2014. The use of cash during the first quarter of 2015 was primarily a result of our net loss of $9.5 million offset by $2.7 million in non-cash items, which were primarily share-based compensation, depreciation and amortization. In addition, we had increases in cash from accounts receivable of $1.0 million, decreases in inventory of $0.6 million, increases in accounts payable and accrued liabilities of $1.1 million, and increases in other assets and liabilities of $1.3 million.

During the first quarter of 2015, net cash used in investing activities was $0.2 million compared to $4.7 million used in investing activities in the first quarter of 2014. During the first quarter of 2015 and 2014, purchase of intangible assets totaled $0.2 million and $4.5 million, respectively, and were primarily associated with developed technology.

During the first quarter of 2015, net cash provided by financing activities was $5.1 million compared to $6.2 million provided by financing activities during the first quarter of 2014. During the first quarter of 2015, we received $5.0 million from proceeds in borrowings from our related party credit facility. During the first quarter of 2014, we received $5.0 million from proceeds in borrowings and $1.1 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 March 31, 2015, we had standby letters of credit of $0.7 million 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 quarter of 2015 and 2014 resulted in a loss of $1.2 million and a gain of $18,000, respectively, to our condensed consolidated financial statements.

Credit Risk. Credit risk is the risk that the counterparty to a financial instrument fails to meet its contractual obligations, resulting in a financial loss to us. We sell to a diverse customer base over a global geographic area. We evaluate collectability of specific customer receivables based on a variety of factors including currency risk, geopolitical risk, payment history, customer stability and other economic factors. Collectability of receivables is reviewed on an ongoing basis by management and the allowance for doubtful receivables is adjusted as required. Account balances are charged against the allowance for doubtful receivables when we determine that it is probable that the receivable will not be recovered. We believe that the geographic diversity of the customer base, combined with our established credit approval practices and ongoing monitoring of customer balances, mitigates this counterparty risk.

Liquidity Risk. Liquidity risk is the risk that we will not be able to meet our financial obligations as they come due. We continually monitor our actual and projected cash flows and believe that our internally generated cash flows, combined with our revolving credit facilities, together with additional sources of funding, will provide us with sufficient funding to meet all working capital and financing needs for at least the next 12 months.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

EXHIBIT 99.2

SPHERE 3D CORP.

Condensed Consolidated Financial Statements (Unaudited)
For the Three Months Ended March 31, 2015 and 2014
(Expressed in U.S. dollars)

Sphere 3D Corp. ("Sphere 3D") adopted accounting principles generally accepted in the United States of America ("U.S. GAAP") commencing with the annual financial statements for the year ended December 31, 2014, which are available under Sphere 3D's profile on the SEDAR website at www.sedar.com <http://www.sedar.com> and on the EDGAR website at www.sec.gov <http://www.sec.gov>.

SPHERE 3D CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended March 31,	
	2015	2014
	(Unaudited)	
Net revenue:		
Product revenue	$ 17,176	$ 824
Service revenue	2,922	88
	20,098	912
Cost of product revenue	12,872	326
Cost of service revenue	1,285	67
Gross profit	5,941	519
Operating expenses:		
Sales and marketing	5,614	220
Research and development	2,190	—
General and administrative	5,793	1,065
	13,597	1,285
Loss from operations	(7,656)	(766)
Interest expense - related party	(541)	—
Interest expense	(78)	(13)
Other income (expense), net	(1,214)	1
Net loss before income taxes	(9,489)	(778)
Provision for taxes	53	—
Net loss	$ (9,542)	$ (778)
Net loss per share:		
Basic and diluted	$ (0.27)	$ (0.04)
Shares used in computing net loss per share:		
Basic and diluted	35,003	21,692

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 March 31,	
	2015	2014
	(Unaudited)	
Net loss	$ (9,542)	$ (778)
Other comprehensive loss:		
Foreign currency translation adjustments	245	(278)
Total other comprehensive income (loss)	245	(278)
Comprehensive loss	$ (9,297)	$ (1,056)

See accompanying notes to condensed consolidated financial statements.

SPHERE 3D CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	March 31, 2015	December 31, 2014
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 4,364	$ 4,258
Accounts receivable, net of allowance for doubtful accounts of $76 and $0, respectively	13,735	15,488
Inventories	10,204	9,936
Other current assets	2,976	2,457
Total current assets	31,279	32,139
Property and equipment, net	3,861	4,427
Intangible assets, net	71,272	73,271
Goodwill	38,821	38,821
Other assets	479	605
Total assets	$ 145,712	$ 149,263
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 10,382	$ 9,710
Accrued liabilities	6,020	5,938
Accrued payroll and employee compensation	3,909	4,037
Accrued warranty	1,009	1,094
Deferred revenue	6,558	7,315
Other current liabilities	3,469	4,067
Debt	9,935	4,890
Total current liabilities	41,282	37,051
Deferred revenue, long-term	2,524	2,635
Long-term debt	19,500	19,500
Long-term deferred tax liabilities	4,307	4,387
Other long-term liabilities	517	550
Total liabilities	68,130	64,123
Commitments and contingencies (Note 10)		
Shareholders’ equity:		
Common stock, no par value, unlimited shares authorized; 35,114 and 34,554 shares issued and outstanding as of March 31, 2015 and December 31, 2014, respectively	107,856	106,117
Accumulated other comprehensive income	(1,176)	(1,421)
Accumulated deficit	(29,098)	(19,556)
Total shareholders’ equity	77,582	85,140
Total liabilities and shareholders’ equity	$ 145,712	$ 149,263

See accompanying notes to condensed consolidated financial statements.

SPHERE 3D CORP.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
	(Unaudited)	
Operating activities:		
Net loss	$ (9,542)	$ (778)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,992	73
Share-based compensation	735	733
Changes in operating assets and liabilities:		
Accounts receivable	1,010	(182)
Inventories	(552)	101
Accounts payable and accrued liabilities	1,056	281
Accrued payroll and employee compensation	(69)	(105)
Deferred revenue	(625)	(164)
Other assets and liabilities, net	1,339	(242)
Net cash used in operating activities	(4,656)	(283)
Investing activities:		
Purchase of fixed assets	(38)	(190)
Purchase of intangible assets	(95)	(4,012)
Development costs capitalized as intangible assets	(108)	(456)
Net cash used in investing activities	(241)	(4,658)
Financing activities:		
Proceeds from borrowings	5,045	5,000
Proceeds from exercised warrants	1	1,121
Proceeds from exercised options	104	62
Payment for restricted stock tax liability on net settlement	(33)	—
Net cash provided by financing activities	5,117	6,183
Effect of exchange rate changes on cash	(114)	2
Net increase in cash and cash equivalents	106	1,244
Cash and cash equivalents, beginning of period	4,258	5,217
Cash and cash equivalents, end of period	$ 4,364	$ 6,461
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 65	$ —
Non-cash Investing and Financing Activities:		
Issuance of warrants	$ 923	$ —
Issuance of common shares for acquisition of intangible assets	$ —	$ 6,454
Contingent liability for the acquisition of intangible assets	$ —	$ 3,647

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.".

The Company is a virtualization technology and data management solutions provider with a portfolio of products that are designed to address the complete data continuum. Over the last three years, Sphere 3D has designed a proprietary platform, namely Glassware 2.0® ("Glassware"), for the delivery of applications from a server-based computing architecture. Through the creation of Glassware, software is made available from a central location irrespective of the device that is accessing the software.

The Company's products enable the integration of virtual applications, virtual desktops, and storage into workflow, and allows organizations to deploy a combination of public, private or hybrid cloud strategies. The Company also provides an integrated range of technologies and services for primary, nearline, offline, and archival data storage through their data storage, data management and data backup.

In December 2014, the Company completed its acquisition of Overland Storage, Inc. ("Overland").

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, available borrowings under the Company's credit facility, and other sources of funding will 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) shortfalls from projected sales levels, (ii) unexpected increases in product costs, (iii) increases in operating costs, and/or (iv) 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.

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 condensed 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, 2014, 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 on 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, impairment assessments of property and equipment, intangible assets and goodwill. Actual results could differ from these estimates.

Foreign currency translation

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 $1.2 million and a gain of $18,000 for the three months ended March 31, 2015 and 2014, respectively.

Fair Value of Financial Instruments

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.

Our financial instruments include cash equivalents, accounts receivable, prepaid expenses, accounts payable, accrued expenses, credit facilities, and 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.

At March 31, 2015, the fair value of related party long-term debt was estimated to be $19.2 million and was classified within Level 3 of the fair value hierarchy. As the related party long-term debt was issued in December 2014, the fair value was estimated to be $19.5 million. At March 31, 2015 and December 31, 2014, the related party debt had a carrying value of $19.5 million.

Further, based on the borrowing rates currently available to us for loans with similar terms, we believe the fair value of long-term debt approximates its carrying value.

Inventories

Inventories are stated at the lower of cost or market using the first-in-first-out method. We assess the value of its 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 nine years for customer relationships as we believe this method most closely reflects the pattern in which the economic benefits of the assets will be consumed. When the carrying value is not considered recoverable, an impairment loss for the amount by which the carrying value of an intangible asset exceeds its fair value is recognized, with an offsetting reduction in the carrying value of the related intangible asset. If our future results are significantly different from forecast, we may be required to further evaluate intangible assets for recoverability and such analysis could result in an impairment charge in a future period.

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 we believe indicators of impairment exist. 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. For the three months ended March 31, 2015 and 2014, there were no impairments recognized.

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.

Generally, 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 elements 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 estimated future warranty costs for both return-to-factory and on-site warranties. 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 March 31, 2015 and 2014, $0.1 million and $0.6 million, respectively, of development costs were capitalized.

Share-based Compensation

We account for share-based awards, and similar equity instruments, granted to employees and non-employee directors under the fair value method. Share-based compensation award types include stock options and restricted stock, which were assumed in our Overland acquisition. 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 cost 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 options granted to non-employees is estimated at the measurement date using the Black-Scholes option pricing model and remeasured at each reporting date to fair value, with changes in fair value recognized as expense in the condensed consolidated statement of operations.

Compensation expense associated with options with graded vesting is recognized pursuant to an accelerated method. Compensation expense associated with restricted stock is recognized over the vesting period using the straight-line method. 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 carryforwards.

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the 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 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 financial condition, results of operations and cash flows as a result of the adoption of ASU 2015-03 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 financial condition, results of operations and cash flows 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, 2016, including interim periods within that reporting period. On April 1, 2015, the FASB voted to propose a one-year deferral to the effective date, but to permit entities to adopt one year earlier if they choose (i.e., the original effective date). The proposal will be subject to the FASB's due process requirement, which includes a period for public comments. 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 financial condition, results of operations and cash flows as a result of the adoption of ASU 2014-09 has not yet been determined.

NOTE 3 — BUSINESS COMBINATION

On December 1, 2014, the Company completed its acquisition of Overland for a purchase price of $69.7 million. Included in this amount are 8.6 million shares of common stock valued as of December 1, 2014 at $7.71 per share, $3.2 million of equity awards for which vesting accelerated upon consummation of the acquisition, as well as other consideration of $0.5 million. The acquisition was carried out pursuant to the terms and conditions contained in an Agreement and Plan of Merger dated May 15, 2014 (as amended, the "merger agreement"). The integration of Overland and Sphere 3D positions the Company to address the rapidly growing cloud, virtualization and data storage markets.

As per the terms of the merger agreement, Overland became a wholly-owned subsidiary of Sphere 3D, and Overland's common stock ceased to be traded on the NASDAQ Capital Market, while the common shares of Sphere 3D continue to be traded on the NASDAQ Global Market under the trading symbol "ANY". Under the terms of the merger agreement, Sphere 3D issued a total of 8,556,865 common shares for all of the outstanding Overland shares on the basis of one Overland share for 0.46385 common shares. In addition, the Company issued warrants to purchase up to 1,323,897 of our common shares, options to purchase up to 168,488 common shares and 673,776 restricted share units, calculated on the basis of the exchange ratio.

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

Cash and cash equivalents	$ 2,312
Accounts receivable	10,558
Inventories	9,387
Property and equipment	4,117
Identifiable intangible assets	60,376
Other assets	2,364
Total identifiable assets acquired	89,114
Current liabilities	(28,133)
Debt - current	(4,749)
Debt - long term	(17,000)
Other liabilities	(3,990)
Deferred tax liabilities	(4,412)
Total identifiable liabilities assumed	(58,284)
Net identifiable net assets acquired	30,830
Goodwill	38,821
Net assets acquired	$ 69,651

Goodwill is comprised of expected synergies from combining Overland's operations with that of the Company, including (i) the creation of a larger and more diverse combined company to gain the scale, infrastructure and resources required to become a global virtualization company and to strengthen the Company's ability to service and support partners and customers globally; (ii) the ability to better leverage Overland's existing global distribution network of reseller, integrators and Tier One OEM's, along with Overland's global manufacturing, delivery and support networks; and (iii) the complementary nature of the respective products brings together next generation technologies for virtualization and cloud computing coupled with end-to-end scalable storage offerings enabling the combined company to address the larger and growing virtualization and cloud markets.

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. Adjustments may be made to the estimated fair values during the measurement period as we obtain additional information. The primary area of estimates that was not yet finalized related to the finalization of the valuation report. None of the goodwill recognized upon acquisition is deductible for tax purposes.

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

	Estimated Fair Value	Weighted-Average Useful Life (years)
Channel partner relationships	$ 17,000	25.0
Developed technology	15,590	7.9
Customer relationships	816	9.0
Total finite lived intangible assets	33,406	8.0
Indefinite live intangible assets - trade names	26,970	n/a
Total identified intangible assets	$ 60,376	

Due to the continuing integration of the combined businesses since the date of acquisition, it is impracticable to determine the earnings or loss contributed by the acquisition.

The following unaudited pro forma combined financial information gives effect to the acquisition as if it were consummated on January 1, 2014 (the beginning of the earliest fiscal period presented). The unaudited pro forma combined financial information is presented for informational purposes only, is not intended to represent or be indicative of the results of operations of us that would have been reported had the acquisition occurred on January 1, 2014, and should not be taken as representative of future condensed consolidated results of operations of the combined company (in thousands):

	Three Months Ended March 31, 2014
Net revenue	$ 22,737
Net loss	$ (8,093)
Net loss per share	$ (0.27)

NOTE 4 — INVENTORY

The following table summarizes inventories (in thousands):

	March 31, 2015	December 31, 2014
Raw materials	$ 2,573	$ 3,313
Work in process	1,184	660
Finished goods	6,447	5,963
	$ 10,204	$ 9,936

NOTE 5 — INTANGIBLE ASSETS

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

	March 31, 2015	December 31, 2014
Developed technology	$ 28,486	$ 28,391
Channel partner relationships[1]	16,735	16,945
Capitalized development costs[1]	3,174	3,302
Customer relationships[1]	708	797
	49,103	49,435
Accumulated amortization		
Developed technology	(4,183)	(2,855)
Channel partner relationships	(223)	—
Capitalized development costs	(367)	(272)
Customer relationships	(28)	(7)
	(4,801)	(3,134)
Total finite-lived assets, net	44,302	46,301
Indefinite live intangible assets - trade names	26,970	26,970
Total intangible assets, net	$ 71,272	$ 73,271

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

Amortization expense of intangible assets was $1.7 million and $13,000 during the three months ended March 31, 2015 and 2014, respectively. Estimated amortization expense for intangible assets is approximately $4.8 million for the remainder of 2015 and $6.4 million, $6.4 million, $4.0 million, $2.8 million and $2.8 million in fiscal 2016, 2017, 2018, 2019 and 2020, respectively.

Asset Purchase

On March 21, 2014, the Company acquired from V3 Systems certain Virtual Desktop Implementation ("VDI") technology, including Desktop Cloud Orchestrator® software, which allows administrators to manage local, cloud hosted, or hybrid virtual desktop deployments, and a series of purpose-built, compact, efficient and easy-to-manage servers. On closing, the purchase price for the acquired assets was $14.4 million, which was paid with a combination of $4.2 million in cash and the issuance of 1,089,867 common shares at $5.92 per share. The identified intangible assets as of the date of the purchase agreement consisted of $14.4 million of developed technology with a useful life of four years.

In addition, the Company may pay an earn-out, based on the achievement of certain milestones in revenue and gross margin related to the VDI technology, of up to an additional $5.0 million. The estimated earn-out liability was $2.5 million as of March 31, 2015 and December 31, 2014, and is included in other current liabilities. The earn-out is based on a sliding scale of revenue of up to $12.5 million from the VDI technology (subject to minimum margin realization), which will be payable at the discretion of Sphere 3D in cash or common shares (up to a maximum of 1,051,414 common shares) to be priced at a 20-day weighted average price calculated at the time(s) the earn-out is realized. The earn-out period expires on June 21, 2015.

NOTE 6 — DEBT

Convertible Notes - Related Party

In December 2014, in connection with the acquisition of Overland, the existing debt of Overland held by affiliates of Cyrus Capital Partners, the majority shareholder of Overland at the time of the acquisition and currently a significant shareholder of the Company, and the remaining debt of the Company held by Cyrus affiliates were amended and restated into a $19.5 million Global Debenture. The Global Debenture is scheduled to mature March 31, 2018 and bears interest at an 8% simple annual interest rate, payable semi-annually. The obligations under the Global Debenture are secured by all assets of the Company.

The Company has the option to pay accrued and outstanding interest either entirely in cash or shares of common stock. If the Company choses to pay the interest in common stock, the calculation is based upon the number of shares of common stock that may be issued as payment of interest on the Global Debenture and will be determined by dividing the amount of interest due by current market price as defined in the Global Debenture agreement. At March 31, 2015, accrued liabilities included accrued interest of $0.4 million.

The Global Debenture is convertible into common shares at a price equal to $7.50 per share in the case of $10 million of the Global Debenture and $8.50 per share in the case of $9.5 million of the Global Debenture.

At the option of the Company, the Global Debenture 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 $11.25 per share in the case of $10 million of the Global Debenture and $12.75 per share in the case of $9.5 million of the Global Debenture), for ten (10) consecutive trading days on its principal stock exchange that the common shares trade.

At any time prior to the close of business on September 1, 2015, the Company may prepay up to $10 million of the total principal amount outstanding plus accrued unpaid interest at a price equal to 120% of the aggregate principal and interest being prepaid. There are no cash conversion options, contingently adjustable conversion ratios, or mandatory conversion features.

The Global Debenture 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 Debenture, the Holder may declare all amounts outstanding to be immediately due and payable. The Debenture 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 March 31, 2015, the Company was in compliance with all covenants of the Global Debenture.

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 allows for revolving cash borrowings up to $8.0 million, which includes a $3.0 million sublimit for advances to one of the Company's subsidiaries. The proceeds of the credit facility may be used to fund the Company's working capital and to fund its general business requirements. 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 Global Debenture. Borrowings under the credit facility bear interest at the prime rate (as defined in the credit facility) plus a margin of either 1.00% or 1.25%, depending on the Company's liquidity coverage ratio. The Company is also obligated to pay other customary facility fees and arrangement fees for a credit facility of this size and type. Borrowings under the sublimit bear interest at the prime rate (as defined in the credit facility) plus a margin of either 2.00% or 2.25%, depending on the Company's net cash. At March 31, 2015, the interest rates on the credit facility and the sublimit were 4.5% and 5.5%, respectively.

The credit facility requires the Company to comply with a liquidity coverage ratio and contains customary covenants, including covenants that limit or restrict 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 specifies 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 may 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. At March 31, 2015, the Company was in compliance with all covenants of the credit facility.

At March 31, 2015, the Company had $4.9 million outstanding on the credit facility.

Related Party Credit Facility

In December 2014, the Company entered into a revolving credit agreement with FBC Holdings (an affiliate of Cyrus Capital Partners) for a revolving credit facility of $5.0 million. The credit facility matures in January 2016.

The credit facility contains customary covenants, including covenants that limit or restrict 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. At March 31, 2015, the Company was in compliance with all covenants of the credit facility.

At March 31, 2015, the Company had $5.0 million outstanding on the credit facility. At March 31, 2015, accrued liabilities included accrued interest of $49,000.

NOTE 7 — SHARE CAPITAL

Issued and Outstanding

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

Shares outstanding	Number of Shares
Balance, December 31, 2014	34,554
Issued on release of restricted stock units	409
Issued on exercise of options	151
Balance, March 31, 2015	35,114

In February 2015, the Company issued warrants to purchase up to 100,000 common shares to FBC Holdings (an affiliate of Cyrus Capital Partners). The warrants expire in February 2018 and have an exercise price of $4.50 per share.

In March 2015, the Company issued warrants to purchase up to 200,000 common shares to FBC Holdings (an affiliate of Cyrus Capital Partners). 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.

NOTE 8 — 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):

	Three Months Ended March 31,	
	2015	2014
Options outstanding	3,184	2,760
Convertible notes	2,451	667
Convertible notes interest	657	213
Common stock purchase warrants	1,771	1,699
VDI earn-out liability	1,051	1,051
Restricted stock not yet vested or released[(1)]	249	—

(1) The Company's current plan does not allow for the grant of restricted stock awards. These remaining awards were assumed in the acquisition of Overland.

NOTE 9 — RELATED PARTY

In July 2013, the Company entered into a supply agreement, and a technology license agreement, with Overland. As payments under the supply agreement, Sphere 3D issued common shares with a value as of the date of issuance equal to $0.5 million to Overland during the three months ended March 31, 2014.

The Company recognized $0.3 million in revenue related to the agreements during the three months ended March 31, 2014. The Company made purchases of $0.2 million from Overland related to the supply agreement during the three months ended March 31, 2014. No amounts were included in other current assets and accounts payable under these agreements as of March 2015 and December 31, 2014.

Legal and professional services of $0.1 million were provided by directors of the Company during each of the three months ended March 31, 2015 and 2014. As of March 31, 2015 and December 31, 2014, accounts payable included $8,000 and $0.2 million, respectively, due to related parties.

NOTE 10 — COMMITMENTS AND CONTINGENCIES

Warranty and Extended Warranty

The Company had $0.8 million in deferred costs included in other current and non-current assets related to deferred service revenue at March 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, 2014	$ 1,437	$ 8,948
Settlements made during the period	(50)	(2,373)
Change in liability for warranties issued during the period[1]	92	1,669
Change in liability for preexisting warranties	(160)	—
Liability at March 31, 2015	$ 1,319	$ 8,244
Current liability	$ 1,009	$ 5,769
Non-current liability	310	2,475
Liability at March 31, 2015	$ 1,319	$ 8,244

(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 March 31, 2015 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, Overland 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 Overland in the Supreme Court for New York County, alleging breach of the Funding Agreement. The Special Situations Funds allege that Overland's January 2014 acquisition of Tandberg Data entitled the Special Situations Funds to a $6.0 million payment under the Funding Agreement, and therefore Overland's refusal to make the payment constitutes a breach of 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.

Patent Infringement

In June 2012, Overland filed patent infringement lawsuits in the United States District Court for the Southern District of California against Spectra Logic Corporation ("Spectra Logic"), based in Boulder, Colorado and Qualstar Corporation ("Qualstar"), based in Simi Valley, California. In the Spectra Logic case, Overland claimed infringement of U.S. Patent Nos. 6,328,766 and 6,353,581. In the Qualstar case, Overland claimed infringement of U.S. Patent No. 6,328,766.

In June 2013, Spectra Logic filed a Petition for Inter Partes Review of the claims of U.S. Patent No. 6,328,766 with the United States Patent and Trademark Office. The Petition was assigned Case No. IPR2013-00357. In December 2013, the United States Patent and Trademark Office granted the Petition and initiated an inter partes review proceeding involving U.S. Patent No. 6,328,766. On November 7, 2014, the United States Patent and Trademark Office issued a Final Written Decision finding claims 1-11 of U.S. Patent No. 6,328,766 to be unpatentable. On March 9, 2015, we filed a Notice of Appeal with the United States Court of Appeals for the Federal Circuit, which initiates the appeal process.

In January and February 2014, the District Court for the Southern District of California stayed Overland's litigation against Qualstar and Spectra Logic, respectively, pending the results of the inter partes review filed by Spectra Logic.

In May 2013, Safe Storage LLC ("Safe Storage"), a Delaware limited liability company, filed a complaint against Overland in the United States 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 (IPR2014-00901).

Merger

In May 2014, we announced that we had signed an agreement and plan of merger with Overland. Since the merger was announced, four separate putative shareholder class action lawsuits were filed against us, Overland and all of its directors in the California Superior Court in and for the County of San Diego. Three of the lawsuits also named Cyrus Capital Partners, the majority shareholder of Overland, as a defendant. On June 25, 2014, the Superior Court entered an order providing for the consolidation of all cases relating to Overland's decision to enter into the merger agreement with Sphere 3D. These cases have been consolidated before a single judge and are referred to as *In re Overland Storage Inc., Shareholders Litigation*, Lead Case No. 37-2014-00016017-CU-SL-CTL. On July 30, 2014, the plaintiffs filed their consolidated amended complaint. The lawsuit alleges breaches of fiduciary duties and conflicts of interest against Overland's directors relating to the merger process, the terms of the merger agreement, and the consideration to be received by Overland's shareholders under the terms of the merger agreement. The lawsuit alleges that we and the other defendants aided and abetted the purported breaches of fiduciary duties by Overland's directors. The relief sought includes an injunction prohibiting the consummation of the merger, rescission of the merger to the extent already implemented or rescissory damages, damages, and an award of attorneys' fees and costs.

On October 13, 2014, the plaintiffs and the defendants entered into a memorandum of understanding (the "Memorandum of Understanding") to settle the Consolidated Action and Merger Actions. The Memorandum of Understanding provided, among other things, that additional disclosures would be made concerning the analysis performed by Overland's financial advisor relating to the merger, Overland's management projections, and the circumstances leading up to the merger, which additional disclosures were included in the amended Registration Statement on Form F-4 filed by us with the Securities Exchange Commission.

While we believe that the lawsuits are without merit, and we specifically deny the allegations made in the lawsuits and maintain that we and the other defendants committed no wrongdoing whatsoever, to permit the timely consummation of the merger, and without admitting the validity of any allegations made in the lawsuits, we concluded that it is desirable that the Consolidated Action and Merger Actions be resolved. The proposed settlement of the Consolidated Action and Merger Actions, which is subject to final documentation and court approval, provides for the release of all claims against the defendants relating to the merger and the allegations in the Consolidated Action and Merger Actions. There can be no assurance that the settlement will be finalized or that the Superior Court will approve the settlement.

Other

On April 9, 2015, Imation Corp. ("Imation") filed a complaint in Minnesota state court alleging claims for declaratory relief, breach of contract, and tortious interference with contract against Tandberg Data Corp., Tandberg Data Holdings S.a.r.L., Overland Storage, Inc., and Sphere 3D Corp. (collectively "Defendants") related to Imation's RDX business. In the suit, Imation accuses Defendants of anticipatory breach of an RDX-related license agreement that Imation entered into with ProStor Systems, Inc. ("ProStor") in 2006. Defendants acquired the Imation license from ProStor in 2011. The lawsuit also alleges that Defendants have actually breached their obligations under the license. Additionally, Imation alleges that it does not owe any support fees under a separate license agreement for InfiniVault products that Imation acquired in 2011 along with ProStor's InfiniVault business. Finally, the suit accuses Defendants of tortuously interfering with Imation's contracts with its RDX customers, including Dell and Quantum. The lawsuit seeks: (i) a court order requiring Defendants to provide Imation with access to the next generation of RDX Media Cartridges (i.e., 3 terabyte cartridges); (ii) a declaration that Imation does not owe any support fees under the license agreement for InfiniVault products; (iii) monetary damages in excess of $50,000; and (iv) an award of Imation's attorney's fees. By agreement of the parties, all defendants have been served and the time to respond has been extended to June 29, 2015.

NOTE 11 — SUBSEQUENT EVENTS

On May 13, 2015, the Company signed definitive agreements for a private placement of 1,281,250 common shares of the Company and warrants to purchase up to 1,281,250 common shares for a gross purchase price of approximately $4.1 million. The purchase price for one common share and a warrant to purchase one common share is $3.20. The warrants will have an exercise price of $4.00 per share, a five year term, and are exercisable in whole or in part, at any time prior to expiration. 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 the market price of the common shares on May 13, 2015.

The transaction is anticipated to close on or about May 18, 2015 subject to customary closing conditions. The Company intends to use the proceeds from the offering for general corporate and working capital purposes. The offering is to be made pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended, provided by Regulation D promulgated thereunder. The Company also entered into a registration rights agreement in connection with the Offering pursuant to which the Company has agreed to file a registration statement to register the resale of the shares to be issued in the offering and the shares issuable upon exercise of the warrants with the U.S. Securities and Exchange Commission within 90 days of the closing of the offering and use commercially reasonable efforts to have the registration statement declared effective as soon as practicable.

If the Company enters into agreements with additional investors to purchase the Company's common shares and/or warrants to purchase common shares in a private placement within 45 days after the closing of the offering, such additional investors may be joined as parties to the registration rights agreement. If in connection with an equity capital raise for cash within this 45 day period, the Company sells common shares at a price per share that is lower than the price per share of the offering or sells new warrants with a per share exercise price that is lower than the per share exercise price of the warrants, then (i) the per share exercise price of the warrants will be adjusted to equal the per share exercise price (if lower) of the new warrants sold in the subsequent financing, and (ii) the initial investor will receive a number of additional common shares equal to the difference between (x) the number of common shares the initial investor would have received had its per share purchase price been equal to the per share purchase price in the subsequent financing and (y) the aggregate number of shares initially purchased in the offering, subject to certain limitations.

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. for the first quarter ending March 31, 2015;
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 registrant's other certifying officers 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)) for the registrant 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) 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
   (c) 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: May 14, 2015

/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. for the first quarter ending March 31, 2015;
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 registrant’s other certifying officers 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)) for the registrant 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) 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
   (c) 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: May 14, 2015

/s/ Kurt L. Kalbfleisch

Kurt L. Kalbfleisch
Senior Vice President and Chief Financial Officer