

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 14, 2019**

SPHERE 3D CORP.

(Exact name of registrant as specified in its charter)

Ontario, Canada
(State or other jurisdiction
of incorporation)

001-36532
(Commission File Number)

98-1220792
(IRS Employer Identification No.)

895 Don Mills Road,
Bldg. 2, Suite 900
Toronto, Ontario
(Address of principal executive offices)

M3C 1W3
(Zip Code)

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

Not Applicable

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b -2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On November 14, 2019, we issued a press release announcing our financial results for our third fiscal quarter ended September 30, 2019. The information contained in the press release is incorporated herein by reference and furnished as Exhibit 99.1.

The information in this Item 2.02 and Exhibit 99.1 is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

[99.1](#) [Press release dated November 14, 2019](#)

SIGNATURES

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

Date: November 15, 2019

SPHERE 3D CORP.

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

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press Release Issued November 14, 2019
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Sphere 3D Reports Third Quarter Fiscal Year 2019 Financial Results

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

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

Third Quarter 2019 Financial Results:

- Revenue for the third quarter of 2019 was \$1.4 million, compared to \$1.3 million for the third quarter of 2018.
- Gross margin for the third quarter of 2019 was 35.5%, compared to 14.7% for the third quarter of 2018.
- Operating expenses for the third quarter of 2019 were \$1.8 million, compared to \$2.8 million for the third quarter of 2018.
- Share-based compensation expense for the third quarter of 2019 was \$0.2 million, compared to \$0.3 million for the third quarter of 2018. Depreciation and amortization was \$0.3 million in both the third quarter of 2019 and 2018.
- Other income for the third quarter of 2019 was \$2.3 million. The majority of which related to agreements entered into with certain executives of the Company and the Company's Board of Directors to extinguish certain accrued liabilities. The Company wrote off \$1.7 million of outstanding liabilities and recorded a gain on forgiveness of liabilities.
- Net Income from continuing operations for the third quarter of 2019 was \$0.9 million, or a net income of \$0.33 per share, compared to a net loss from continuing operations of \$3.1 million, or a net loss of \$1.61 per share, for the third quarter of 2018.
- Net loss from discontinued operations for the third quarter of 2018 was \$1.8 million, or a net loss of \$0.92 per share.

Nine Months Ended September 30, 2019 Financial Results:

- Revenue for the first nine months of 2019 was \$4.5 million, compared to \$6.4 million for the first nine months of 2018.
 - Gross margin for the first nine months of 2019 was 31.9%, compared to 17.4% for the first nine months of 2018.
 - Operating expenses for the first nine months of 2019 were \$6.0 million, compared to \$11.1 million for the first nine months of 2018.
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- Share-based compensation expense for the first nine months of 2019 was \$0.5 million, compared to \$1.5 million for the first nine months of 2018. Depreciation and amortization was \$0.8 million in the first nine months of 2019, compared to \$3.3 million for the first nine months of 2018.
- Other income for the first nine months of 2019 was \$2.3 million. The majority of which related to agreements entered into with certain executives of the Company and the Company's Board of Directors to extinguish certain accrued liabilities. The Company wrote off \$1.7 million of outstanding liabilities and recorded a gain on forgiveness of liabilities.
- Net loss from continuing operations for the first nine months of 2019 was \$2.6 million, or a net loss of \$1.09 per share, compared to a net loss from continuing operations of \$12.2 million, or a net loss of \$8.00 per share, in the first nine months of 2018.
- Net loss from discontinued operations for the first nine months of 2018 was \$5.4 million, or a net loss of \$3.55 per share.

Investor Conference Call:

Sphere 3D will not be hosting a third quarter fiscal year 2019 earnings conference call.

About Sphere 3D:

Sphere 3D Corp. (NASDAQ: ANY) delivers containerization, virtualization, and data management solutions via hybrid cloud, cloud and on-premise implementations through its global reseller network and professional services organization. Sphere 3D has a portfolio of brands, including HVE ConneXions, UCX ConneXions, and SnapServer® dedicated to helping customers achieve their IT goals. For more information, visit www.sphere3d.com. Follow us on Twitter [@Sphere3D](https://twitter.com/Sphere3D) and [@HVEconneXions](https://twitter.com/HVEconneXions)

Safe Harbor Statement:

This press release contains forward-looking statements that involve risks, uncertainties, and assumptions that are difficult to predict. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of risks and uncertainties including, without limitation, our inability to obtain additional debt or equity financing; any increase in our cash needs; the Company's ability to maintain listing with the NASDAQ Capital Market; market adoption and performance of our products; the level of success of our collaborations and business partnerships; possible actions by customers, partners, suppliers, competitors or regulatory authorities; and other risks detailed from time to time in our periodic reports contained in our Annual Information Form and other filings with Canadian securities regulators (www.sedar.com) and in prior periodic reports filed with the United States Securities and Exchange Commission (www.sec.gov). Sphere 3D undertakes no obligation to update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise, except as required by law.

Investor Contact:

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
Revenue	\$ 1,368	\$ 1,306	\$ 4,461	\$ 6,377
Cost of revenue	883	1,114	3,036	5,269
Gross profit	<u>485</u>	<u>192</u>	<u>1,425</u>	<u>1,108</u>
Operating expenses:				
Sales and marketing	550	885	1,494	2,406
Research and development	460	486	1,673	2,496
General and administrative	801	1,465	2,814	6,156
	<u>1,811</u>	<u>2,836</u>	<u>5,981</u>	<u>11,058</u>
Loss from operations	(1,326)	(2,644)	(4,556)	(9,950)
Interest expense - related party	(41)	(494)	(327)	(2,264)
Interest expense	(9)	-	(24)	-
Other income (expense), net	2,261	53	2,283	(32)
Net income (loss) from continuing operations	885	(3,085)	(2,624)	(12,246)
Net loss from discontinued operations	-	(1,767)	-	(5,431)
Net income (loss)	<u>\$ 885</u>	<u>\$ (4,852)</u>	<u>\$ (2,624)</u>	<u>\$ (17,677)</u>
Net income (loss) per share:				
Continuing operations	\$ 0.33	\$ (1.61)	\$ (1.09)	\$ (8.00)
Discontinued operations	-	(0.92)	-	(3.55)
Net income (loss) per share basic	<u>\$ 0.33</u>	<u>\$ (2.53)</u>	<u>\$ (1.09)</u>	<u>\$ (11.55)</u>
Net income (loss) per share basic diluted	<u>\$ 0.10</u>	<u>\$ (2.53)</u>	<u>\$ (1.09)</u>	<u>\$ (11.55)</u>
Shares used in computing net income (loss) per share:				
Basic	<u>2,668,311</u>	<u>1,916,523</u>	<u>2,403,373</u>	<u>1,531,067</u>
Diluted	<u>8,909,761</u>	<u>1,916,523</u>	<u>2,403,373</u>	<u>1,531,067</u>

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

	September 30, 2019	December 31, 2018
	(Unaudited)	(Unaudited)
<u>ASSETS</u>		
Cash and cash equivalents	\$ 129	\$ 341
Accounts receivable, net	777	1,142
Inventories	825	1,230
Other current assets	389	784
Total current assets	<u>2,120</u>	<u>3,497</u>
Investment in affiliate	2,100	2,100
Property and equipment, net	3	6
Intangible assets, net	2,613	3,348
Goodwill	1,385	1,385
Other assets	936	950
Total assets	<u>\$ 9,157</u>	<u>\$ 11,286</u>
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
Current liabilities	\$ 8,185	\$ 9,639
Redeemable preferred shares	1,019	6,571
Other long-term liabilities	713	683
Total shareholders' deficit	(760)	(5,607)
Total liabilities and shareholders' deficit	<u>\$ 9,157</u>	<u>\$ 11,286</u>