

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 2021

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 333-127953

SOLARWINDOW TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

59-3509694

(I.R.S. Employer Identification No.)

430 Park Avenue, Suite 702

New York, NY

(Address of principal executive offices)

10022

(Zip Code)

(800) 213-0689

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act: None

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 53,196,799 shares of common stock, par value \$0.001, were outstanding on March 31, 2021.

SOLARWINDOW TECHNOLOGIES, INC.
FORM 10-Q

For the Quarterly Period Ended February 28, 2021

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PART I — FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

SOLARWINDOW TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS

	February 28, 2021 (Unaudited)	August 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,477,264	\$ 14,151,523
Short-term investments	5,000,000	-
Deferred research and development costs	346,837	574,731
Prepaid expenses and other current assets	169,579	56,147
Total current assets	13,993,680	14,782,401
Operating lease right-of-use asset	-	42,212
Property and Equipment, net of accumulated depreciation of \$95,127 and \$93,323, respectively	1,397,795	1,349,495
Security deposit	14,189	2,200
Total assets	15,405,664	16,176,308
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	45,271	53,428
Related party payables	64,500	113,186
Current maturities of operating lease	-	24,828
Total current liabilities	109,771	191,442
Non-current operating lease	-	17,737
Total long term liabilities	-	17,737
Total liabilities	109,771	209,179
Commitments and contingencies		
Stockholders' equity		
Preferred stock: \$0.10 par value; 1,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock: \$0.001 par value; 300,000,000 shares authorized, 53,196,799 and 52,959,323 shares issued and outstanding at February 28, 2021 and August 31, 2020, respectively	53,197	52,959
Additional paid-in capital	80,060,807	76,039,209
Accumulated other comprehensive income (loss)	(6,767)	-
Retained deficit	(64,811,344)	(60,125,039)
Total stockholders' equity	15,295,893	15,967,129
Total liabilities and stockholders' equity	\$ 15,405,664	\$ 16,176,308

(The accompanying notes are an integral part of these consolidated financial statements)

SOLARWINDOW TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020	Six Months Ended February 28, 2021	Six Months Ended February 29, 2020
Revenue	\$ -	\$ -	\$ -	\$ -
Operating expenses				
Selling, general and administrative	1,786,024	565,142	3,785,809	1,185,923
Research and development	366,525	615,401	914,389	1,194,401
Total operating expenses	<u>2,152,549</u>	<u>1,180,543</u>	<u>4,700,198</u>	<u>2,380,324</u>
Loss from operations	(2,152,549)	(1,180,543)	(4,700,198)	(2,380,324)
Other income (expense)				
Interest income	3,279	73,845	22,668	168,348
Loss on disposal of assets	-	-	(8,775)	-
Total other income (expense)	<u>3,279</u>	<u>73,845</u>	<u>13,893</u>	<u>168,348</u>
Net loss	<u>\$ (2,149,270)</u>	<u>\$ (1,106,698)</u>	<u>\$ (4,686,305)</u>	<u>\$ (2,211,976)</u>
Basic and Diluted Loss per Common Share	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>	<u>\$ (0.09)</u>	<u>\$ (0.04)</u>
Weighted average number of common shares outstanding - basic and diluted	<u>53,072,574</u>	<u>52,959,323</u>	<u>53,015,949</u>	<u>52,959,323</u>

(The accompanying notes are an integral part of these consolidated financial statements)

SOLARWINDOW TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020	Six Months Ended February 28, 2021	Six Months Ended February 29, 2020
Net income (loss)	\$ (2,149,270)	\$ (1,106,698)	\$ (4,686,305)	\$ (2,211,976)
Other comprehensive income (loss):				
Foreign currency translation adjustments, net (a)	(10,044)	-	(6,767)	-
Comprehensive income (loss)	<u>\$ (2,159,314)</u>	<u>\$ (1,106,698)</u>	<u>\$ (4,693,072)</u>	<u>\$ (2,211,976)</u>

(a) Amounts include translation of subsidiary financial statements from South Korean Won to the U.S. dollar.

(The accompanying notes are an integral part of these consolidated financial statements)

SOLARWINDOW TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED FEBRUARY 28, 2021	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount			Income (Loss)	
Balance, August 31, 2020	52,959,323	52,959	76,039,209	(60,125,039)	-	15,967,129
Stock based compensation due to common stock purchase options	-	-	1,838,532	-	-	1,838,532
Foreign currency translation adjustments	-	-	-	-	3,277	3,277
Net loss for the three months ended November 30, 2020	-	-	-	(2,537,035)	-	(2,537,035)
Balance, November 30, 2020	52,959,323	52,959	77,877,741	(62,662,074)	3,277	15,271,903
Exercise of warrants	200,000	200	683,800	-	-	684,000
Exercise of stock options	37,476	38	35,362	-	-	35,400
Stock based compensation due to common stock purchase options	-	-	1,463,904	-	-	1,463,904
Foreign currency translation adjustments	-	-	-	-	(10,044)	(10,044)
Net loss for the three months ended February 28, 2021	-	-	-	(2,149,270)	-	(2,149,270)
Balance, February 28, 2021	53,196,799	\$ 53,197	\$ 80,060,807	\$ (64,811,344)	\$ (6,767)	\$ 15,295,893

FOR THE SIX MONTHS ENDED FEBRUARY 29, 2020	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount			Income (Loss)	
Balance, August 31, 2019	52,959,323	\$ 52,959	\$ 71,166,300	\$ (52,771,977)	\$ -	\$ 18,447,282
Stock based compensation due to common stock purchase options	-	-	420,970	-	-	420,970
Net loss for the three months ended November 30, 2019	-	-	-	(1,105,278)	-	(1,105,278)
Balance, November 30, 2019	52,959,323	52,959	71,587,270	(53,877,255)	-	17,762,974
Stock based compensation due to common stock purchase options	-	-	434,656	-	-	434,656
Net loss for the three months ended February 29, 2020	-	-	-	(1,106,698)	-	(1,106,698)
Balance, February 29, 2020	52,959,323	\$ 52,959	\$ 72,021,926	\$ (54,983,953)	\$ -	\$ 17,090,932

(The accompanying notes are an integral part of these consolidated financial statements)

SOLARWINDOW TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended February 28, 2021	Six Months Ended February 29, 2020
Cash flows from operating activities		
Net loss	\$ (4,686,305)	\$ (2,211,976)
Adjustments to reconcile net loss to net cash flows used in operating activities		
Depreciation	12,455	12,902
Stock based compensation expense	3,302,436	855,626
Loss on disposal of assets	8,775	-
Changes in operating assets and liabilities:		
Deferred research and development costs	227,894	(84,330)
Prepaid expenses and other assets	(113,432)	(79,546)
Accounts payable and accrued expenses	(8,193)	(16,246)
Operating lease assets and liabilities	(353)	133
Related party payable	(48,686)	64,511
Security deposits	(11,542)	-
Net cash used in operating activities	(1,316,951)	(1,458,926)
Cash flows used in investing activities		
Purchase of short-term investments	(5,000,000)	-
Capital expenditures	(71,647)	(5,031)
Proceeds from the sale of assets	2,161	-
Net cash used in investing activities	(5,069,486)	(5,031)
Cash flows from financing activities		
Proceeds from the issuance of equity securities	719,400	-
Net cash from financing activities	719,400	-
Effect of exchange rate changes on cash and cash equivalents	(7,222)	-
Net increase (decrease) in cash and cash equivalents	(5,674,259)	(1,463,957)
Cash and cash equivalents at beginning of period	14,151,523	16,604,011
Cash and cash equivalents at end of period	\$ 8,477,264	\$ 15,140,054
Supplemental disclosure of cash flow information:		
Interest paid in cash	\$ -	\$ -
Income taxes paid in cash	\$ -	\$ -

(The accompanying notes are an integral part of these consolidated financial statements)

SOLARWINDOW TECHNOLOGIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 – Basis of Presentation and Organization

Basis of Presentation

The accompanying unaudited interim consolidated financial statements of SolarWindow Technologies, Inc. and its controlled subsidiary companies (collectively, the “**Company**”) as of February 28, 2021, and for the three and six months ended February 28, 2021 and February 29, 2020 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“**SEC**”) for quarterly reports on Form 10-Q and do not include all of the information and note disclosures required by U.S. generally accepted accounting principles (“**U.S. GAAP**”) for complete financial statements. These Consolidated Financial Statements should therefore be read in conjunction with the Consolidated Financial Statements and Notes thereto for the fiscal year ended August 31, 2020 included in our Annual Report on Form 10-K filed with the SEC on November 10, 2020.

The accompanying unaudited interim Consolidated Financial Statements have been prepared in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect amounts reported in the Consolidated Financial Statements and accompanying disclosures. Actual results may differ from those estimates. The accompanying unaudited interim consolidated financial statements have been prepared on the same basis as the audited financial statements and include all adjustments (including normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the Company’s consolidated financial position as of February 28, 2021, results of operations, stockholders’ equity and cash flows for the three and six months ended February 28, 2021 and February 29, 2020. The Company did not record an income tax provision during the periods presented due to net taxable losses. The results of operations for any interim period are not necessarily indicative of the results of operations for the entire year.

Organization

SolarWindow Technologies, Inc. was incorporated in the State of Nevada on May 5, 1998. On August 24, 2020, the Company formed wholly owned SolarWindow Asia (USA) Corp. as the holding company for SolarWindow Asia Co. Ltd., (collectively “**SolarWindow Asia**”) a company formed in the Republic of Korea for the purpose of expansion into the Asian markets. SolarWindow™ technology harvests light energy from the sun and from artificial light sources, by generating electricity from a transparent coating of organic photovoltaic (“**OPV**”) solar cells, applied to glass and plastics, thereby creating a “photovoltaic” effect. The Company’s ticker symbol is WNDW.

Liquidity and Management’s Plan

The Company has not generated any revenue since inception and has sustained recurring losses and negative cash flows from operations since inception. We expect to incur losses as we continue to develop and further refine and promote our technologies and potential product applications. As of February 28, 2021, the Company had \$13,477,264 of cash and cash equivalents and short term investments on hand and working capital of \$13,883,909. The Company believes that it currently has sufficient cash to meet its funding requirements over the next twelve months following the issuance of this Quarterly Report on Form 10-Q. However, the Company has experienced and continues to experience negative cash flows from operations, as well as an ongoing requirement for substantial additional capital investment. The Company expects that it may need to raise additional capital to accomplish its business plan. If additional funding is required, the Company expects to seek to obtain that funding through financial or strategic investors. There can be no assurance as to the availability or terms upon which such financing and capital might be available.

NOTE 2 – Summary of Significant Accounting Policies

Information regarding the Company’s significant accounting policies is contained in Note 2, “Summary of significant accounting policies,” to the consolidated financial statements in the Company’s Annual Report on Form 10-K for the year ended August 31, 2020. Presented below and in the following notes is supplemental information that should be read in conjunction with “Notes to Financial Statements” in the Annual Report.

Fiscal quarter

The Company's quarterly periods end on November 30, February 28, May 31, and August 31. The Company's second quarter in fiscal 2021 and 2020 ended on February 28, 2021 and February 29, 2020, respectively.

Principles of consolidation

These consolidated financial statements presented are those of SolarWindow Technologies, Inc. and its wholly owned subsidiaries, SolarWindow Asia (USA) Corp., and SolarWindow Asia Co. Ltd. All significant intercompany balances and transactions have been eliminated.

The Consolidated Financial Statements above include the results of operations for SolarWindow Asia from the date of its operations beginning in September 2020. During our fiscal quarter ended November 30, 2020, the Company made its initial capital infusion of \$831,000 to SolarWindow Asia.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the accounting period. The Company considers its accounting policies relating to stock based compensation to be the most significant accounting policy that involves management estimates and judgments. The Company has made accounting estimates based on the facts and circumstances available as of the reporting date. Actual amounts could differ from these estimates, and such differences could be material.

Cash and Cash Equivalents and Highly Liquid Investments

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less from the date of purchase.

	February 28, 2021	August 31, 2020
Cash and cash equivalents	\$ 8,477,264	\$ 14,151,523
Short-term investment	5,000,000	-
	<u>\$ 13,477,264</u>	<u>\$ 14,151,523</u>

Short-term investments

The Company determines the balance sheet classification of its investments at the time of purchase and evaluates the classification at each balance sheet date. Money market funds, certificates of deposit, and time deposits with maturities of greater than three months but no more than twelve months are carried at cost, which approximates fair value and are recorded in the consolidated balance sheets in short-term investments. As of February 28, 2021, the short-term investment consists of a fixed-term deposit with a twelve month maturity at the time of purchase on October 1, 2020.

Recent accounting pronouncements not yet adopted

In December 2019, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2019-12, Income Taxes – Simplifying the Accounting for Income Taxes. The guidance removes certain exceptions for recognizing deferred taxes for equity method investments, performing intra period allocation, and calculating income taxes in interim periods. The ASU also adds guidance to reduce complexity in certain areas, including recognizing deferred taxes for goodwill and allocating taxes to members of a consolidated group, among others. This guidance is effective for interim and annual reporting periods beginning after December 15, 2020. Early adoption of the standard is permitted, including adoption in interim or annual periods for which financial statements have not yet been issued. The transition requirements are dependent upon each amendment within this update and will be applied either prospectively or retrospectively. The adoption of ASU 2019-12 is not expected to have a material impact on the Company's consolidated financial position, results of operations, or cash flows.

Recently adopted accounting pronouncements

The Company reviews new accounting standards as issued. Although some of these accounting standards issued or effective after the end of the Company's previous fiscal year may be applicable, the Company has not identified any standards that the Company believes merit further discussion. The Company believes that none of the new standards will have a significant impact on the consolidated financial statements.

NOTE 3 – Property and Equipment

Property and equipment consists of the following:

	February 28, 2021	August 31, 2020	Increase / (decrease)
Computers, office equipment and software	\$ 14,800	\$ 23,709	\$ (8,909)
Furniture and fixtures	15,579	12,634	2,945
Equipment	113,820	113,820	-
Leasehold improvements	28,822	-	28,822
In-process equipment	1,319,901	1,292,655	27,246
Total property and equipment	1,492,922	1,442,818	50,104
Accumulated depreciation	(95,127)	(93,323)	1,804
Property and equipment, net	<u>\$ 1,397,795</u>	<u>\$ 1,349,495</u>	<u>48,300</u>

During the three months ended February 21, 2021, furniture and fixtures, leasehold improvements and in-process equipment increased \$15,579, \$28,822 and \$27,246, respectively, due to payments towards SolarWindow Asia office improvements.

As a result of the closure of the Vestal New York office, during our first fiscal quarter, , the Company disposed of office equipment, computers and furniture with an historical cost totaling \$21,543 and net book value of \$10,936. The Company received \$2,161 of proceeds from the sale of the assets resulting in a loss of \$8,775.

During the three months ended February 28, 2021 and February 29, 2020, the Company recognized depreciation expense of \$6,673 and \$6,218, respectively. During the six months ended February 28, 2021 and February 29, 2020, the Company recognized depreciation expense of \$12,455 and \$12,902, respectively.

NOTE 4 – Common Stock and Warrants

Common Stock

At February 28, 2021, the Company had 300,000,000 authorized shares of common stock with a par value of \$0.001 per share, 53,196,799 shares of common stock outstanding

2006 Long-Term Incentive Plan

In 2006 the Company's Board and stockholders adopted and approved 15,000,000 shares for grant under the 2006 Long-Term Incentive Plan (the "2006 Plan"). The 2006 Plan was extended by the Board on February 7, 2021 to expire two years hence. The 2006 Plan was adopted in order to attract and retain the best available personnel for positions of substantial authority and to provide additional incentive to employees and directors to promote the success of the Company's business. The 2006 Plan provides for the grant of incentive stock options, non-qualified stock options, restricted stock, restricted stock units, stock appreciation rights, and other types of awards to employees, consultants, and directors. Stock option grants pursuant to the 2006 Plan vest from zero to five years and expire from six to ten years after the date of grant with the exercise price equal to the fair value of the underlying stock on the date of grant. All shares approved for grant and subsequently forfeited are available for future grant. The Company does not repurchase shares to fulfill the requirements of options that are exercised and therefore issues new shares when options are exercised. There are currently 7,040,527 shares reserved for issuance under the 2006 Plan, see "NOTE 5 - Stock Options" for additional information.

Warrants

Each of the Company's warrants outstanding entitles the holder to purchase one share of the Company's common stock for each warrant share held. Other than the Series O Warrants and Series P Warrants, all of the following warrants may be exercised on a cashless basis. A summary of the Company's warrants outstanding and exercisable as of February 28, 2021 and August 31, 2020 is as follows:

Description	Shares of Common Stock Issuable from Warrants Outstanding as of		Weighted Average Exercise Price	Date of Issuance	Expiration
	February 28, 2021	August 31, 2020			
Series M	246,000	246,000	\$ 2.34	December 7, 2015	December 31, 2022
Series N	767,000	767,000	\$ 3.38	December 31, 2015	December 31, 2022
Series P	213,500	213,500	\$ 3.70	March 25, 2016	December 31, 2022
Series R	468,750	468,750	\$ 4.00	June 20, 2016	December 31, 2022
Series S-A	300,000	300,000	\$ 2.53	July 24, 2017	December 31, 2022
Series S	621,600	821,600	\$ 3.42	September 29, 2017	September 29, 2022
Series T	16,666,667	16,666,667	\$ 1.70	November 26, 2018	November 26, 2025
Total	19,283,517	19,483,517			

During the three months ended February 28, 2021, 200,000 Series S Warrants were exercised for cash resulting in \$684,000 of proceeds to the Company.

NOTE 5 - Stock Options

The Company measures share-based compensation cost on the grant date, based on the fair value of the award, and recognizes the expense on a straight-line basis over the requisite service period for awards expected to vest. The Company estimated the grant date fair value of stock options using a Black-Scholes valuation model using the following weighted-average assumptions:

	Six Months Ended	
	February 28, 2021	February 29, 2020
Expected dividend yield	—	—
Expected stock price volatility	89.44%	82.94 – 86.23%
Risk-free interest rate	0.19%	1.40 – 1.69%
Expected term (in years)(simplified method)	4.00	4.5 – 5.75
Exercise price	\$ 3.42	\$2.32 and \$3.54
Weighted-average grant date fair-value	\$ 2.16	\$1.61 and \$1.55

A summary of the Company's stock option activity for the six months ended February 28, 2021 and related information follows:

	Number of Shares Subject to Option Grants	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (\$)
Outstanding at August 31, 2019	2,777,334	4.31		
Grants	5,158,000	4.06		
Forfeitures and cancellations	(130,600)	3.54		
Outstanding at August 31, 2020	7,804,734	4.16		
Grants	50,000	3.42		
Exercises	(56,667)	4.95		
Forfeitures and cancellations	(1,057,667)	5.30		
Outstanding at February 28, 2021	6,740,400	3.97	4.80	75,046,959
Exercisable at February 28, 2021	3,975,900	3.78	5.26	44,988,139

The aggregate intrinsic value in the table above represents the total pretax intrinsic value for all "in-the-money" options (i.e. the difference between the Company's closing stock price on the last trading day of the period covered by this report and the exercise price, multiplied by the number of shares) that would have been received by the option holders had all in-the-money option holders exercised their vested options on February 28, 2021. The intrinsic value of the option changes based upon the fair market value of the Company's common stock. Since the closing stock price was \$15.10 on February 28, 2021 and all outstanding options have an exercise price below \$15.10 per share, as of February 28, 2021, there is \$75,046,959 and \$44,988,139 of intrinsic value in the Company's outstanding stock options and vested options, respectively.

Three and Six Months Ended February 28, 2021

Grants - Pursuant to his appointment to the Board, on October 19, 2020, the Company's Board granted 50,000 options to Joseph Sierchio, Director, with an exercise price of \$3.42, exercisable on a cashless basis any time prior to the Company's listing of any of its securities for trading on a national stock exchange, six year term and vesting at the rate of 12,500 on the date of grant and 12,500 each anniversary thereafter.

Exercises – upon the exercise of 56,667 stock options by three individuals between December 18, 2020 and February 23, 2021, the Company received \$35,400 and issued 37,476 shares of restricted common stock. Of the 56,667 options exercised, 10,000 were exercised for cash at an exercise price of \$3.54 and 46,667 were exercised on a cashless basis resulting in the issuance of 27,476 shares of restricted common stock.

Forfeitures and cancellations – On December 18, 2020, Mr. John Conklin and the Company entered into an Amendment to the Separation, Consulting and Release of Claims Agreement dated November 24, 2020. Pursuant to the Amendment, no further payments are due to Mr. Conklin and all stock options granted under his employment agreement totaling 1,008,000 were cancelled. In addition, 37,500 unvested options granted to Mr. Conklin on July 5, 2019 were also cancelled. 16,667 options expired and 4,500 options that were previously canceled as a result of an employee reduction in hours were reinstated due to the continuation of that employee's services.

Three and Six Months Ended February 29, 2020

On October 9, 2019, the Company granted 153,000 options to an employee with a ten-year term, exercise price of \$2.32 per share and vesting at the rate of 1/36th per month. Additionally, on September 16, 2019, the Board granted 5,000 options with a six-year term to a consultant with an exercise price of \$3.54 per share and vesting at the rate of 1/20th per quarter.

The following table sets forth the share-based compensation cost resulting from stock option grants, including those previously granted and vesting over time, that were recorded in the Company's Statements of Operations for the three and six months ended February 28, 2021 and February 29, 2020:

	Three Months Ended February 28, 2021,	Three Months Ended February 29, 2020,	Six Months Ended February 28, 2021,	Six Months Ended February 29, 2020,
Stock Compensation Expense:				
SG&A	\$ 1,321,654	\$ 172,220	\$ 2,855,479	\$ 344,439
R&D	142,250	262,436	446,957	511,187
Total	<u>\$ 1,463,904</u>	<u>\$ 434,656</u>	<u>\$ 3,302,436</u>	<u>\$ 855,626</u>

As of February 28, 2021, the Company had \$2,305,188 of unrecognized compensation cost related to unvested stock options which is expected to be recognized over a period of 3.50 years.

The following table summarizes information about stock options outstanding and exercisable at February 28, 2021:

Range of Exercise Prices	Stock Options Outstanding			Stock Options Exercisable		
	Number of Shares Subject to Outstanding Options	Weighted Average Contractual Life (years)	Weighted Average Exercise Price (\$)	Number of Shares Subject To Options Exercise	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price (\$)
2.32	153,000	8.62	2.32	68,000	8.62	2.32
2.60	2,500,000	5.35	2.60	1,250,000	5.35	2.60
3.28	7,500	5.72	3.28	7,500	5.72	3.28
3.42	50,000	5.65	3.42	12,500	5.65	3.42
3.46	35,000	4.86	3.46	35,000	4.86	3.46
3.54	1,337,400	7.38	3.54	1,145,400	7.88	3.54
3.66	1,000,000	2.51	3.66	500,000	2.51	3.66
4.87	157,500	6.74	4.87	157,500	6.74	4.87
6.00	800,000	2.51	6.00	800,000	2.51	6.00
8.00	700,000	2.51	8.00	-	2.51	8.00
Total	<u>6,740,400</u>	<u>4.80</u>	<u>3.97</u>	<u>3,975,900</u>	<u>5.26</u>	<u>3.78</u>

NOTE 6 – Leases

On February 26, 2021, SolarWindow Asia entered into an apartment lease for the purposes of housing foreign personnel. The term of the apartment lease provide for a term of one year beginning March 7, 2021, monthly rent of approximately \$950 and a security deposit of approximately \$8,700 of which approximately \$900 was paid prior to February 28, 2021 and the remaining \$7,800 paid on March 8, 2021.

In September 2020, SolarWindow Asia entered a lease for office space in South Korea. The lease has a term of one year from September 23, 2020 through September 23, 2021 with monthly payments of approximately \$1,200.

The Company's policy is to record all leases with a term of less than one year as an operating lease with rent expensed recorded on a straight-line basis and to not recognize lease assets or lease liabilities.

On May 1, 2019, the Company leased office space in Vestal, New York and entered into a Professional Building Lease Agreement (the "Lease"). The Lease has an initial term of three years through May 1, 2022 with monthly rent due of \$2,200 for the first two years and \$2,266 during year three. On November 30, 2020, the Company terminated the Lease and entered into a lease termination agreement (the "Termination Agreement"). Pursuant to the terms of the Termination Agreement, the Company made a payment of \$26,400 and delivered the premises in good order including the removal of furniture and fixtures which the Company disposed, See "NOTE 3 – Property and Equipment" for additional information related to the disposal of the furniture and fixtures. All related assets and liabilities were written off with \$418 of unrecognized interest expense charged to rent expense.

As of November 30, 2020, the Company has not entered into any leases other than those described above which have not yet commenced and would entitle the Company to significant rights or create additional obligations.

The components of Lease expenses are as follows:

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020	Six Months Ended February 28, 2021 ^(a)	Six Months Ended February 29, 2020
Operating lease cost	\$ 4,639	\$ 6,666	\$ 40,280	\$ 13,332
Short-term lease costs	-	-	-	-
Total net lease costs	\$ 4,639	\$ 6,666	\$ -	\$ 13,332

^(a) Represents three months of rent expense at \$2,222 per month, \$26,400 lease termination fee, (\$418) of unrecognized interest expense and \$7,632 related to SolarWindow Asia.

Supplemental balance sheet information related to the Lease is as follows:

	February 28, 2021	August 31, 2020
Operating lease right-of-use asset	\$ -	\$ 42,212
Current maturities of operating lease	\$ -	\$ 24,828
Non-current operating lease	-	17,736
Total operating lease liabilities	\$ -	\$ 42,564
Weighted Average remaining lease term (in years):	-	1.67
Discount rate:	-	5.85%

NOTE 7 - Transactions with Related Persons

A related party with respect to the Company is generally defined as any person (i) (and, if a natural person, inclusive of his or her immediate family) that holds 10% or more of the Company's securities, (ii) that is part of the Company's management, (iii) that directly or indirectly controls, is controlled by or is under common control with the Company, or (iv) who can significantly influence the financial and operating decisions of the Company. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

On August 7, 2017, the Company appointed Jatinder Bhogal to the Board of Directors. Mr. Bhogal has provided consulting services to the Company through his wholly owned company, Vector Asset Management, Inc. ("VAMI"), pursuant to a Consulting Agreement dated February 1, 2014, as amended on November 11, 2016 and December 1, 2018 (Amendment No. 2). On July 1, 2020 the Company and VAMI entered into an Executive Consulting Agreement, which supersedes the foregoing agreements and pursuant to which Mr. Bhogal serves as a director of the Company and as its Chairman and Chief Executive Officer. Pursuant to the Consulting Agreements in effect prior to December 1, 2018, VAMI received compensation of \$5,000 per month. Beginning with Amendment No. 2, VAMI received compensation of \$18,750 per month and pursuant to the ECA, VAMI receives \$34,167 per month. VAMI also incurs expenses on behalf of the Company which are reimbursed according to the Company's expense report policy. In connection with the Consulting Agreements and ECA, the Company recognized cash compensation expense of \$102,500 and \$56,250 during the three months ended February 28, 2021 and February 29, 2020, respectively, and \$205,000 and \$112,500 during the six months ended February 28, 2021 and February 29, 2020, respectively. As of February 28, 2021, the Company recognized a related party payable to VAMI of \$34,167.

From time-to-time, Talia Jevan Properties, Inc., a British Columbia corporation wholly-owned by our former Chairman and majority shareholder, Harmel S. Rayat would make interest-free advances to the Company. Advances received totaled \$0 and \$5,692 during the three months ended February 28, 2021 and February 29, 2020, respectively, and \$0 and \$86,357 during the six months ended February 28, 2021 and February 29, 2020, respectively. On October 20, 2020, the Company repaid Talia Jevan Properties \$53,251, the balance owing as of our fiscal year end August 2020. As of February 28, 2021, there were no balances owing to Talia Jevan Properties, Inc.

Joseph Sierchio, one of the Company's directors, has maintained his role as the Company's General Counsel since its inception as Principal of the law firm of Sierchio & Partners, LLP, and then as a Partner with Satterlee Stephens LLP and beginning in August 2020, as Principal of Sierchio Law, LLP pursuant to an engagement letter which provides for an annual fee of \$175,000 in exchange for general counsel services. Mr. Sierchio resigned from the Board effective October 22, 2018, and was reappointed on October 1, 2020. Fees for legal services billed by Sierchio Law, LLP while Mr. Sierchio was a Director totaled \$43,750 and \$72,917 during the three and six months ended February 28, 2021, respectively.

All related party transactions are recorded at the exchange amount established and agreed to between related parties and are in the normal course of business.

NOTE 8 – Commitments and Contingencies

In September 2020, and February 2021, SolarWindow Asia entered into leases for office space and an apartment in South Korea. See "Note 6 - Leases" for additional information.

During 2019 the Company made payments totaling \$1,292,655 towards the purchase of manufacturing equipment with an estimated total cost of \$1,803,000. The remaining \$510,345 will be paid upon the completion of the equipment once the final specifications have been determined pending optimization of the Company's product iteration specific to this equipment.

COVID-19

In December 2019, an outbreak of the COVID-19 virus was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic and on March 13, 2020, President Donald J. Trump declared the virus a national emergency in the United States. This highly contagious disease has spread to most of the countries in the world and throughout the United States, creating a serious impact on customers, workforces and suppliers, disrupting economies and financial markets, and potentially leading to a world-wide economic downturn. It has caused a disruption of the normal operations of many businesses, including the temporary closure or scale-back of business operations and/or the imposition of either quarantine or remote work or meeting requirements for employees, either by government order or on a voluntary basis. The pandemic may adversely affect our operations, our employees and our employee productivity. It may also impact the ability of our subcontractors, partners, and suppliers to operate and fulfill their contractual obligations, and result in an increase in costs, delays or disruptions in performance. Our employees are working remotely and using various technologies to perform their functions. In reaction to the spread of COVID-19 in the United States, many businesses have instituted social distancing policies, including the closure of offices and worksites and deferring planned business activity. The disruption and volatility in the global and domestic capital markets may increase the cost of capital and limit our ability to access capital. Both the health and economic aspects of the COVID-19 virus are highly fluid and the future course of each is uncertain. For these reasons and other reasons that may come to light if the coronavirus pandemic and associated protective or preventative measures expand, we may experience a material adverse effect on our business operations, revenues and financial condition; however, its ultimate impact is highly uncertain and subject to change.

NOTE 9 - Net Income (Loss) Per Share

The computation of basic earnings per share ("EPS") is based on the weighted average number of shares that were outstanding during the period, including shares of common stock that are issuable at the end of the reporting period. The computation of diluted EPS is based on the number of basic weighted-average shares outstanding plus the number of common shares that would be issued assuming the exercise of all potentially dilutive common shares outstanding using the treasury stock method. The computation of diluted net income per share does not assume conversion, exercise or contingent issuance of securities that would have an antidilutive effect on earnings per share. Therefore, when calculating EPS if the Company experienced a loss, there is no inclusion of dilutive securities as their inclusion in the EPS calculation is antidilutive. Furthermore, options and warrants will have a dilutive effect under the treasury stock method only when the average market price of the common stock during the period exceeds the exercise price of the options or warrants (they are in the money).

Following is the computation of basic and diluted net loss per share for the periods presented:

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020	Six Months Ended February 28, 2021	Six Months Ended February 29, 2020
Basic and Diluted EPS Computation				
Numerator:				
Loss available to common stockholders'	\$ (2,149,270)	\$ (1,106,698)	\$ (4,686,305)	\$ (2,211,976)
Denominator:				
Weighted average number of common shares outstanding	53,072,574	52,959,323	53,015,949	52,959,323
Basic and diluted EPS	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>	<u>\$ (0.09)</u>	<u>\$ (0.04)</u>
The shares listed below were not included in the computation of diluted losses per share because to do so would have been antidilutive for the periods presented:				
Stock options	6,740,400	2,935,334	6,740,400	2,935,334
Warrants	19,283,517	19,483,517	19,283,517	19,483,517
Total shares not included in the computation of diluted losses per share	<u>26,023,917</u>	<u>22,418,851</u>	<u>26,023,917</u>	<u>22,418,851</u>

NOTE 10 – Subsequent Events

Management has reviewed material events subsequent of the period ended February 28, 2021 and through the date of filing of financial statements in accordance with FASB ASC 855 “Subsequent Events”. In managements opinion, no material subsequent events have occurred as of the date of this quarterly report.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Report on Form 10-Q contains forward-looking statements which involve assumptions and describe our future plans, strategies, and expectations, and are generally identifiable by use of words such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” or “project,” or the negative of these words or other variations on these words or comparable terminology. These statements are expressed in good faith and based upon a reasonable basis when made, but there can be no assurance that these expectations will be achieved or accomplished.

Such forward-looking statements include statements regarding, among other things, (a) the potential markets for our technologies, our potential profitability, and cash flows, (b) our growth strategies, (c) expectations from our ongoing research and development activities, (d) anticipated trends in the technology industry, (e) our future financing plans, and (f) our anticipated needs for working capital. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. These statements may be found under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as in this Form 10-Q generally. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the matters described in this Form 10-Q generally. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. In addition to the information expressly required to be included in this filing, we will provide such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading.

Although forward-looking statements in this report reflect the good faith judgment of our management, forward-looking statements are inherently subject to known and unknown risks, business, economic and other risks and uncertainties that may cause actual results to be materially different from those discussed in these forward-looking statements. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We assume no obligation to update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this report, other than as may be required by applicable law or regulation. Readers are urged to carefully review and consider the various disclosures made by us in our filings with the Securities and Exchange Commission which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operation and cash flows. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect our actual results may vary materially from those expected or projected.

Except where the context otherwise requires and for purposes of this Form 10-Q only, the terms “we,” “us,” “our,” “Company” “our Company,” and “SolarWindow” refer to SolarWindow Technologies, Inc., a Nevada corporation.

Overview

We are a developer of transparent electricity-generating coatings, and methods for their application to various materials (collectively, “**LiquidElectricity™ Coatings**”). When applied in ultra-thin layers to rigid glass, and flexible glass and plastic surfaces our LiquidElectricity™ Coatings transform otherwise ordinary surfaces into photovoltaic devices capable of generating electricity from natural sun, artificial light, and low, shaded, or reflected light conditions while maintaining transparency.

We have overcome major technical challenges and achieved many important milestones resulting in an expansion of the potential applications of LiquidElectricity™ Coatings which span multiple industries, including architectural, automotive, agrivoltaic, aerospace, commercial transportation and marine. Our LiquidElectricity™ Coatings are under development with support from commercial contract firms and at the U.S. Department of Energy’s National Renewable Energy Laboratory, through Cooperative Research and Development Agreements.

Research and Related Agreements

We are a party to certain agreements related to the development of our technology.

Stevenson-Wydler Cooperative Research and Development Agreement with the Alliance for Sustainable Energy

On March 18, 2011, we entered into the NREL CRADA with Alliance for Sustainable Energy, the operator of the NREL under its U.S. Department of Energy contract to advance the commercial development of our technology. Under terms of the NREL CRADA, NREL researchers make use of our exclusive intellectual property (“IP”), newly developed IP, and NREL’s background IP in order to work towards specific product development goals, established by the Company. Under the terms of the NREL CRADA, we agreed to reimburse Alliance for Sustainable Energy for filing fees associated with all documented, out-of-pocket costs directly related to patent application preparation and filings, and maintenance of the patent applications.

On March 6, 2013, we entered into Phase II of our NREL CRADA. Under the terms of the agreement, researchers will additionally work towards:

- further improving our technology efficiency and transparency;
- optimizing electrical power (current and voltage) output;
- optimizing the application of the active layer coatings and application processes which make it possible for LiquidElectricity™ Coatings to generate electricity on glass surfaces;
- developing improved electricity-generating coatings by enhancing performance, processing, reliability, and durability;
- optimizing LiquidElectricity™ Coating performance on flexible substrates; and
- developing high speed and large area roll-to-roll (R2R) and sheet-to-sheet (S2S) coating application methods required for commercial-scale building integrated photovoltaic (“BIPV”) products and windows.

On December 28, 2015, we entered into another modification to the NREL CRADA (the “**Modification**”). Under the Modification, (i) the date of completion was extended to December 2019; and (ii) the Company and the NREL will work jointly towards achieving specific product development goals and objectives for the purpose of preparing to commercialize our OPV-based transparent electricity-generating coatings for various applications, including BIPV, glass and flexible plastics.

Over the course of our collaborative research and development efforts with the NREL under the CRADA, both parties have agreed to modifications to extend the date of completion. The Company and NREL have entered into eight such No Cost Time Extensions (“**NCTE**”). Under the terms of each NCTE, all terms and conditions of the NREL CRADA remain in full force and effect without change. The current NCTE was executed on September 15, 2020 and extends the date of completion to December 31, 2021. As of February 28, 2021, the Company had a capitalized asset balance of \$346,837 related to deferred research and development costs for advances to Alliance for Sustainable Energy for work to be performed under the NREL CRADA.

U.S. Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy’s (EERE) Advanced Manufacturing Office (AMO) Cooperative Research and Development Agreement

On March 15, 2018 the Company was awarded it’s first-ever AMM CRADA by the DOE EERE AMO. SolarWindow was awarded the AMM CRADA after submitting a proposal outlining its coating technologies and fabrication methods to the DOE’s Roll-to-Roll Advanced Materials Manufacturing Consortium, led by ORNL and partnering with ANL, LBNL, and NREL. The AMM CRADA will be carried out with the DOE by SolarWindow, ANL, and NREL.

On September 15, 2020, we entered into NCTE that extends the date of completion to December 31, 2021 pursuant to which researchers work towards specific product development goals outlined in the AMM CRADA.

Through the developments of AMM CRADA, the Company accomplished initiatives to improve and optimize its laser patterning system and methods of fabrication for application of our electricity-generating coatings on flexible plastics. Once optimized for industry, this advancement is expected to reduce process time, improve device performance, and reduce the costs of LiquidElectricity™ Coating based plastic products. Another objective of the AMM CRADA is to develop and demonstrate a unique high-throughput process methodology for semitransparent OPV modules compatible with high process speeds for many different advanced material manufacturing systems.

Results of Operations

Our operating results for the fiscal quarter ended February 28, 2021 may not be indicative of the results that may be expected for the fiscal year ending August 31, 2021 because of the COVID-19 pandemic and other potential beneficial or detrimental unforeseen occurrences. In addition, our quarterly results of operations have varied in the past and are likely to do so again in the future. As such, we believe that period-to-period comparisons of our results of operations should not be relied upon as an indication of our future performance.

The following tables present the components of our consolidated results of operations for the periods indicated:

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020	2021 compared to 2020	
			Increase / (Decrease)	Percentage Change
Operating expenses:				
Selling, general & administrative	\$ 464,370	\$ 392,922	\$ 71,448	18%
Research and development	224,275	352,965	(128,690)	(36)%
Stock compensation	1,463,904	434,656	1,029,248	237%
Total Operating expense	<u>\$ 2,152,549</u>	<u>\$ 1,180,543</u>	<u>\$ 972,006</u>	<u>82%</u>

	Six Months Ended February 28, 2021	Six Months Ended February 29, 2020	2021 compared to 2020	
			Increase / (Decrease)	Percentage Change
Operating expenses:				
Selling, general & administrative	\$ 930,332	\$ 841,484	\$ 88,848	11%
Research and development	467,432	683,214	(215,782)	(32)%
Stock compensation	3,302,434	855,626	2,446,808	286%
Total Operating expense	<u>\$ 4,700,198</u>	<u>\$ 2,380,324</u>	<u>\$ 2,319,874</u>	<u>97%</u>

Comparison of the three and six months ended February 28, 2021, to the three and six months ended February 29, 2020

Selling, General and Administrative

Selling, general and administrative (“SG&A”) costs include all expenditures incurred other than research and development related costs, including costs related to personnel, professional fees, travel and entertainment, public company costs, insurance and other office related costs. During the three months ended February 28, 2021 compared to the three months ended February 29, 2020, SG&A costs increased due primarily to a \$38,463 increase in personnel costs and \$61,885 increase in other administrative costs offset by a decrease of \$28,901 in professional fees. During the six months ended February 28, 2021 compared to the three months ended February 29, 2020, SG&A costs increased due primarily to a \$56,713 increase in personnel costs and \$131,344 increase in other administrative costs offset by a decrease of \$99,209 in professional fees.

Research and Development

Research and Development (“R&D”) costs represent costs incurred to develop our SolarWindow™ technology and are incurred pursuant to our research agreements and agreements with other third-party providers and certain internal R&D cost allocations. Payments under these agreements include salaries and benefits for R&D personnel, allocated overhead, contract services and other costs. R&D costs are expensed when incurred, except for non-refundable advance payments for future research and development activities which are capitalized and recognized as expense as the related services are performed. During the three months ended February 28, 2021 compared to the three months ended February 29, 2020, R&D costs decreased as a result of a \$36,598 decrease in CRADA costs and \$61,867 decrease in personnel costs and \$30,225 decrease in other R&D related costs. During the six months ended February 28, 2021 compared to the three months ended February 29, 2020, R&D costs decreased as a result of a \$87,776 decrease in CRADA costs, \$55,280 decrease in personnel costs and \$72,726 decrease in other R&D related costs.

Stock Based Compensation

The Company grants stock options to its Directors, employees and consultants. Stock compensation represents the expense associated with the amortization of our stock options. Expense associated with equity-based transactions is calculated and expensed in our financial statements as required pursuant to various accounting rules and is non-cash in nature. Stock based compensation expense increased due primarily to the Company entering into an Executive Consulting Agreement with each of Mr. Jatinder S. Bhogal, CEO and Chairman and Mr. John Rhee, President and Director, pursuant to which each party was granted 2,500,000 stock purchase options in the fourth quarter of fiscal year 2020.

Other Income (Expense)

A summary of our other income (expense) for the periods presented is as follows:

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020	2021 compared to 2020
Other income (expense)			
Interest income	\$ 3,279	\$ 73,845	(70,566)
Total other income (expense)	<u>\$ 3,279</u>	<u>\$ 73,845</u>	<u>\$ (70,566)</u>

	Six Months Ended February 28,	Six Months Ended February 29,	2021 compared to 2020
Other income (expense)			
Interest income	\$ 22,668	\$ 168,348	(145,680)
Loss on disposal of assets	(8,775)	-	(8,775)
Total other income (expense)	<u>\$ 13,893</u>	<u>\$ 168,348</u>	<u>\$ (154,455)</u>

Interest income relates to the interest earned on our cash and cash equivalents and short-term investments. We experienced a decrease over the prior year primarily due to a decrease in the rate of interest earned. The loss on disposal of fixed assets relates to the closing of the Vestal, New York office and related disposal of office equipment and furniture.

Liquidity and Capital Resources

Our primary cash needs are for personnel, professional and development related fees and insurance. Our principal sources of liquidity are cash and cash equivalents and short-term investments. As of February 28, 2021 and August 31, 2020, we had cash and cash equivalents and short-term investments of \$13,477,264 and \$14,151,523, respectively. We have financed our operations primarily from the sale of equity and debt securities. We expect the cost of funding the South Korea office to be approximately \$850,000 over the twelve months ending August 31, 2021.

The following table presents a summary of our cash flows for the periods indicated:

	Six Months Ended February 28, 2021	Six Months Ended February 29, 2020	2021 compared to 2020
Net cash used in operating activities	\$ (1,316,951)	\$ (1,458,926)	\$ 141,975
Net cash used in investing activities	(5,069,486)	(5,031)	(5,064,455)
Cash flows from financing activities	719,400	-	719,400
Effect of exchange rate changes on cash and cash equivalents	(7,222)	-	(7,222)
Net (decrease) in cash and cash equivalents	<u>\$ (5,674,259)</u>	<u>\$ (1,463,957)</u>	<u>\$ (4,210,302)</u>

Operating Activities

Operating activities consist of net loss adjusted for certain non-cash items, including depreciation, non-cash lease expense, stock-based compensation expense, realized gains or losses on disposal of property and equipment, and the effect of working capital changes. The decrease over the prior period is mainly due to the timing of working capital accounts.

Investing Activities

We have used cash primarily for short-term investments, investments in property and equipment, and, to a lesser extent, for the purchase of furniture, office equipment, leasehold improvements to our Korean offices and computers and software. Net investment activities for capital expenditures were \$71,647 during the six months ended February 28, 2021, compared to \$5,031 during the six months ended February 29, 2020. Also, during the six months ended February 28, 2021, we purchased a twelve month term deposit in the amount of \$5,000,000.

Financing Activities

Cash flows from financing activities totaled \$719,400 as a result of the exercise of 200,000 Series S Warrants with a strike price of \$3.42 per share and the exercise of 10,000 stock options at a strike price of \$3.54 per share.

Indebtedness

None.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Other Contractual Obligations

See Note 8 to our consolidated financial statements for a discussion of our contractual obligations

Recent accounting pronouncements not yet adopted

See Note 2 to our consolidated financial statements, “Summary of significant accounting policies – Recent accounting pronouncements not yet adopted.”

Recently adopted accounting pronouncements

See Note 2 to our consolidated financial statements, “Summary of significant accounting policies – Recently adopted accounting pronouncements.”

Critical Accounting Policies and Significant Judgments’ and Use of Estimates

Management’s discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these consolidated financial statements required the use of estimates and judgments that affect the reported amounts of our assets, liabilities, and expenses. Management bases estimates on historical experience and other assumptions it believes to be reasonable under the circumstances and evaluates these estimates on an on-going basis. Actual results may differ from these estimates. There have been no significant changes to the critical accounting policies and estimates included in our Annual Report on Form 10-K for the fiscal year ended August 31, 2020.

Related Party Transactions

See Note 7 to our consolidated financial statements for a discussion of our related party transactions.

Corporate Information

SolarWindow Technologies, Inc., a Nevada corporation, was incorporated in 1998. The Company’s executive offices are located at 430 Park Avenue, Suite 702, New York, NY 10022. The Company’s telephone number is (800) 213-0689. Our Internet address is www.solarwindow.com. We make available free of charge through our Internet website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. The information accessible through our website is not a part of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rates. We do not hold or issue financial instruments for trading purposes.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “**Exchange Act**”), as of the end of the period covered by this quarterly report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of February 28, 2021, that our disclosure controls and procedures were effective such that the information required to be disclosed in our SEC filings is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended August 31, 2020, which could materially affect our business, financial condition, financial results, or future performance. There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended August 31, 2020.

Item 6. Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
<u>31.1</u>	<u>Certification of Principal Executive Officer Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*</u>
<u>31.2</u>	<u>Certification of Principal Financial Officer Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*</u>
<u>32.1</u>	<u>Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*</u>
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema Document**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document**

*Filed herewith

** Furnished herewith. XBRL (eXtensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

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.

SolarWindow Technologies, Inc.

By: /S/ Jatinder S. Bhogal
Jatinder S. Bhogal
Chief Executive Officer
(Principal Financial Officer)
Date: April 2, 2021

By: /S/ Justin Frere
Justin Frere, CPA
Interim Chief Financial Officer
(Principal Financial Officer)
Date: April 2, 2021

**CERTIFICATION PURSUANT TO RULE 13A-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jatinder S. Bhogal, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SolarWindow Technologies, Inc. (the “**Registrant**”);
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 consolidated 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. As the registrant’s certifying officer I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. As the registrant’s certifying officer I have disclosed, based on my 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: April 2, 2021

/S/ Jatinder S. Bhogal
Jatinder S. Bhogal
Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULE 13A-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Justin Frere, CPA, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SolarWindow Technologies, Inc. (the “**Registrant**”);
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 consolidated 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. As the registrant’s certifying officer I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. As the registrant’s certifying officer I have disclosed, based on my 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: April 2, 2021

/s/ Justin Frere
Justin Frere, CPA
Interim Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, as the Chief Executive Officer and the Interim Chief Financial Officer of SolarWindow Technologies, Inc., respectively, certifies that, to the best of their knowledge and belief, the Quarterly Report on Form 10-Q for the three and six months ended February 28, 2021 that accompanies this certification fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of SolarWindow Technologies, Inc. at the dates and for the periods indicated. The foregoing certification is made pursuant to 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and shall not be relied upon for any other purpose.

Date: April 2, 2021

/S/ Jatinder S. Bhogal

Jatinder S. Bhogal

Chief Executive Officer and Director
(Principal Executive Officer)

Date: April 2, 2021

/S/ Justin Frere

Justin Frere, CPA

Interim Chief Financial Officer
(Principal Financial Officer)