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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2022.

or

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: 001-39470.

VIEW, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

195 South Milpitas Blvd
Milpitas, California
(Address of principal executive offices)

84-3235065
(I.R.S. Employer
Identification No.)

95035
(Zip Code)

(408) 263-9200
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value, \$0.0001 per share	VIEW	The Nasdaq Global Market
Redeemable warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of \$11.50	VIEWW	The Nasdaq Global Market

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

Non-accelerated filer

Accelerated filer

Smaller reporting company

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.

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

As of August 4, 2022, 219,227,971 shares of Class A common stock, par value \$0.0001 of the registrant were issued and outstanding.

View, Inc.
Quarterly Report on Form 10-Q

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Note Regarding Forward Looking Statements

Certain statements included in this Quarterly Report on Form 10-Q that are not historical facts are forward-looking statements within the meaning of the federal securities laws, including safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are sometimes accompanied by words such as “believe,” “continue,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “predict,” “plan,” “may,” “should,” “will,” “would,” “potential,” “seem,” “seek,” “outlook” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. These statements are based on various assumptions, whether or not identified in this Quarterly Report on Form 10-Q. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by an investor, as a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company. Many factors could cause actual future events to differ from the forward-looking statements in this Quarterly Report on Form 10-Q. These risks and uncertainties may be amplified by the COVID-19 pandemic, which has caused significant economic uncertainty. You should carefully consider the factors and the other risks and uncertainties described in Part II, Item 1A of this Quarterly Report on Form 10-Q and in the Company's 2021 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) on June 15, 2022. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. The Company does not give any assurance that it will achieve its expectations.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements (Unaudited)****View, Inc.****Condensed Consolidated Balance Sheets****(unaudited)**

(in thousands, except share and per share data)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 111,242	\$ 281,081
Accounts receivable, net of allowances	31,012	30,605
Inventories	17,118	10,267
Prepaid expenses and other current assets	24,082	21,579
Total current assets	183,454	343,532
Property and equipment, net	265,482	268,401
Restricted cash	16,459	16,462
Right-of-use assets	19,841	21,178
Other assets	26,319	29,493
Total assets	\$ 511,555	\$ 679,066
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 9,538	\$ 24,186
Accrued expenses and other current liabilities	56,508	59,456
Accrued compensation	9,516	9,508
Deferred revenue	7,904	11,460
Total current liabilities	83,466	104,610
Debt, non-current	13,225	13,960
Sponsor earn-out liability	1,485	7,624
Lease liabilities	21,346	22,997
Other liabilities	42,344	50,537
Total liabilities	161,866	199,728
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock, \$0.0001 par value; 600,000,000 shares authorized as of June 30, 2022 and December 31, 2021; 219,227,971 and 219,195,971 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	22	22
Additional paid-in capital	2,772,256	2,736,647
Accumulated deficit	(2,422,589)	(2,257,331)
Total stockholders' equity	349,689	479,338
Total liabilities and stockholders' equity	\$ 511,555	\$ 679,066

The accompanying notes are an integral part of these condensed consolidated financial statements.

View, Inc.**Condensed Consolidated Statements of Comprehensive Loss
(unaudited)**

(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue	\$ 16,316	\$ 16,926	\$ 33,328	\$ 26,695
Costs and expenses:				
Cost of revenue	39,531	49,610	80,093	85,789
Research and development	20,908	21,040	40,603	37,610
Selling, general, and administrative	40,755	34,633	83,714	56,333
Total costs and expenses	101,194	105,283	204,410	179,732
Loss from operations	(84,878)	(88,357)	(171,082)	(153,037)
Interest and other expense (income), net				
Interest expense, net	69	316	266	5,619
Other expense (income), net	(187)	4,978	141	6,420
(Gain) loss on fair value change, net	(1,904)	2,065	(6,285)	(5,348)
Loss on extinguishment of debt	—	—	—	10,018
Interest and other expense (income), net	(2,022)	7,359	(5,878)	16,709
Loss before provision for income taxes	(82,856)	(95,716)	(165,204)	(169,746)
Provision for income taxes	30	4	54	9
Net and comprehensive loss	\$ (82,886)	\$ (95,720)	\$ (165,258)	\$ (169,755)
Net loss per share, basic and diluted	\$ (0.39)	\$ (0.45)	\$ (0.77)	\$ (1.26)
Weighted-average shares used in calculation of net loss per share, basic and diluted	214,253,209	212,116,112	214,242,768	134,240,831

The accompanying notes are an integral part of these condensed consolidated financial statements.

View, Inc.
Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)
(unaudited)

(in thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balances as of December 31, 2021	—	\$ —	219,196	\$ 22	\$ 2,736,647	\$ (2,257,331)	\$ 479,338
Vesting of restricted stock units	—	—	26	—	—	—	—
Stock-based compensation	—	—	—	—	17,468	—	17,468
Net loss	—	—	—	—	—	(82,372)	(82,372)
Balances as of March 31, 2022	—	\$ —	219,222	\$ 22	\$ 2,754,115	\$ (2,339,703)	\$ 414,434
Vesting of restricted stock units	—	—	6	—	—	—	—
Stock-based compensation	—	—	—	—	18,141	—	18,141
Net loss	—	—	—	—	—	(82,886)	(82,886)
Balances as of June 30, 2022	—	\$ —	219,228	\$ 22	\$ 2,772,256	\$ (2,422,589)	\$ 349,689
Balances as of December 31, 2020	5,222,852	\$ 1,812,678	73,483	\$ 7	\$ 89,782	\$ (1,914,353)	\$ (1,824,564)
Retroactive application of reverse recapitalization (Note 2)	(5,101,421)	—	(71,774)	(7)	7	—	—
Balances as of December 31, 2020, as converted	121,431	\$ 1,812,678	1,709	\$ —	\$ 89,789	\$ (1,914,353)	\$ (1,824,564)
Conversion of redeemable convertible preferred stock to common stock in connection with reverse recapitalization	(121,431)	(1,812,678)	121,431	12	1,812,666	—	1,812,678
Reverse recapitalization transaction, net of fees	—	—	93,865	10	745,741	—	745,751
Conversion of redeemable convertible preferred stock warrants to common stock warrants in connection with reverse recapitalization	—	—	—	—	7,267	—	7,267
Issuance of common stock upon exercise of stock options	—	—	72	—	382	—	382
Stock-based compensation	—	—	—	—	10,463	—	10,463
Net loss	—	—	—	—	—	(74,035)	(74,035)
Balances as of March 31, 2021	—	\$ —	217,077	\$ 22	\$ 2,666,308	\$ (1,988,388)	\$ 677,942
Issuance of common stock upon exercise of stock options	—	—	4	—	31	—	31
Vesting of restricted stock units	—	—	35	—	—	—	—
Stock-based compensation	—	—	—	—	22,274	—	22,274
Net loss	—	—	—	—	—	(95,720)	(95,720)
Balances as of June 30, 2021	—	\$ —	217,116	\$ 22	\$ 2,688,613	\$ (2,084,108)	\$ 604,527

The accompanying notes are an integral part of these condensed consolidated financial statements.

View, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

	Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (165,258)	\$ (169,755)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	11,874	14,021
Loss on extinguishment of debt	—	10,018
Gain on fair value change, net	(6,285)	(5,348)
Stock-based compensation	35,609	32,737
Other	524	917
Changes in operating assets and liabilities:		
Accounts receivable	(256)	(662)
Inventories	(6,851)	(1,812)
Prepaid expenses and other current assets	(644)	(3,421)
Other assets	1,972	(2,521)
Accounts payable	(8,724)	(3,378)
Deferred revenue	(3,556)	2,487
Accrued compensation	8	646
Accrued expenses and other liabilities	(11,661)	903
Net cash used in operating activities	(153,248)	(125,168)
Cash flows from investing activities:		
Purchases of property and equipment	(12,147)	(5,820)
Disbursement of loan receivable	(1,589)	—
Net cash used in investing activities	(13,736)	(5,820)
Cash flows from financing activities:		
Repayment of revolving debt facility	—	(257,454)
Repayment of other debt obligations	(735)	—
Payments of obligations under finance leases	(264)	(356)
Proceeds from issuance of common stock upon exercise of stock options	—	403
Proceeds from reverse recapitalization and PIPE financing	—	815,184
Payment of transaction costs related to reverse recapitalization	—	(41,655)
Net cash provided by (used in) financing activities	(999)	516,122
Net (decrease) increase in cash, cash equivalents, and restricted cash	(167,983)	385,134
Cash, cash equivalents, and restricted cash, beginning of period	297,543	74,693
Cash, cash equivalents, and restricted cash, end of period	\$ 129,560	\$ 459,827
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 39	\$ 19,329
Non-cash investing and financing activities:		
Payables and accrued liabilities related to purchases of property and equipment	\$ 2,674	\$ 1,273
Conversion of redeemable convertible preferred stock to common stock	\$ —	\$ 1,812,678
Conversion of redeemable convertible preferred stock warrants to common stock warrants	\$ —	\$ 7,267
Common stock issued in exchange for services associated with the reverse recapitalization	\$ —	\$ 7,500

The accompanying notes are an integral part of these condensed consolidated financial statements.

View, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization and Summary of Significant Accounting Policies

Organization

View, Inc. (f/k/a CF Finance Acquisition Corp. II) and its wholly-owned subsidiaries (collectively “View” or the “Company”), headquartered in Milpitas, California, is a technology company that manufactures smart building products intended to help improve people’s health, productivity, and experience, while simultaneously reducing energy consumption. View’s primary product is a proprietary electrochromic or “smart” glass panel that when combined with View’s proprietary network infrastructure and software, intelligently adjusts in response to the sun by tinting from clear to dark states, and vice versa thereby reducing heat and glare. The Company is devoting substantially all of its efforts towards the manufacturing, sale and further development of its product platforms, and marketing of both custom and standardized product solutions.

On March 8, 2021 (the “Closing Date” or “Closing”), CF Finance Acquisition Corp. II (“CF II”), a Delaware corporation, consummated the previously announced merger pursuant to an Agreement and Plan of Merger, dated November 30, 2020 (the “Merger Agreement”), by and among CF II, PVMS Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of CF II (“Merger Sub”), and View, Inc. (hereinafter referred to as “Legacy View”). Pursuant to the Merger Agreement, a business combination between CF II and Legacy View was effected through the merger of Merger Sub with and into Legacy View, with Legacy View (the “Business Combination”) surviving as the surviving company and as a wholly-owned subsidiary of CF II (the “Merger” and collectively with the other transactions described in the Merger Agreement, the “Transactions”). On the Closing Date, CF II changed its name from CF Finance Acquisition Corp. II to View, Inc. and Legacy View changed its name to View Operating Corporation.

On March 8, 2021, the Company completed the Transactions and raised net proceeds of \$771.3 million, net of transaction costs of \$43.9 million. In conjunction with the Transactions, the Company repaid in full the revolving debt facility of \$276.8 million, including accrued interest and future interest through maturity of the notes of \$26.8 million. See [Note 2](#) for additional information regarding the reverse recapitalization.

Basis of Presentation

The condensed consolidated financial statements and accompanying notes have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) and regulations of the U.S. Securities and Exchange Commission (“SEC”) for interim financial reporting and are unaudited. The Company’s condensed consolidated financial statements include the accounts of View, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The Company’s fiscal year ends on December 31.

Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2021, included in the Company’s 2021 Annual Report on Form 10-K filed with the SEC on June 15, 2022 (the “2021 Annual Report on Form 10-K”). The information as of December 31, 2021 included in the condensed consolidated balance sheets was derived from those audited consolidated financial statements.

For the three and six months ended June 30, 2022 and 2021, there was no difference between net loss and total comprehensive loss.

As a result of the Transactions completed on March 8, 2021, prior period share and per share amounts presented in the accompanying condensed consolidated financial statements and these related notes have been retroactively converted in an amount determined by application of the exchange ratio of 0.02325 (“Exchange Ratio”), which was based on Legacy View’s implied price per share prior to the Merger.

The condensed consolidated financial statements were prepared on the same basis as the audited consolidated financial statements and included herein reflect all adjustments, including normal recurring adjustments, which are, in the opinion of management, necessary for a fair statement of the Company’s financial position as of June 30, 2022, the results of operations for the three and six months ended June 30, 2022 and the cash flows for the six months ended June 30, 2022. The results of operations for the three and six months ended June 30, 2022 are not necessarily indicative of the results that may be expected for the full year or any other future interim or annual periods.

All amounts are presented in U.S. dollars (\$).

View, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Liquidity and Going Concern

The accompanying condensed consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Since inception, the Company has not achieved profitable operations or positive cash flows from operations. The Company's accumulated deficit totaled \$2,422.6 million as of June 30, 2022. For the six months ended June 30, 2022, we had a net loss of approximately \$165.3 million and negative cash flows from operations of approximately \$153.2 million. In addition, for the six months ended June 30, 2021, we had a net loss of approximately \$169.8 million and negative cash flows from operations of approximately \$125.2 million. Cash and cash equivalents as of June 30, 2022 was \$111.2 million. The Company has historically financed its operations through the issuance and sale of redeemable convertible preferred stock, the issuance of debt financing, the gross proceeds associated with the Merger and revenue generation from product sales. The Company's continued existence is dependent upon its ability to obtain additional financing, enter into profitable sales contracts and generate sufficient cash flow to meet its obligations on a timely basis. The Company's business will require significant amounts of capital to sustain operations and the Company will need to make the investments it needs to execute its long-term business plans.

The Company has determined that there is substantial doubt about its ability to continue as a going concern, as the Company does not currently have adequate financial resources to fund its forecasted operating costs and meet its obligations beyond November 2022. To address its cash needs, the Company continues to pursue additional sources of capital. If the Company is unable to obtain adequate capital resources to fund its obligations, the Company will formulate additional plans to extend cash availability beyond such date, including modifying our operations to reduce spending.

While the Company is seeking to raise additional capital beyond the Committed Equity Facility, as described further in [Note 14](#), there can be no assurance the necessary financing will be available on terms acceptable to the Company, or at all. If the Company raises funds by issuing equity securities, dilution to stockholders may result. Any equity securities issued may also provide for rights, preferences, or privileges senior to those of holders of common stock. If we raise funds by issuing debt securities, these debt securities would have rights, preferences, and privileges senior to those of preferred and common stockholders. The terms of debt securities or borrowings could impose significant restrictions on our operations. The capital markets have experienced in the past, and may experience in the future, periods of upheaval that could impact the availability and cost of equity and debt financing. In addition, recent and anticipated future increases in federal fund rates set by the Federal Reserve, which serve as a benchmark for rates on borrowing, will impact the cost of debt financing.

If we are unable to obtain adequate capital resources to fund operations, we would not be able to continue to operate our business pursuant to our current business plan, which would require us to modify our operations to reduce spending to a sustainable level by, among other things, delaying, scaling back or eliminating some or all of our ongoing or planned investments in corporate infrastructure, business development, sales and marketing, research and development and other activities, which would have a material impact on our operations and our ability to increase revenues, or we may be forced to discontinue our operations entirely.

Summary of Significant Accounting Policies

There have been no significant changes to the significant accounting policies disclosed in Note 1 of the audited consolidated financial statements as of and for the year ended December 31, 2021 included in the Company's 2021 Annual Report on Form 10-K.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents, restricted cash, and accounts receivable. Cash and cash equivalents are held by domestic financial institutions with high credit standings. Such deposits may, at times, exceed federally insured limits. As of June 30, 2022, the Company has not experienced any losses on its deposits of cash and cash equivalents.

For the six months ended June 30, 2022, two customers represented greater than 10.0% of total revenue, each accounting for 16.9% and 16.6% of total revenue. For the six months ended June 30, 2021, three customers represented greater than 10.0% of total revenue, each accounting for 16.5%, 11.8% and 10.1% of total revenue. Three customers accounted for 40.8% of accounts receivable, net as of June 30, 2022, each accounting for 16.1%, 12.9% and 11.8%, respectively. Four customers accounted for 53.0% of accounts receivable, net as of December 31, 2021, each accounting for 15.2%, 13.3%, 12.8% and 11.8%, respectively. Accounts receivable are stated at the amount the Company expects to collect. The Company generally does not require

View, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

collateral or other security in support of accounts receivable. To reduce credit risk, management performs ongoing credit evaluations of its customers' financial condition.

Certain materials used by the Company in the manufacturing of its products are purchased from a limited number of suppliers. Shortages could occur in these materials due to an interruption of supply or increased demand in the industry. For the six months ended June 30, 2022, each of three suppliers accounted for 20.0%, 19.1% and 14.2% of total purchases, respectively. For the six months ended June 30, 2021, one supplier accounted for 34.5% of total purchases.

Segment Reporting

Operating segments are defined as components of an entity where discrete financial information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company operates and manages its business as one reportable and operating segment. The Company's chief executive officer, who is the chief operating decision maker, reviews financial information on a consolidated basis for purposes of allocating resources and assessing performance. All material long-lived assets are maintained in the United States. See "Concentration of Credit Risk and Other Risks and Uncertainties" for further information on revenue by customer and [Note 3](#) for further information on revenue by geography and categorized by products and services.

Recent Accounting Pronouncements, Adopted

In May 2021, the FASB issued ASU No. 2021-04, *Earnings Per Share (Topic 260), Debt — Modifications and Extinguishments (Subtopic 470-50), Compensation — Stock Compensation (Topic 718), and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options* ("ASU No. 2021-04"). This ASU provides a principles-based framework for issuers to account for a modification or exchange of freestanding equity-classified written call options that remain equity classified after the modification or exchange based on the economic substance of the modification or exchange. The Company adopted this standard as of the first quarter of 2022 and the adoption did not have an impact on the condensed consolidated financial statements.

Recent Accounting Pronouncements, Not Yet Adopted

In August 2020, the FASB issued No. ASU 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"). This ASU simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument and more convertible preferred stock as a single equity instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for it. The ASU also simplifies the diluted earnings per share ("EPS") calculation in certain areas. ASU 2020-6 is effective for fiscal years beginning after December 15, 2023 including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating whether this guidance will have a significant impact on its condensed consolidated financial statements.

2. Reverse Recapitalization

In connection with the Merger, the Company raised \$815.2 million of gross proceeds including the contribution of \$374.1 million of cash held in CF II's trust account from its initial public offering, net of redemptions of CF II Class A Common Stock held by CF II's public stockholders of \$125.9 million, \$260.8 million of private investment in public equity ("PIPE") at \$10.00 per share of CF II's Class A Common Stock, and \$180.3 million of additional PIPE at \$11.25 per share of CF II's Class A Common Stock.

Immediately before the Merger, all of Legacy View's outstanding warrants were net exercised for shares of Legacy View Class A common stock. Upon consummation of the Merger, all holders of Legacy View Class A common stock and redeemable convertible preferred stock received shares of the Company's Class A common stock at a deemed value of \$10.00 per share after giving effect to the Exchange Ratio based on the completion of the following transactions contemplated by the Merger Agreement:

- the cancellation of each issued and outstanding share of Legacy View Capital Stock and the conversion into the right to receive a number of shares of View, Inc. Class A Common Stock equal to the Exchange Ratio;

View, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

- the conversion of all outstanding Legacy View Warrants into warrants exercisable for shares of View Inc. Class A Common Stock with the same terms except for the number of shares exercisable and the exercise price, each of which was adjusted using the Exchange Ratio; and
- the conversion of all outstanding vested and unvested Legacy View Options into options exercisable for shares of View Inc. Class A Common Stock with the same terms except for the number of shares exercisable and the exercise price, each of which was adjusted using the Exchange Ratio.

In connection with the Merger, the Company incurred \$43.9 million of Transaction costs, consisting of underwriting, legal, and other professional fees, of which \$42.4 million was recorded to additional paid-in capital as a reduction of proceeds and the remaining \$1.5 million was expensed immediately.

The number of shares of Class A common stock issued immediately following the consummation of the Merger on March 8, 2021 was:

	Number of Shares
Common stock of CF II outstanding prior to the Merger ¹	62,500,000
Less redemption of CF II shares	(12,587,893)
CF II Sponsor Earnout Shares outstanding prior to the Merger	1,100,000
Common stock of CF II	51,012,107
Shares issued in PIPE financing	42,103,156
Shares issued for in kind banker fee payment	750,000
Merger and PIPE financing shares	42,853,156
Legacy View shares converted ²	123,211,449
Total	217,076,712

¹ Includes CF II Class A shareholders of 50,000,000 and CF II Class B shareholders of 12,500,000.

² The number of Legacy View shares was determined from the 76,565,107 shares of Legacy View common stock and 5,222,852,052 shares of Legacy View redeemable convertible preferred stock outstanding, which were converted to an equal number of shares of Legacy View common stock upon the closing of the Merger, and then converted at the Exchange Rate to Class A common stock of the Company. All fractional shares were rounded down to the nearest whole share.

The Merger was accounted for as a reverse recapitalization because Legacy View was determined to be the accounting acquirer. Under this method of accounting, CF II was treated as the “acquired” company for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of the Company will represent a continuation of the financial statements of Legacy View with the Merger treated as the equivalent of Legacy View issuing stock for the net assets of CF II, accompanied by a recapitalization. The net assets of CF II will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Merger are those of Legacy View.

Legacy View was determined to be the accounting acquirer based on the following facts and circumstances:

- Legacy View stockholders comprised a relative majority of voting power of View;
- Legacy View had the ability to nominate a majority of the members of the board of directors of View;
- Legacy View’s operations prior to the acquisition comprising the only ongoing operations of View;
- Legacy View’s senior management comprising a majority of the senior management of View; and
- View substantially assuming the Legacy View name.

3. Revenue

Disaggregation of Revenue

The Company disaggregates revenue between products and services, as well as by major product offering and by geographic market that depict the nature, amount, and timing of revenue and cash flows.

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The following table summarizes the Company's revenue by products and services (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue:				
Products	\$ 15,380	\$ 16,814	\$ 30,913	\$ 26,525
Services	936	112	2,415	170
Total	\$ 16,316	\$ 16,926	\$ 33,328	\$ 26,695

View Smart Glass contracts to provide Controls, Software and Services ("CSS") include the sale of both products and services. These services primarily relate to CSS installation and commissioning and are presented in the table above as Services. Also included within Services in the table above are revenues associated with extended or enhanced warranties. View Smart Glass contracts to provide insulating glass units ("IGUs"), View Smart Building Platform contracts and View Smart Building Technologies contracts relate to the sale of products.

The following table summarizes the Company's revenue by major product offering (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue:				
Smart Glass	\$ 4,306	\$ 11,580	\$ 9,489	\$ 19,795
Smart Building Platform	9,055	5,136	18,261	5,136
Smart Building Technologies	2,955	210	5,578	1,764
Total	\$ 16,316	\$ 16,926	\$ 33,328	\$ 26,695

During the three months ended June 30, 2022 and 2021, the Company recognized a total of zero and \$12.2 million, respectively, for initial contract loss accruals and incurred \$4.2 million and \$2.9 million, respectively, of previously accrued losses which result in a decrease to the accrual. During the six months ended June 30, 2022 and 2021, the Company recognized a total of \$2.5 million and \$14.3 million, respectively, for initial contract loss accruals and incurred \$8.2 million and \$2.9 million, respectively, of previously accrued losses which result in a decrease to the accrual.

Changes in estimated costs to complete View Smart Building Platform projects and the related effect on revenue are recognized using a cumulative catch-up adjustment which recognizes in the current period the cumulative effect of the changes on current and prior periods based on a contract's progress towards fulfillment of the performance obligation. The cumulative catch-up adjustments were nil for both the three months ended June 30, 2022 and 2021. The cumulative catch-up adjustments were \$0.8 million and nil for the six months ended June 30, 2022 and 2021, respectively.

The balance of estimated contract losses for work that had not yet been completed totaled \$14.2 million and \$20.7 million as of June 30, 2022 and December 31, 2021, respectively.

The following table summarizes the Company's revenue by geographic area, which is based on the shipping address of the customers (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue:				
United States	\$ 14,825	\$ 12,053	\$ 31,109	\$ 21,718
Canada	1,443	4,403	2,161	4,507
Other	48	470	58	470
Total	\$ 16,316	\$ 16,926	\$ 33,328	\$ 26,695

Remaining Performance Obligations

The Company's IGU contracts are short-term in nature and the practical expedient has been applied. The Company's performance obligations in CSS contracts are generally short-term in nature, for which the practical expedient has been applied, with the exception of commissioning services, which are provided at the end of a construction project. Revenue for commissioning services performance obligations is not material. The Company's performance obligations in Smart Building

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Platform contracts are longer-term in nature, however many of these contracts provide the customer with a right to cancel or terminate for convenience with no substantial penalty. The transaction price allocated to remaining performance obligations for non-cancelable Smart Building Platform contracts as of June 30, 2022 was \$7.2 million that the Company expects to recognize as it satisfies the performance obligations over the next 12 to 24 months which are, among other things, dependent on the construction schedule of the site for which the Company's products and services are provided. The Company's performance obligations in Smart Building Technologies contracts are generally short-term in nature, for which the practical expedient has been applied.

Contract Assets and Liabilities

Contract assets reflect revenue recognized and performance obligations satisfied in advance of customer billing, where payment is conditional, as well as retainage for amounts that we have billed to the customer but are being held for payment by the customer pending satisfactory completion of the project. Current contract assets as of June 30, 2022 and December 31, 2021 were \$12.0 million and \$11.5 million, respectively, and were included in other current assets. The increase in 2021 primarily relates to contract assets associated with View Smart Building Platform contracts, which commenced in 2021. The progress billing schedules for these contracts result in timing differences as compared to the Company's satisfaction of its performance obligation. Non-current contract assets as of June 30, 2022 and December 31, 2021 were \$0.7 million and \$0.7 million, respectively, and were included in other assets.

Contract liabilities relate to amounts invoiced or consideration received from customers, typically for the Company's CSS contracts, in advance of the Company's satisfaction of the associated performance obligation. Such contract liabilities are recognized as revenue when the performance obligation is satisfied. Contract liabilities are presented as deferred revenue on the condensed consolidated balance sheets.

Revenue recognized during the three and six months ended June 30, 2022, which was included in the opening contract liability balance as of December 31, 2021 was \$1.9 million and \$4.2 million, respectively. Revenue recognized during the three and six months ended June 30, 2021, which was included in the opening contract liability balance as of December 31, 2020 was insignificant in both periods.

4. Fair Value

Fair value is defined as an exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be either recorded or disclosed at fair value, the Company considers the principal or most advantageous market in which it would transact, and it also considers assumptions that market participants would use when pricing the asset or liability.

The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. U.S. GAAP establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

- Level 1 Observable inputs such as quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 Inputs other than the quoted prices in active markets that are observable either directly or indirectly.
- Level 3 Unobservable inputs in which there are little or no market data and which require the Company to develop its own assumptions.

At Closing, the Sponsor subjected 4,970,000 shares ("Sponsor Earn-Out Shares") to vesting and potential forfeiture (and related transfer restrictions) based on a five year post-Closing earnout, with (a) 50% of the Sponsor Earn-Out Shares being released if the stock price of the Company exceeds \$12.50 for 5 out of any 10 trading days, (b) 25% of the Sponsor Earn-Out Shares being released if the stock price of the Company exceeds \$15.00 for 5 out of any 10 trading days and (c) 25% of the Sponsor Earn-Out Shares being released if the stock price of the Company exceeds \$20.00 for 5 out of any 10 trading days, in each case, subject to early release for a sale, change of control or going private transaction or delisting after the Closing (collectively, the "Earn-Out Triggering Events").

These Sponsor Earn-Out Shares are accounted for as liability classified instruments because the Earn-Out Triggering Events that determine the number of Sponsor Earn-Out Shares to be earned back by the Sponsor include events that are not solely

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indexed to the common stock of the Company. As of June 30, 2022, the Earn-Out Triggering Events were not achieved for any of the tranches and as such the Company adjusted the carrying amount of the liability to its estimated fair value.

The following table presents information about the Company's financial assets and liabilities measured at fair value on a recurring basis (in thousands):

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	\$ 87,693	\$ —	\$ —	\$ 87,693
Total cash equivalents	87,693	—	—	87,693
Restricted cash:				
Certificates of deposit	—	18,318	—	18,318
Total assets measured at fair value	\$ 87,693	\$ 18,318	\$ —	\$ 106,011
Liabilities:				
Sponsor earn-out liability	\$ —	\$ —	\$ 1,485	\$ 1,485
Private warrants liability	—	—	28	28
Total liabilities measured at fair value	\$ —	\$ —	\$ 1,513	\$ 1,513
December 31, 2021				
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	\$ 247,500	\$ —	\$ —	\$ 247,500
Total cash equivalents	247,500	—	—	247,500
Restricted cash:				
Certificates of deposit	—	16,462	—	16,462
Total assets measured at fair value	\$ 247,500	\$ 16,462	\$ —	\$ 263,962
Liabilities:				
Sponsor earn-out liability	\$ —	\$ —	\$ 7,624	\$ 7,624
Private warrants liability	—	—	174	174
Total liabilities measured at fair value	\$ —	\$ —	\$ 7,798	\$ 7,798

The following table provides a reconciliation of the beginning and ending balances for the level 3 financial liabilities measured at fair value using significant unobservable inputs (in thousands):

	Sponsor Earn-out Liability	Private Warrants
Balance as of December 31, 2021	\$ 7,624	\$ 174
Change in fair value	(6,139)	(146)
Balance as of June 30, 2022	\$ 1,485	\$ 28

Sponsor Earn-out Shares, Private Warrants and redeemable convertible preferred stock warrants are or were subject to remeasurement to fair value at each balance sheet date. See [Note 2](#) for additional information regarding the reverse recapitalization and the conversion of the redeemable convertible preferred stock warrants at the time of the Merger. Changes in fair value as a result of the remeasurement are recognized in gain on fair value change, net in the condensed consolidated statements of comprehensive loss.

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The following table summarizes the (gain) loss on fair value change, net (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Sponsor Earn-out Liability	\$ (1,846)	\$ 2,118	\$ (6,139)	\$ (342)
Private Warrants	(58)	(53)	(146)	50
Redeemable Convertible Preferred Stock Warrants	—	—	—	(5,056)
(Gain) loss on fair value change, net	\$ (1,904)	\$ 2,065	\$ (6,285)	\$ (5,348)

Valuation of Sponsor Earn-Out liability

The estimated fair value of the Sponsor Earn-Out Shares was determined using a Monte Carlo simulation valuation model using the following assumptions:

	June 30, 2022	December 31, 2021
Stock price	\$1.62	\$3.91
Expected volatility	62.25%	52.50%
Risk free rate	3.00%	1.12%
Expected term (in years)	3.7	4.2
Expected dividends	0%	0%

Current stock price: The stock price was based on the closing price as of the valuation date.

Expected volatility: The volatility rate of the Sponsor Earn-Out Shares was determined using a Monte Carlo simulation to estimate the implied volatility of the Public Warrants as such warrants are publicly traded.

Risk-free interest rate: The risk-free interest rate is based on the U.S. Treasury yield curve for zero-coupon U.S. Treasury notes with maturities corresponding to the remaining expected term of the earnout period.

Expected term: The expected term is the remaining contractual term of the earnout period.

Expected dividend yield: The expected dividend rate is zero as the Company currently has no history or expectation of declaring dividends in the foreseeable future.

Valuation of Private Warrants

The estimated fair value of the Private Warrants was determined using the Black-Scholes option-pricing model using the following assumptions:

	June 30, 2022	December 31, 2021
Stock price	\$1.62	\$3.91
Expected volatility	62.30%	52.50%
Risk free rate	2.99%	1.04%
Expected term (in years)	3.2	3.7
Expected dividends	0%	0%

Other

The carrying amounts of cash equivalents relating to demand deposits and U.S. Treasury bills, accounts receivable, and accounts payable approximates fair value due to the short maturity of these instruments. The carrying amount of long-term trade receivable approximates fair value, which is estimated by discounting expected future cash flows using an average discount rate adjusted for the customer's creditworthiness. Short-term and long-term debt are carried at cost, which approximates fair value.

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5. Other Balance Sheet Information

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents, and restricted cash reported within the accompanying condensed consolidated balance sheets that sum to the total of the same such amounts presented in the accompanying condensed consolidated statements of cash flows consisted of the following (in thousands):

	June 30, 2022	December 31, 2021
Cash	\$ 23,549	\$ 33,581
Cash equivalents	87,693	247,500
Cash and cash equivalents	111,242	281,081
Restricted cash included in prepaid expenses and other current assets	1,859	—
Restricted cash	16,459	16,462
Total cash, cash equivalents, and restricted cash presented in the statements of cash flows	\$ 129,560	\$ 297,543

Accounts Receivable, Net of Allowances

During the three and six months ended June 30, 2022, the Company recorded a \$0.2 million decrease in the allowance for credit losses related to receivables that were written-off. The Company regularly reviews accounts receivable for collectability and establishes or adjusts the allowance for credit losses as necessary using the specific identification method based on the available facts. The allowance for credit losses totaled \$0.5 million and \$0.7 million at June 30, 2022 and December 31, 2021, respectively.

Inventories

Inventories consist of finished goods which are stated at the lower of cost or net realizable value. Costs are measured on a first-in, first out basis using standard cost, which approximates actual cost. Net realizable value is the estimated selling price of the Company's products in the ordinary course of business less reasonably predictable costs of completion, disposal, and transportation. Inventories are written down to their net realizable value if they have become obsolete, have a cost basis in excess of expected net realizable value, or are in excess of expected demand. Once inventory is written down, its new value is maintained until it is sold, scrapped, or written down for further valuation losses. The valuation of inventories requires the Company to make judgments based on currently available information about the likely method of disposition and current and future product demand relative to the remaining product life. Inventory valuation losses are classified as cost of revenue in the condensed consolidated statements of comprehensive loss. The Company recorded inventory impairments of \$12.2 million and \$6.1 million for the six months ended June 30, 2022 and 2021, respectively.

Impairment of Long-Lived Assets

The Company evaluates long-lived assets for impairment whenever events indicate that a potential impairment may have occurred. If such events arise, the Company will compare the carrying amount of the asset group comprising the long-lived assets to the estimated future undiscounted cash flows expected to be generated by the asset group. If the estimated aggregate undiscounted cash flows are less than the carrying amount of the asset group, an impairment charge is recorded as the amount by which the carrying amount of the asset group exceeds the fair value of the assets, as based on the expected discounted future cash flows attributable to those assets. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

The Company regularly reviews its long-lived assets for triggering events or other circumstances that could indicate impairment. As of June 30, 2022, no triggering events or other circumstances were identified. There were no impairments of long-lived assets during the six months ended June 30, 2022 and 2021.

Goodwill and Other Intangible Assets

From time to time, the Company makes acquisitions of companies related to existing, complementary, or new markets. During fiscal year 2021, the Company completed two acquisitions, which were immaterial to its financial position, results of operations and cash flows. There were no acquisitions completed in the six months ended June 30, 2022. Acquisition-related costs are included in general and administrative expenses in the consolidated statements of comprehensive loss and were nil for the six months ended June 30, 2022 and 2021.

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There were no impairments of goodwill or intangible assets during the six months ended June 30, 2022 and 2021. Impairment of goodwill or intangible assets may result in the future from significant changes in the manner of use of the acquired assets, negative industry or economic trends or significant underperformance relative to historical or projected operating results.

6. Product Warranties

The Company provides a standard assurance type warranty that its IGUs will be free from defects in materials and workmanship for generally 10 years from the date of delivery to customers. IGUs with sloped or laminated glass generally have a warranty of 5 or 10 years. Control systems associated with the sale of CSS typically have a 5-year warranty. As part of the Company's Smart Building Platform contracts, the Company generally warrants that the workmanship of the sub-assemblies and installation of the Smart Building Platform are free from defects and in conformance with the contract documents for one year from completion. In resolving warranty claims, the Company's standard warranty terms provide that the Company generally has the option of repairing, replacing or refunding the selling price of the covered product. The Company has not been requested to and has not provided any refunds, which would be treated as a reduction to revenue, as of June 30, 2022. The Company accrues for estimated claims of defective products at the time revenue is recognized based on historical warranty claims rates. The Company's estimated costs for standard warranty claims are based on future estimated costs the Company expects to incur to replace the IGUs or control systems multiplied by the estimated IGU or control system warranty claims, respectively, based on warranty contractual terms and business practices. The total warranty liability included \$5.7 million and \$6.1 million as of June 30, 2022 and December 31, 2021, respectively, related to this standard assurance warranty.

In 2019, the Company identified a quality issue with certain material purchased from one of its suppliers utilized in the manufacturing of certain IGUs. The Company stopped using the affected materials upon identification of the quality issue in 2019. The Company has replaced and expects to continue to replace the affected IGUs for the remainder of the period covered by the warranty. The Company developed a statistical model to analyze the risk of failure of the affected IGUs related to this quality issue and predict the potential number of future failures that may occur during the remaining warranty period, as well as the timing of the expected failures. Management judgment is necessary to determine the distribution fit and covariates utilized in the statistical model, as well as the relative tolerance to declare convergence. The statistical model considered the volume of units sold, the volume of unit failures, data patterns, and other characteristics associated with the failed IGUs as well as the IGUs that had not yet failed as of each financial reporting period. These characteristics include, but are not limited to, time to failure, manufacture date, location of installation, and environmental factors. Based on this analysis, the Company has recorded a specific warranty liability using the estimated number of affected IGUs expected to fail in the remaining warranty period and applying estimated costs the Company expects to incur to replace the IGUs based on warranty contractual terms and business practices. The total warranty liability included \$33.8 million and \$36.2 million as of June 30, 2022 and December 31, 2021, respectively, related to these IGUs.

The Company monitors warranty obligations and may make adjustments to its warranty liabilities if actual costs of product repair and replacement are significantly higher or lower than estimated. Accruals for anticipated future warranty costs are recorded to cost of revenue in the condensed consolidated statements of comprehensive loss and included in other current liabilities and other liabilities on the condensed consolidated balance sheet. Warranty liabilities are based on estimates of failure rates and future costs to settle warranty claims that are updated periodically, taking into consideration inputs such as changes in the volume of claims compared with the Company's historical experience, and changes in the cost of servicing warranty claims. The estimated cost includes the Company's expectations regarding future total cost of replacement, as well as fixed cost absorption as production increases. The Company accounts for the effect of changes in estimates prospectively.

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Changes in warranty liabilities are presented below (in thousands):

	June 30, 2022	December 31, 2021
Beginning balance	\$ 42,256	\$ 47,678
Accruals for warranties issued	896	1,551
Changes to estimates of volume and costs	—	1,234
Settlements made	(3,644)	(8,207)
Ending balance	<u>\$ 39,508</u>	<u>\$ 42,256</u>
Warranty liability, current, beginning balance	\$ 8,868	\$ 8,864
Warranty liability, noncurrent, beginning balance	\$ 33,388	\$ 38,814
Warranty liability, current, ending balance	\$ 8,576	\$ 8,868
Warranty liability, noncurrent, ending balance	\$ 30,932	\$ 33,388

During the three months ended June 30, 2022 and 2021, the Company recorded a charge to Cost of revenues of \$0.3 million and \$0.4 million, respectively, related to adjustments to the warranty liability. During the six months ended June 30, 2022 and 2021, the Company recorded a charge to Cost of revenues of \$0.9 million and \$0.8 million, respectively, related to adjustments to the warranty liability.

Considering the uncertainty inherent in the failure analysis, including the actual timing of the failures and the number of defective IGUs, as well as uncertainty regarding future supply chain costs and production volumes that may impact the projected costs to replace defective IGUs in future years, it is reasonably possible that the amount of costs to be incurred to replace the defective IGUs could ultimately be materially different from the estimate. Unforeseen component failures or exceptional component performance can also result in changes to warranty costs. If actual warranty costs differ substantially from the Company's estimates, revisions to the estimated warranty liability would be required, which could have a material adverse effect on the Company's business, financial condition and results of operations.

7. Commitments and Contingencies

Indemnifications

From time to time, the Company enters into certain types of contracts that contingently require the Company to indemnify the Company's officers, directors, and employees for liabilities arising out of their employment relationship. Generally, a maximum obligation under these contracts is not explicitly stated.

Because the maximum amounts associated with these agreements are not explicitly stated, the overall maximum amount of the obligation cannot be reasonably estimated. The Company has not been required to make payments under these obligations, and no liabilities have been recorded for these obligations on the Company's condensed consolidated balance sheets.

Standby Letter of Credit

During the course of business, the Company's bank issues standby letters of credit on behalf of the Company to certain vendors and other third parties of the Company. As of June 30, 2022 and December 31, 2021, the total value of the letters of credit issued by the bank is \$17.1 million and \$16.5 million, respectively. No amounts have been drawn under the standby letters of credit.

Commitments

In June 2021, the Company entered into a promissory note with one of its customers pursuant to which the customer may draw amounts in a maximum aggregate principal amount of \$10.0 million. The amount of the draws is limited to the total amount incurred by subcontractors contracted by the Company in relation to the project. The note is not a revolving facility, which means that outstanding amounts under the note that are repaid cannot be re-borrowed. The promissory note has a maturity date set at the fourth anniversary of the date of the first advance to the customer. The promissory note bears no interest during the period between the first advance to the customer and the thirty-first month following the first advance, with interest increasing to an annual rate of 3.5% thereafter. As of June 30, 2022, the customer has drawn \$1.6 million against the promissory note and is recorded in other assets on the condensed consolidated balance sheet.

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Litigation and Environmental Settlements

In December 2014, the Company finalized the terms of a litigation settlement with a third party where the Company agreed to pay the other party a total of \$32.0 million periodically over the next ten years. The Company recorded the present value of future payments as a liability and records interest expense, included in interest and other, net in the condensed consolidated statements of comprehensive loss, as it accretes the liability.

The balance of the litigation settlement liability is reflected on our condensed consolidated balance sheets as follows (in thousands):

	June 30, 2022	December 31, 2021
Litigation settlement liability - current	\$ 3,000	\$ —
Litigation settlement liability - non-current	5,312	7,834
Total litigation settlement liability	\$ 8,312	\$ 7,834

In September and August of 2021, the Mississippi Commission on Environmental Quality (“MCEQ”), Desoto County Regional Utility Authority (“DCRUA”) and the City of Olive Branch, Mississippi (“Olive Branch”), each issued notices and orders to the Company with respect to its discharges of water from its Olive Branch facility into the publicly owned treatment works (“POTW”) of DCRUA and Olive Branch without first obtaining a pretreatment permit. In August 2021, a Subpoena to Testify Before a Grand Jury was issued out of the United States District Court for the Northern District of Mississippi (“Subpoena”) to the Company requiring it to produce to the Environmental Protection Agency (“EPA”) various documents relating to environmental matters at its Olive Branch facility, including but not limited to hazardous waste records, air emissions records, storm water discharges records and wastewater disposal records. The Company has cooperated fully with each such notice, order and Subpoena.

On April 13, 2022, the Company and the United States Attorney’s Office for the United States District Court for the Northern District of Mississippi agreed in principle to the terms of a global settlement (the “Plea Agreement”) resolving the prospect of claims and charges against the Company relating to all prior discharges of water into the POTW of DCRUA and Olive Branch without first obtaining a pretreatment permit. The principal terms of the settlement are:

1. the Company pleading guilty to a single misdemeanor count for negligently discharging wastewater to a POTW without first obtaining a pretreatment permit in violation of 33 U.S.C. § 1319(c)(1)(A);
2. the Company paying a fine of \$3.0 million over a three-year period in equal installments of \$1.0 million to the federal government;
3. the Company paying a special assessment of \$125 to the federal government pursuant to 18 U.S.C. § 3013(a)(1)(B);
4. the Company entering a separate civil Agreed Order with the MCEQ that requires the payment of a separate civil penalty of \$1.5 million;
5. the Company making a separate community service payment in the amount of \$0.5 million to DCRUA, to be used for the sole purpose of expanding wastewater treatment capacity in DeSoto County, Mississippi, within 30 days of entering the Plea Agreement;
6. the Company implementing an environmental management system that conforms to ISO 14001:2015 standards or a similar environmental management system approved by the United States Environmental Protection Agency, which is expected to result in \$0.3 million in consulting and personnel costs;
7. the Company implementing agreed upon wastewater reduction plans, which is expected to result in approximately \$2.0 million in capital expenditures to install a wastewater treatment and recycling system;
8. the Company obtaining a pretreatment permit from MDEQ, or entering an Agreed Order with MCEQ and operating in compliance with that Agreed Order until a permit can be obtained;
9. the Company obtaining wastewater discharge permits from DCRUA and Olive Branch, or entering into Consent/Compliance Order(s) or Agreement(s) with DCRUA and Olive Branch that are consistent with any Agreed Order entered with MCEQ and operating in compliance with such Consent/Compliance Order(s) or Agreement(s) until permits can be obtained; and

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10. the Company agreeing to probation for three years.

The terms of the Plea Agreement are subject to the approval of the United States District Court for the Northern District of Mississippi. View is in the process of coordinating with MDEQ and the local authorities with respect to the civil orders and/or agreements contemplated by the settlement terms, including obtaining a pretreatment permit from MCEQ, which has not been granted as of the date of this Report. The Plea Agreement will be presented to the Court for approval following these efforts. The date for presentation of the Plea Agreement to the Court has not yet been determined. The Company has recognized the \$5.0 million of penalties it expects to incur in conjunction with this environmental settlement over the next three years.

The balance of the environmental settlement liability is reflected on our condensed consolidated balance sheets as follows (in thousands):

	June 30, 2022	December 31, 2021
Environmental settlement liability - current	\$ 2,950	\$ 2,950
Environmental settlement liability - non-current	2,000	2,000
Total environmental settlement liability	\$ 4,950	\$ 4,950

Litigation

From time to time, the Company is subject to claims, litigation, internal or governmental investigations, including those related to labor and employment, contracts, intellectual property, environmental, regulatory compliance, commercial matters, and other related matters, some of which allege substantial monetary damages and claims. Some of these actions may be brought as class actions on behalf of a class or purported class of employees. The Company is also defendants in judicial and administrative proceedings involving matters incidental to our business. Legal expenses are expensed as incurred.

The Company accrues a charge when management determines that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. When a loss is probable, the Company records an accrual based on the reasonably estimable loss or range of loss. When no point of loss is more likely than another, the Company records the lowest amount in the estimated range of loss and discloses the estimated range. The Company does not record liabilities for reasonably possible loss contingencies but does disclose a range of reasonably possible losses if they are material and the Company is able to estimate such a range. If the Company cannot provide a range of reasonably possible losses, the Company explains the factors that prevent it from determining such a range. The Company regularly evaluates current information available to it to determine whether an accrual should be established or adjusted. The ultimate outcome of legal proceedings involves judgments, estimates, and inherent uncertainties and cannot be predicted with certainty. Should the ultimate outcome of any legal matter be unfavorable, the Company's business, financial condition, results of operations, or cash flows could be materially and adversely affected. The Company may also incur substantial legal fees, which are expensed as incurred, in defending against legal claims.

Securities Litigation

On August 18, 2021, plaintiff Asif Mehedi filed a putative securities class action in the United States District Court for the Northern District of California (*Mehedi v. View, Inc. f/k/a CF Finance Acquisition Corp. II et al.* (No. 5:21CV06374, N.D. Cal.)) alleging violations of the federal securities laws by the Company, Rao Mulpuri, and Vidul Prakash.

On February 8, 2022, the Court appointed Stadium Capital LLC lead plaintiff and denied the competing motion of Sweta Sonthalia. On March 14, 2022, Ms. Sonthalia filed a Petition for a Writ of Mandamus, asking the Ninth Circuit Court of Appeals to vacate the lead plaintiff order. On April 11, 2022, the district court denied Ms. Sonthalia's motion to stay proceedings in the district court pending disposition of the writ petition. The writ petition is now fully briefed in the Ninth Circuit and oral argument has been scheduled for August 11, 2022.

On July 15, 2022, Stadium Capital filed an amended complaint against View, Mulpuri, and Prakash; current and former View board members; Cantor Fitzgerald & Co. and related entities; officers and board members of CF II; and PricewaterhouseCoopers LLP. The action is brought on behalf of a putative class consisting of (i) all persons or entities who purchased or otherwise acquired View and/or CF II securities between November 30, 2020 and May 10, 2022, inclusive; (ii) all persons or entities who were holders of CF II Class A common stock as of the January 27, 2021 record date that were entitled to vote to approve the merger between View and CF II; and (iii) all persons or entities who purchased or otherwise acquired View securities pursuant or traceable to the Form S-4 Registration Statement filed by CF II on December 23, 2020. The amended complaint asserts claims under Sections 10(b) (and Rule 10b-5 thereunder), 14(a) (and Rule 14a-9 thereunder), and 20(a) of the Securities Exchange Act and Sections 11, 12, and 15 of the Securities Act.

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The amended complaint alleges that certain defendants failed to disclose to investors that the Company's warranty-related obligations and associated cost of revenue were materially false and misleading because they excluded expenses the Company incurred and expected to incur due to significant quality issues. The amended complaint alleges that certain defendants' positive statements about the Company were false and materially misleading as a result, and that such statements caused the price of the Company's stock to be inflated. The amended complaint alleges that class members were damaged when the price of the Company's stock declined on the trading day following (1) August 16, 2021, when the Company announced an independent investigation concerning the adequacy of the Company's previously disclosed warranty accrual, and (2) May 10, 2022, when the Company stated that management anticipated that it would be disclosing substantial doubt about the Company's ability to continue as a going concern and that the Company's cash position was \$200.5 million at the end of Q1 2022. The amended complaint seeks unspecified compensatory damages and costs, including attorneys' fees.

Pursuant to the current stipulated schedule, View, Prakash, and Mulpuri will file an answer or motion(s) to dismiss by September 13, 2022; Stadium Capital will file its opposition(s) to the motion(s) within 30 days of the filing of the motion(s) to dismiss; and View, Prakash, and Mulpuri will file any reply in support of the motion(s) to dismiss within 30 days of the filing of the opposition brief. The other defendants have not yet appeared.

Given the early stage of this matter, the Company cannot reasonably estimate the possible loss (or range of loss), if any, at this time; therefore, a liability has not been recorded as of June 30, 2022.

Derivative Litigation

On December 6, 2021, a purported Company shareholder filed a verified stockholder derivative complaint (nominally on behalf of the Company) against Rao Mulpuri, Nigel Gormly, Harold Hughes, Tom Leppert, Toby Cosgrove, Lisa Picard, Julie Larson-Green, and Vidul Prakash (*Jacobson v. Mulpuri, et al.* (No. 1:21CV01719, D. Del.)). The complaint alleges that Mulpuri and Prakash violated Sections 10(b) and 21D of the Exchange Act, and asserts claims against the director defendants for breach of fiduciary duty and waste of corporate assets. The complaint alleges that defendants Mulpuri, Gormly, Hughes, Leppert, Cosgrove, Picard, and Larson-Green failed to prevent the Company from making false statements regarding the Company's business results and prospects and that the Company has been harmed by incurring legal fees and potential liability in investigations and lawsuits. The complaint seeks unspecified damages and costs, a judgment directing the Company to reform its corporate governance and internal procedures, and unspecified restitution from defendants to the Company.

On February 14, 2022, the Court entered the parties' stipulation staying the litigation until fifteen days after the earliest of: (a) dismissal with prejudice of the *Mehedi v. View* securities class action and exhaustion of all appeals, or dismissal by settlement; (b) the motion(s) to dismiss *Mehedi v. View* are denied; or (c) either party gives notice that it no longer consents to the stay.

On May 24, 2022, a different purported Company shareholder filed another verified stockholder derivative complaint (nominally on behalf of the Company) against Mulpuri, Gormly, Hughes, Leppert, Cosgrove, Picard, Larson-Green, and Prakash (*Damidi v. Mulpuri et al.* (No. 1:22CV00675, D. Del.)). The complaint asserts claims for violation of Sections 10(b) and 21D of the Exchange Act, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, and waste of corporate assets. The complaint alleges that defendants Mulpuri, Gormly, Hughes, Leppert, Cosgrove, Picard, and Larson-Green failed to prevent the Company from making false statements regarding the Company's business results and prospects and that the Company has been harmed by incurring legal fees and potential liability in investigations and lawsuits. The complaint seeks unspecified damages and costs, punitive damages, and unspecified restitution from defendants to the Company. The *Damidi* action has been docketed as related to the *Jacobson* action.

On July 26, 2022, a different purported Company shareholder filed another verified stockholder derivative complaint (nominally on behalf of the Company) against Mulpuri, Gormly, Hughes, Leppert, Cosgrove, Picard, Larson-Green, and Prakash (*Monteleone v. Mulpuri, et al.* (No. 1:22-cv-00980, D. Del.)). The complaint asserts claims for violation of Sections 10(b) and 20(a) of the Exchange Act, breach of fiduciary duties, unjust enrichment, and waste of corporate assets. The complaint alleges that the defendants failed to prevent the Company from making false statements regarding the Company's business results and prospects and that the Company has been harmed by incurring legal fees and potential liability in investigations and lawsuits. The complaint seeks unspecified damages and costs and unspecified restitution from defendants to the Company. The *Monteleone* action has been docketed as related to the *Jacobson* action.

Given the early stage of this matter, the Company cannot reasonably estimate the possible loss (or range of loss), if any, at this time; therefore, a liability has not been recorded as of June 30, 2022.

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Government Investigations

On November 9, 2021, the Company announced that it had voluntarily reported to the SEC that the Audit Committee of the Company's Board of Directors was conducting an independent, internal investigation into the adequacy of the Company's previously reported warranty accrual. In January 2022, the Company was informed that the SEC is conducting a formal investigation of this matter. The Company has cooperated with the SEC's investigation and intend to continue doing so.

In June 2022, the U.S. Attorney's Office for the Southern District of New York requested information related to this matter. The Company has cooperated with the U.S. Attorney's Office in connection with these requests and intends to continue doing so.

Given the early stage of these matters, the Company cannot reasonably estimate the possible loss (or range of loss), if any, at this time; therefore, a liability has not been recorded as of June 30, 2022.

8. Debt

Debt outstanding consisted of the following (in thousands):

	Interest Rate	June 30, 2022	December 31, 2021
Term loan, due June 30, 2032	0%	\$ 14,695	\$ 15,430
Total debt		14,695	15,430
Debt, current		1,470	1,470
Debt, non-current		\$ 13,225	\$ 13,960

Principal payments on all debt outstanding as of June 30, 2022 are estimated as follows (in thousands):

Year Ending December 31,	Total
2022 (remaining six months)	\$ 735
2023	1,470
2024	1,470
2025	1,470
2026	1,470
Thereafter	8,080
Total	\$ 14,695

Term Loan

On November 22, 2010, the Company entered into a debt arrangement with a lender, in an amount of \$40.0 million ("Term Loan"), for the purpose of financing equipment and tenant improvements at its manufacturing facility in Olive Branch, Mississippi. Pursuant to the original terms, the loan provides for interest-free debt to be repaid in semi-annual payments due on June 30 and December 31 each year. The loan was originally being paid over 24 semi-annual installments through June 30, 2024.

On October 22, 2020, the Company entered into an amended and restated debt arrangement with the lender. The amended and restated debt arrangement temporarily suspended the payments. Starting June 30, 2022, the Company is required to make semi-annual payments of \$0.7 million through June 30, 2032.

The term loan agreement required the Company to invest certain amounts in land, building and equipment and create a certain number of jobs. The term loan agreement, as amended, also includes a covenant for audited consolidated financial statements to be delivered to the lender within 210 days of the Company's fiscal year end. As of June 30, 2022, the Company was in compliance with these covenants.

Revolving Debt Facility

In October 2019, the Company entered into a secured revolving debt facility pursuant to which the Company may draw amounts in a maximum aggregate principal amount of \$200.0 million until January 3, 2020 and \$250.0 million after such date, for the purpose of paying payables and other corporate obligations. In October 2019, the Company drew a principal amount of \$150.0 million under the facility with weekly maturity dates ranging from 8 days to 364 days. In May 2020, the Company drew

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the remaining principal amount of \$100.0 million available under the facility, which was repayable on May 1, 2021. The facility's original expiration was October 22, 2023, at which time all drawn amounts were to be repaid in full. The interest rate applicable to amounts outstanding under the facility was LIBOR, plus 9.05%. As security for the payment and performance of all obligations under the facility, the Company granted the finance provider a security interest in substantially all of the Company's assets.

Under the original agreement, repaid principal amounts became immediately available to be redrawn under the facility with maturity dates of one year through October 23, 2022. In December 2020, the Company entered into an amendment to replace thirteen weekly draws of approximately \$2.9 million each, aggregating to \$37.5 million in principal amount, with four notes of approximately \$9.4 million each, aggregating to \$37.5 million in principal amount.

On March 8, 2021, upon Closing, the facility was repaid in full in the amount of \$276.8 million, including accrued interest and future interest through maturity of the notes of \$26.8 million prior to the expiration of the limited waiver from the finance provider. Upon repayment of its obligation, the Company recorded a debt extinguishment loss of \$10.0 million, and the facility was terminated.

9. Stockholders' Equity

Common Stock

On March 9, 2021, the Company's common stock and warrants began trading on the Nasdaq Global Select Market under the ticker symbols "VIEW" and "VIEWW," respectively. Pursuant to the Company's certificate of incorporation, the Company is authorized to issue 600,000,000 shares of common stock with a par value of \$0.0001 per share. As of June 30, 2022, the Company had 219,227,971 shares of common stock issued and outstanding.

Preferred Stock

Pursuant to the Company's certificate of incorporation, the Company is authorized to issue 1,000,000 shares of preferred stock having a par value of \$0.0001 per share ("View Inc. Preferred Stock"). The Company's board of directors has the authority to issue View, Inc. Preferred Stock and to determine the rights, preferences, privileges, and restrictions, including voting rights, of those shares. As of June 30, 2022, no shares of View, Inc. Preferred Stock were issued and outstanding.

Dividend

Common stock is entitled to dividends when and if declared by the Company's board of directors, subject to the rights of all classes of stock outstanding having priority rights to dividends. The Company has not paid any cash dividends on common stock to date. The Company may retain future earnings, if any, for the further development and expansion of its business and has no current plans to pay cash dividends for the foreseeable future. Any future determination to pay dividends will be made at the discretion of the Company's board of directors and will depend on, among other things, the Company's financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as the Company's board of directors may deem relevant.

10. Stock Warrants

Public and Private Warrants

Prior to the Merger, CF II issued 366,666 Private Warrants and 16,666,637 Public Warrants. Each whole warrant entitles the holder to purchase one share of the Company's common stock at a price of \$11.50 per share, subject to adjustments. The Warrants became exercisable on August 26, 2021. The Public Warrants and Private Warrants will expire five years after the Closing and five years after August 26, 2020, respectively.

The Company may redeem the outstanding warrants, in whole and not in part, upon a minimum of thirty days' prior written notice of redemption ("Redemption Period"). For purposes of the redemption, "Reference Value" shall mean the last reported sales price of the Company's common stock for any twenty trading days within the thirty trading-day period ending on the third trading day prior to the date on which notice of the redemption is given.

The Company may redeem the outstanding Public Warrants for cash at a price of \$0.01 per warrant if the Reference Value equals or exceeds \$18.00 per share. The warrant holders have the right to exercise their outstanding warrants prior to the scheduled redemption date during the Redemption Period at \$11.50 per share. If the Company calls the Public Warrants for redemption, the Company will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement.

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The Private Warrants are identical to the Public Warrants except that the Private Warrants were not transferable, assignable, or salable until April 7, 2021. Additionally, the Private Warrants are exercisable on a cashless basis and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, then such warrants will be redeemable by the Company and exercisable by the warrant holders on the same basis as the Public Warrants.

As of June 30, 2022, there were 366,666 Private Warrants and 16,666,637 Public Warrants outstanding, and no Warrants had been exercised.

Other Warrants

Legacy View also issued redeemable convertible preferred stock and common stock warrants, to various service providers, lenders, investors, at various points in time, which were subsequently converted to the common stock warrants of the Company. Upon consummation of the Merger, each Legacy View warrant that was outstanding was assumed by CF II and converted into a common stock warrant exercisable for common stock equal to the product (rounded down to the nearest whole number) of (a) the number of shares of Legacy View capital stock subject to the Legacy View warrant immediately prior to the Merger multiplied by (b) the Exchange Ratio. Such warrants have a per share exercise price equal to the quotient (rounded up to the nearest whole cent) obtained by dividing (i) the exercise price per share of Legacy View capital stock subject to the Legacy View warrant immediately prior to the Merger by (ii) the Exchange Ratio, and, except as specifically provided in the Merger Agreement, each warrant continues to be governed by the same terms and conditions (including vesting and exercisability terms) as were applicable to the corresponding former Legacy View warrant immediately prior to the Merger. Prior to the merger, the redeemable convertible preferred stock warrants were classified as liabilities on the condensed consolidated balance sheets. See [Note 4](#) for a reconciliation of the beginning and ending balances for the level 3 financial liabilities measured at fair value.

On December 1, 2021, in connection with the WorxWell acquisition, the Company issued 1,000,000 common stock warrants to the seller.

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The following table summarizes the outstanding common stock warrants:

Warrant issue date	Types of shares issued	Number of Warrants June 30, 2022 (As converted)	Number of Warrants December 31, 2021 (As converted)	Exercise Price Per Warrant (As converted)	Expiry Date
August 2010 - June 2011	Common stock (previously Series B redeemable convertible preferred stock)	46,498	46,498	\$ 15.49	March 2023
August 2011 - January 2012	Common stock (previously Series C redeemable convertible preferred stock)	53,256	53,256	18.78	March 2023
August 2012	Common stock (previously Series D redeemable convertible preferred stock)	45,388	45,388	21.60	March 2023
December 2013	Common stock (previously Series E redeemable convertible preferred stock)	63,296	63,296	25.91	March 2023
April 2015 - April 2016	Common stock (previously Series F redeemable convertible preferred stock)	38,749	45,207	38.71	Through December 2022
April 2016 - November 2018	Common stock (previously Series H redeemable convertible preferred stock)	1,135,391	1,135,391	18.93	Through November 2028
March 2017	Common stock (previously Series H redeemable convertible preferred stock)	1,849,431	1,849,431	12.91	March 2027
March 2014	Common stock	2,324	2,324	9.47	August 2023
August 2015	Common stock	12,916	12,916	11.62	December 2022
December 2018	Common stock	24,910	24,910	9.04	December 2028
August 2020	Common stock (Private Warrants)	366,666	366,666	11.50	Through March 2026
August 2020	Common stock (Public Warrants)	16,666,637	16,666,637	11.50	Through March 2026
December 2021	Common stock (in connection with the WorxWell acquisition)	1,000,000	1,000,000	\$ 10.00	December 2031
	Total stock warrants	21,305,462	21,311,920		

11. Stock-Based Compensation

2018 Plan

Legacy View's 2018 Amended and Restated Equity Incentive Plan (formerly the 2009 Equity Incentive Plan), effective November 21, 2018 (the "2018 Plan"), allowed Legacy View to grant incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock awards and restricted stock units to eligible employees, directors, and consultants of Legacy View and any parent or subsidiary of Legacy View. In connection with the Closing of the Merger, the 2018 Plan was terminated, the remaining unallocated share reserve under the 2018 Plan was cancelled and no new awards will be granted under the 2018 Plan. 24,657,302 options (as converted, due to retroactive application of reverse recapitalization) outstanding under the 2018 Plan at Closing were assumed by the Company under the 2021 Plan (defined below).

The options assumed under the 2021 Plan (defined below) generally vest 20% upon completion of one year of service and 1/60 per month thereafter or vest 25% upon completion of one year of service and 1/48 per month thereafter and generally expire 10 years from the date of grant.

2021 Plan

In connection with the Closing of the Merger, the Company adopted the 2021 Equity Incentive Plan (the "2021 Plan") under which 58,631,907 shares of common stock were initially reserved for issuance. The 2021 Plan permits the grant of incentive

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stock options (“Options”), nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units (“RSUs”), and stock bonus awards. As of June 30, 2022, the Company had 22,217,714 shares of common stock reserved for future issuance of equity awards to employees, officers, directors, or consultants under the 2021 Plan.

Pursuant to the terms of the Agreement and Plan of Merger, at the Closing of the Merger on March 8, 2021, the Company granted 12,500,000 Officer RSUs for shares of Class A Common Stock of the Company and 5,000,000 options to purchase Class A Common Stock of the Company (“Officer Options”) to View’s executive officers. The Officer RSUs are subject to both time and market-based vesting conditions. The Officer RSUs time vest over a four-year period with 25% to vest on the twelve-month anniversary of the Closing and the remaining 75% to vest on a monthly basis over the following thirty-six months subject to the following market-based vesting. 50% of the Officer RSUs granted to each executive officer will only vest if the share price hurdle of \$15.00 is achieved and the remaining 50% of such Officer RSUs will vest if the share price hurdle of \$20.00 is achieved. The Officer Options time vest over a four-year period with 25% to vest on the twelve-month anniversary of the Closing and the remaining 75% will vest on a monthly basis over the following thirty-six months.

CEO Incentive Plan

In connection with the Closing of the Merger, the Company adopted the 2021 Chief Executive Officer Incentive Plan (the “CEO Incentive Plan”) effective March 8, 2021. Pursuant to the CEO Incentive Plan and the terms of the Agreement and Plan of Merger, on March 8, 2021, the Company granted the CEO an option award to purchase Class A common stock of the Company at an exercise price of \$10.00 per share, which vests and becomes exercisable upon satisfaction of the performance conditions set forth in the table below, contingent upon the CEO’s continued employment with the Company on each such vesting date.

Tranche	Option Shares (#)	Average 60-day Trading Price per Share of the Entity (\$)
1	2,500,000	\$ 20.00
2	2,500,000	30.00
3	2,500,000	40.00
4	2,500,000	50.00
5	2,500,000	60.00
6	2,500,000	70.00
7	2,500,000	80.00
8	2,500,000	90.00
9	2,500,000	100.00
10	2,500,000	\$ 110.00

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The following table summarizes the activity under the 2021 Plan (in thousands, except per share data and contractual term) for time vested options:

	Options Outstanding			
	Number of Shares Subject to Stock Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value ¹
Balance as of December 31, 2021	27,582	\$ 9.43	7.0	\$ —
Granted	—	—		
Exercised	—	—		
Canceled/forfeited	(2,812)	9.41		
Outstanding as of June 30, 2022	24,770	\$ 9.44	6.5	\$ —
Options vested and expected to vest as of June 30, 2022	24,664	\$ 9.44	6.5	\$ —
Exercisable as of June 30, 2022	20,243	\$ 9.42	6.2	\$ —

¹ The aggregate intrinsic value is calculated as the difference between the market value of the Company's common shares as of the relevant period end and the respective exercise prices of the options. The market value as of June 30, 2022 and December 31, 2021 was \$1.62 and \$3.91 per share, respectively, which is the closing sale price of View's common shares on that day as reported by the Nasdaq Global Market.

No options have been issued or exercised under this plan in the six months ended June 30, 2022. The weighted-average grant date fair value per share of stock options granted was \$4.38 for the six months ended June 30, 2021. The total grant date fair value of stock options vested was \$16.2 million and \$12.8 million during the six months ended June 30, 2022 and 2021, respectively. The total intrinsic value of options exercised during the six months ended June 30, 2021 was \$0.4 million.

As of June 30, 2022, total unrecognized compensation cost related to unvested stock options, net of estimated forfeitures, was \$18.1 million and is expected to be recognized over a weighted-average remaining service period of 1.7 years.

In addition to the time vested options above, as of June 30, 2022, total outstanding stock options under the CEO Incentive Plan was 25,000,000 shares which were issued during the three months ended March 31, 2021 with a grant date exercise price per share of \$10.00 and remaining contractual term of 8.7 years. As of June 30, 2022, the CEO Option Award had no intrinsic value.

The weighted-average grant date fair value per share of stock options granted under the CEO Incentive Plan was \$3.54 for the six months ended June 30, 2021. As of June 30, 2022, total unrecognized compensation cost related to options under the CEO Incentive plan, net of estimated forfeitures, was \$63.8 million and is expected to be recognized over a weighted-average remaining service period of 4.0 years.

The following table summarizes the activities for our outstanding RSUs under the Company's 2021 Plan (in thousands, except per share data) during the six months ended June 30, 2022:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2021	11,643	\$ 6.14
Granted	—	—
Vested	(32)	7.81
Canceled	(811)	\$ 6.28
Outstanding as of June 30, 2022	10,800	\$ 6.12

The total grant date fair value of RSUs vested was \$0.3 million and \$0.2 million during the six months ended June 30, 2022 and 2021, respectively. As of June 30, 2022, total unrecognized compensation cost related to RSUs, net of estimated forfeitures, was \$23.5 million and is expected to be recognized over a weighted-average remaining service period of 1.5 years.

To the extent that the actual forfeiture rate is different than what the Company has anticipated, stock-based compensation related to these awards will be different from expectations.

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Valuation

No options have been issued under this plan in the six months ended June 30, 2022. The estimated grant date fair values of the Company's time vested stock options granted to employees and non-employees under the plan in the six months ended June 30, 2021 were calculated using the Black-Scholes option-pricing models based on the following assumptions:

	Six Months Ended June 30, 2021
Expected volatility	53.0%
Expected terms (in years)	6.0
Expected dividends	0%
Risk-free rate	1.07%

Prior to the Merger, due to the absence of a public market, the Company's common stock required the Company's board of directors to estimate the fair value of its common stock for purposes of granting options and for determining stock-based compensation expense by considering several objective and subjective factors, including contemporaneous third-party valuations, actual and forecasted operating and financial results, market conditions and performance of comparable publicly traded companies, developments and milestones in the Company, the rights and preferences of redeemable convertible preferred stock and common, and transactions involving the Company's stock. The fair value of the Company's common stock was determined in accordance with applicable elements of the American Institute of Certified Public Accountants guide, Valuation of Privately Held Company Equity Securities Issued as Compensation.

The estimated grant date fair value for each tranche of CEO Option Award and Officer RSUs is determined by using the Monte Carlo Simulation valuation model and the assumptions below. The estimated grant date fair value of the Officer Options is determined using the Black-Scholes option-pricing model. The valuation models incorporated the following key assumptions:

	CEO Option Award	Officer RSUs	Officer Options
Expected stock price	\$9.19	\$9.19	\$9.19
Expected volatility	54.0%	56.0%	53.0%
Risk-free rate	1.59%	0.60%	1.07%
Expected terms (in years)	10.0	4.0	6.0
Expected dividends	0%	0%	0%
Discount for lack of marketability	20%	n/a	n/a

Stock-based Compensation Expense

The Company's stock-based compensation included in its condensed consolidated statements of comprehensive loss was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Cost of revenue	\$ 345	\$ 1,297	\$ 708	\$ 2,175
Research and development	1,486	2,628	1,555	3,543
Selling, general, and administrative	16,310	18,349	33,346	27,019
Total	\$ 18,141	\$ 22,274	\$ 35,609	\$ 32,737

12. Income Taxes

The Company calculates the provision for income taxes during interim reporting periods by applying an estimate of the annual effective tax rate for the full fiscal year to ordinary income or loss for the interim reporting period. When applicable, the year-to-date tax provision reflects adjustments from discrete tax items.

For the three and six months ended June 30, 2022 and 2021, the Company's income tax expense was immaterial.

As our U.S. operations are projecting to be in a taxable loss in the year and based on all available objectively verifiable evidence during the three and six months ended June 30, 2022, the Company believes it is more likely than not that the tax

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benefits of the U.S. losses incurred will not be realized. Accordingly, the Company will continue to maintain a full valuation allowance on the U.S. deferred tax assets. The Company's income tax expense for the three and six months ended June 30, 2022 is due primarily to income taxes for foreign operations.

The Company accounts for the uncertainty in income taxes by utilizing a comprehensive model for the recognition, measurement, presentation, and disclosure in financial statements of any uncertain tax positions that have been taken or are expected to be taken on an income tax return. During the three and six months ended June 30, 2022, there have been no changes in the estimated uncertain tax benefits.

13. Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net loss	\$ (82,886)	\$ (95,720)	\$ (165,258)	\$ (169,755)
Weighted-average shares outstanding, basic and diluted	214,253,209	212,116,112	214,242,768	134,240,831
Net loss per share, basic and diluted	\$ (0.39)	\$ (0.45)	\$ (0.77)	\$ (1.26)

As a result of the Merger, the weighted-average number of shares of common stock used in the calculation of net loss per share have also been retroactively converted by applying the Exchange Ratio.

For the three and six months ended June 30, 2022, common stock equivalents consisted of stock options, restricted stock units and warrants. For the three and six months ended June 30, 2021, common stock equivalents consisted of stock options, restricted stock units and warrants. None of the common stock equivalents were included in the calculation of diluted net loss per share for all periods presented as the Company recorded a net loss.

The following outstanding shares of common stock equivalents were excluded from the computation of diluted net loss per share for the periods presented because including them would have had an anti-dilutive effect:

	June 30,	
	2022	2021
Stock options to purchase common stock	24,770,305	29,587,210
Unvested restricted stock units	—	257,625
Warrants to purchase common stock	21,305,462	20,311,920
Total	46,075,767	50,156,755

The 4,970,000 Sponsor Earn-Out Shares are excluded from basic and diluted net loss per share as such shares are contingently callable until the share price of the Company exceeds specified thresholds that have not been achieved as of June 30, 2022. The common stock equivalents subject to the CEO Option Award and the Officer RSUs, respectively, are excluded from the anti-dilutive table as the underlying shares are contingently issuable until the share price of the Company exceeds the specified thresholds that have not been achieved. As of June 30, 2022 and 2021, the thresholds for the CEO Option Award and the Officer RSUs have not been achieved, and 25,000,000 stock options for the CEO Option Award and 10,800,000 and 12,500,000 RSUs for the Officer RSUs, respectively, are outstanding.

14. Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were issued and has determined that, other than the two events disclosed below, no additional material subsequent events exist.

Common Stock Purchase Agreement

On August 8, 2022, the Company entered into common stock purchase agreements (the "Purchase Agreements") with each of CF Principal Investments LLC, a Delaware limited liability company ("Cantor"), and YA II PN, Ltd., a Cayman Islands exempted company ("Yorkville," and together with Cantor, the "Investors"), relating to a committed equity facility (the "Facility"). Under the terms of the Purchase Agreements, the Company will have the right, from time to time and at its option,

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to sell to the Investors up to \$100.0 million, in the aggregate, of the Company's common stock ("View Shares"), subject to certain conditions and limitations set forth in the Purchase Agreements.

Sales of the View Shares under the Purchase Agreements, and the timing of any sales, will be determined by the Company from time to time at its sole discretion and will depend on a variety of factors, including, among other things, market conditions, the trading price of the Company's common stock and determinations by the Company regarding the use of proceeds from such sales. The net proceeds from any sales under the Purchase Agreements will depend on the frequency with, and prices at which the View Shares are sold to the Investors. The Company expects to use the proceeds from any sales under the Purchase Agreements for working capital and general corporate purposes.

Upon the initial satisfaction of the conditions to the Investors' obligations to purchase View Shares set forth in the Purchase Agreements (the "Commencement"), including that a registration statement (the "Resale Registration Statement") registering the resale of the View Shares under the Securities Act of 1933, as amended (the "Securities Act"), is declared effective by the U.S. Securities and Exchange Commission (the "SEC") and the Investors are permitted to utilize the prospectus therein to resell all of the shares included in such prospectus, the Company will have the right, but not the obligation, from time to time at its sole discretion until the earliest of (i) the first day of the month next following the date that is 36-months after the effective date of the Resale Registration Statement, (ii) the date on which the Investors shall have purchased, in the aggregate, \$100.0 million worth of shares pursuant to the Purchase Agreements, (iii) the date on which the Company's common stock shall have failed to be listed or quoted on The Nasdaq Global Market or an alternative market and (iv) the date on which the Company commences a voluntary bankruptcy case or any person commences a proceeding against the Company, a custodian is appointed for the Company or for all or substantially all of its property or the Company makes a general assignment for the benefit of its creditors, to direct the Investors to purchase View Shares as set forth in the Purchase Agreements, by delivering written notice to Cantor or Yorkville prior to 9:00 AM, Eastern Time, on any trading day, subject to maximum amount as set forth in the Purchase Agreements for each such trading day. The purchase price of the View Shares that the Company elects to sell pursuant to the Purchase Agreements will be 97% of the volume weighted average price of the Company's common stock during the applicable purchase date, subject to adjustment if the Company delivers a purchase notice for a purchase in excess of 20% of the total volume of the Company's common stock traded during the applicable purchase period.

The Company will not sell, and the Investors will not purchase, any View Shares pursuant to the Purchase Agreements, if the aggregate number of View Shares issued pursuant to the Purchase Agreements would exceed 19.99% of the voting power or number of shares of the Company's common stock issued and outstanding immediately prior to the execution of the Purchase Agreements, subject to reduction as described in the Purchase Agreements, unless the Company obtains approval of its stockholders for the sale of View Shares in excess of such amount. In addition, the Company will not sell, and Cantor and Yorkville will not purchase, any View Shares pursuant to the Purchase Agreements, which, when aggregated with all other shares of the Company's common stock then beneficially owned by such Investor and its affiliates, would result in, in the case of Cantor, the beneficial ownership by Cantor and its affiliates of more than 9.99% of the Company's outstanding voting power or shares of the Company's common stock, or in the case of Yorkville and its affiliates, would result in the beneficial ownership by Yorkville and its affiliates of more than 4.99% of the Company's outstanding voting power or shares of the Company's common stock.

On the date of the Commencement, the Company will issue to Cantor shares of the Company's common stock with a value of \$1.3 million (the "Commitment Fee") as of the trading day prior to the filing of the Resale Registration Statement as consideration for its irrevocable commitment to purchase the View Shares upon the terms and subject to the satisfaction of the conditions set forth in its respective Purchase Agreement. In addition, pursuant to the Purchase Agreements, the Company agreed to reimburse Cantor for certain of its expenses. The Company also entered into a Registration Rights Agreement (the "Registration Rights Agreement") with the Investors, pursuant to which the Company has agreed to register the resale of the View Shares and the shares constituting the Commitment Fee. The Purchase Agreements and the Registration Rights Agreement contain customary representations, warranties, conditions, and indemnification obligations by each party. The Purchase Agreements also provide that the representations and warranties of the Company (a) that are not qualified by "materiality" or "Material Adverse Effect" (as defined in the Purchase Agreements) must be true and correct in all material respects as of the date of the Commencement, except to the extent such representations and warranties are as of another date, in which case such representations and warranties must be true and correct in all material respects as of such other date, and (b) that are qualified by "materiality" or "Material Adverse Effect" (as defined in the Purchase Agreements) must be true and correct as of the date of the Commencement, except to the extent such representations and warranties are as of another date, in which case such representations and warranties must be true and correct as of such other date. The Purchase Agreements also provide that the representations and warranties of the Company must be true and correct as described in (a) and (b) above as of

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a date within three trading days following each time the Company files (i) an Annual Report on Form 10-K and certain Annual Reports on Form 10-K/A, (ii) a Quarterly Report on Form 10-Q, (iii) certain Current Reports on Form 8-K containing amended financial information and (iv) the Resale Registration Statement, any New Registration Statement (as defined in the Purchase Agreements) or any supplement or post-effective amendment thereto, subject to certain exceptions and in any event not more than once per calendar quarter. The representations, warranties and covenants contained in the Purchase Agreements and the Registration Rights Agreement were made only for purposes of the Purchase Agreements and the Registration Rights Agreement and as of specific dates, are solely for the benefit of the parties to such agreements and are subject to certain important limitations.

The Company has the right to terminate the Purchase Agreements at any time after the date of the Commencement, at no cost or penalty, upon three trading days' prior written notice. The Investors have the right to terminate the Purchase Agreements upon three trading days' prior written notice if, among other things, a Material Adverse Effect (as defined in the Purchase Agreements) has occurred and is continuing.

Compensation Committee Approval of Amendment to Officer RSUs

On August 5, 2022, the Board of Directors of the Company, upon recommendation of the Compensation Committee, approved an amendment (the "Amendment") to the Officer RSUs under the 2021 Plan, which provides that, effective as of September 8, 2022, the market-based vesting conditions applicable to the Officer RSUs shall no longer be applicable, and the awards shall continue to vest subject only to the time-based vesting conditions, subject to the executive's continued employment with the Company through each applicable vesting date. Any Officer RSUs that are not time-vested as of the date of the executive's termination of employment with the Company shall be forfeited and returned to the 2021 Plan. Except as expressly amended by the Amendment, all the terms and conditions of the Officer RSUs shall remain in full force and effect.

The Company will account for the Amendment as a modification of the original awards, and will recognize the incremental fair value of the modified award in excess of the original award over the remaining requisite service period, of which a portion will be immediately recognized during the third quarter of 2022 for the service that has been provided through the modification date.

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

The following management's discussion and analysis is provided in addition to the accompanying condensed consolidated financial statements and notes, and for a full understanding of the Company's results of operations and financial condition should be read in conjunction with the condensed consolidated financial statements and notes included in this Quarterly Report on Form 10-Q included in Part I, Item 1, "Financial Statements (Unaudited)" and the consolidated financial statements and notes for the fiscal year ended December 31, 2021 included in the Company's 2021 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on June 15, 2022.

Overview

Our Business

View is a leading smart buildings platform and technology company that transforms buildings to improve human health and experience, reduce energy consumption and carbon emissions, and generate additional revenue for building owners.

Our innovative products are designed to enable people to lead healthier and more productive lives by increasing access to daylight and views, while minimizing associated glare and heat from the sun and keeping occupants comfortable. These products also simultaneously reduce energy consumption from lighting and HVAC, thus reducing carbon emissions. To achieve these benefits, we design, manufacture, and provide electrochromic or smart glass panels to which we add a 1 micrometer (~1/100th the thickness of human hair) proprietary electrochromic coating. These smart glass panels, in combination with our proprietary network infrastructure, software and algorithms, intelligently adjust in response to the sun by tinting from clear to dark states, and vice versa, to minimize heat and glare without ever blocking the view. In addition, we offer a suite of fully integrated, cloud-connected smart-building products that are designed to enable us to further optimize the human experience within buildings, improve cybersecurity, further reduce energy usage and carbon footprint, reduce real estate operating costs, provide real estate owners greater visibility into and control over the utilization of their assets, and provide a platform on which to integrate and deploy new technologies into buildings.

View's earlier generation products are described best as "smart glass," which are primarily composed of three components that all work together to produce a solution:

- the insulating glass unit; which is either double or triple pane with a micrometer semiconductor (or electrochromic) coating.
- the network infrastructure; which is composed of the controllers, connectors, sensors, and cabling.
- the software: which includes the predictive algorithms, artificial intelligence, remote management tools, and user-facing iOS and Android apps, to control the tint of the glass.

After the Company completed installations in a few hundred buildings, it identified an opportunity to use its network infrastructure and cabling as the backbone on which different smart and connected devices in a typical building could operate. We believe customers using View Smart Glass can leverage View's network as their building's operations technology infrastructure to reduce duplicative labor costs, reduce materials usage, provide better cyber security, improve visibility and management of connected devices, and future-proof the building through easy upgradability.

Recognizing the opportunity to significantly improve the human experience, energy performance and carbon footprint in buildings, and real estate operating costs through adoption of technology, View began selling a Smart Building Platform, which is a fully integrated smart window platform, to building owners starting in 2021. Concurrent with the commencement of the sales efforts, View also began hiring an extensive team of construction managers, project managers, and building specialists to enable the Company to work towards delivering the fully installed and integrated Smart Building Platform, which had historically been the responsibility of the general contractor's glazing and low-voltage electricians ("LVE") subcontractors.

The Smart Building Platform includes an upgraded network infrastructure and end-to-end design and deployment services, and also enables next generation Smart Building Technologies. We began offering our Smart Building Platform for the following strategic reasons:

- To optimize the design, aesthetics, energy performance and cost of the entire smart façade (or digital skin) of the building, rather than just one component (smart glass), thus benefiting both customers and View.
- To elevate the window selection and purchase decision to a customer and decision maker that has a more global view of the project and is in a much better position to make an informed decision regarding all the benefits provided by View's Smart Building Platform.
- To accelerate the integration of new technologies into the fabric of the building. Today, this includes integrating environmental quality sensors and immersive, transparent, high-definition displays into smart windows. Importantly, our smart façade design enables future hardware and software upgrades into the building infrastructure.

- We believe delivering a digital, connected façade and smart building platform will enable future business opportunities and pricing models as buildings, both existing and new, incorporate additional technology and connected products.

View's next generation, smart building network is designed as a scalable and open infrastructure in which the smart window is now another node of the network; in addition, the network is now equipped to host other connected devices and applications, from both View and third parties, as additional nodes on the network. The network has its own 48v direct current power and power-over-ethernet ports to incorporate other connected devices on a standard protocol. Also integrated into the network throughout the building is gigabit speed linear ethernet coaxial cable, as well as optical fiber. Computer processing is also built into the backbone of the network with x86 and ARM processing cores. The network also includes an operating system with capabilities to run third party applications and services, security protocol to protect buildings from cyberattacks, and several elements of a digital twin of the building. View's smart building network also hosts artificial intelligence and machine learning engines, which View developed, and also provides access to artificial intelligence and machine learning engines that are in the cloud. The exterior of the building is the largest in surface area. With the smart building network, the entire exterior of the building can be digitized. Activating the exterior through digitization creates multiple opportunities for building owners and occupants.

View's Smart Building Platform enables other devices and smart building applications to be built and connected to the View smart building network. A few applications View has already built and deployed on its next generation network include:

- **Transparent Displays: View Immersive Display.** Integrated into the smart window and connected to the same network as the glass, Immersive Display allows users to turn their windows into the equivalent of an iPad or tablet — an interactive digital display that allows users a new way to digest multi-media content. Immersive Displays are large-format (55 inches and larger), digital, high-definition, interactive canvases that can be used to broadcast content, host video calls and display information and digital art to large groups of people, while maintaining a view of the outdoors through the window on which it is integrated.
- **Personalized Health: View Sense.** An integrated, enterprise-grade, secure, sensor module that monitors multiple environmental variables (e.g., CO₂, Temperature, Volatile Organic Compounds, Humidity, Dust, Light, and Noise) to provide illustrative data and information to building management teams in order to improve building performance and enhance human health and comfort.

View's R&D continues to focus on not only improving the smart glass product but also on continually bringing more smart building applications and capabilities to market, as well as collaborating with other industry partners to integrate their devices and applications with View's smart building network, with the aim of making building occupants more comfortable, healthier, and more productive, making buildings more sustainable, and providing better information to building owners to streamline operations and reduce operating costs.

In terms of the value propositions to View's customers, its earlier generation smart glass product focused primarily on improving occupant experience and reducing energy costs through adjustments of the glass tint. The current generation of the product focuses not only on improving energy savings and user experience through smart glass; it also focuses on increasing occupant productivity, creating healthier buildings, and using data from other devices to develop broader insights that further improve building operations and reduce energy usage. Current scientific research supports that cognitive function and in turn, productivity goes up when building occupants are exposed to more natural light and comfortable workspaces; they sleep better, and they experience less eye strain, fewer headaches, and lower stress. In a study published in the International Journal of Environmental Health and Public Health in 2020, researchers at the University of Illinois and SUNY Upstate Medical University found that employees working next to View Smart Glass during the day slept 37 minutes longer each night, experienced half as many headaches, and performed 42% better on cognitive tests. The research was sponsored in part by View.

View also recognized that the new Smart Building Platform offering would potentially enable the company to move 'up' the supply chain of the construction industry. Whereas the Company's traditional offering placed it in the role of a supplier to subcontractors of the General Contractor ("GC"), the level of integration and oversight needed to ensure a quality installation and integration of the complete smart building platform is designed to incentivize building owners and GCs to engage directly with View, engaging View to assume the role of the prime contractor for the platform rather than supplier of subcomponent materials. This would also better position View to upsell additional goods and services to the building owners in the future, which could be more efficiently integrated into the smart building platform than with the traditional offering.

Today, View's Smart Glass products are installed into over 40 million square feet of buildings, including offices, hospitals, airports, educational facilities, hotels, and multi-family residences. In addition to our Smart Building Platform, View continues to sell smart windows through our Smart Glass offering and several individual smart building products through our Smart Building Technologies offerings.

To date, we have devoted our efforts and resources towards the development, manufacture, and sale of our product platforms, which we believe have begun to show strong market traction. We have also devoted significant resources to enable our View

Smart Building Platform, a new offering beginning in 2021. For the three months ended June 30, 2022 and 2021, our revenue was \$16.3 million and \$16.9 million, respectively, representing period-over-period decline of 3.6%. For the six months ended June 30, 2022 and 2021, our revenue was \$33.3 million and \$26.7 million, respectively, representing period-over-period growth of 24.8%.

Key Factors Affecting Operating Results

Execution of Growth Strategies

We believe that we are just beginning to address our market opportunity, which we expect to be driven by four multi-decade, secular trends: (i) climate change, Environmental, Social and Governance (“ESG”) and sustainability, (ii) a growing focus on human health inside buildings, (iii) an increased desire for better human experiences in buildings, and (iv) a growing demand for smart and connected buildings.

To capitalize on these trends and our market opportunity, we must execute on multiple growth initiatives, the success of which may depend on our ability to develop mainstream acceptance of our products, including (i) increasing awareness of our products and their benefits across major markets in North America and internationally, (ii) increasing recurring sales, (iii) expanding our product portfolio, (iv) expanding our sales channels to include real estate brokers, (v) continuing to develop strong relationships with ecosystem partners such as building owners, developers, tenants, architects, contractors, low voltage electricians and glaziers, and (vi) expanding outside North America into international markets.

The above growth strategies depend upon our ability to continue as a going concern. As of the date of the filing of this Form 10-Q, the Company has determined that there is substantial doubt about its ability to continue as a going concern, as the Company does not currently have adequate financial resources to fund its forecasted operating costs and meet its obligations for at least twelve months from the filing of this Form 10-Q. The Company’s continued existence is dependent upon its ability to obtain additional financing, enter into profitable sales contracts and generate sufficient cash flow to meet its obligations on a timely basis. The Company’s business will require significant amounts of capital to sustain operations and the Company will need to make the investments it needs to execute these long-term business plans.

Technology Innovation

With more than 1,400 patents and patent filings and over 14 years of research and development experience, we have a history of technological innovation. We have a strong research and development team, including employees with expertise in all aspects of the development process, including materials science, electronics, networking, hardware, software, and human factors research. As we have since inception, we intend to continue making significant investments in research and development and hiring top technical and engineering talent to improve our existing products and develop new products, which will increase our differentiation in the market. In 2021 and 2020, we introduced a new suite of products to complement our market-leading smart glass and optimize the human experience while making buildings more intelligent. These products are collectively referred to under the umbrella brand name “The Smart Building Cloud”:

- **View Net.** Our next generation controls, software, and services (“CSS”), a cloud-connected, network infrastructure offering that powers View’s smart glass products and can incorporate and power other smart building devices from View and other companies. This high bandwidth data and low voltage power network serves as the backbone to an intelligent building platform and provides future-proofing by enabling the addition of new capabilities during a building’s lifetime.
- **View Immersive Display.** Our transparent, digital, interactive surface product that incorporates see-through, high definition displays directly onto the smart window.
- **View Sense.** Modules that provide the ability to measure and optimize light, humidity, temperature, air quality, dust, and noise to improve occupant wellness.
- **View Secure Edge.** Our plug-and-play edge-to-cloud solution that enables IT and digital innovation teams to securely connect new and existing buildings to the cloud; centrally manage building networks, systems, and data in the cloud; and deploy edge applications for real-time processing, insights, and optimizations.
- **View Remote Access.** Our secure access portal that enables IT teams to reduce the cost and cybersecurity risks of maintaining smart buildings by providing vendors and technicians with secure, auditable, time-bound remote access to building networks and devices.
- **View Building Performance.** Our configurable application and web-based tool that enables building managers to measure, optimize and automate building performance with comprehensive, contextual, and actionable insights consolidated from disparate on-premises and cloud-based systems.

- View Workplace Experience. Our configurable application and web-based tool that enables corporate facilities managers to create healthier, more efficient, and more productive workplaces by uncovering actionable insights related to building health, space utilization and workplace operations.

We expect our research and development expenses to increase in absolute dollars over time to maintain our differentiation in the market.

Competition

We compete in the commercial window industry and the electrochromic glass industry, as well as within the larger smart building products industry, each of which is highly competitive and continually evolving as participants strive to distinguish themselves within their markets, including through product improvement, addition of new features, and price. We believe that our main sources of competition are existing commercial window manufacturers, electrochromic glass manufacturers, and companies developing smart building products and intrusion detection solution technologies. We believe the primary competitive factors in our markets are:

- Technological innovation;
- Ability to integrate multiple systems efficiently and effectively;
- Product performance;
- Product quality, durability, and price;
- Execution track record; and
- Manufacturing efficiency.

Capacity

View currently manufactures the insulating glass units (“IGUs”) included in the View Smart Glass and View Smart Building Platform product offerings at our production facility located in Olive Branch, Mississippi. We operate a sophisticated manufacturing facility designed for performance, scale, durability, and repeatability. Our manufacturing combines talent, equipment, and processes from the semiconductor, flat panel display, solar and glass processing industries. Our proprietary manufacturing facility has been in use since 2010. We currently operate one production line in our facility with a name-plate capacity of approximately 5 million square feet of smart glass per year. In addition, we have partially completed the construction of a second production line at our Olive Branch facility. Once operational, we expect our facility’s name-plate capacity to increase by an additional 7.5 million square feet of smart glass per year, bringing our total name-plate capacity of our facility to 12.5 million square feet per year.

As of June 30, 2022, we have invested over \$400 million in capital expenditures primarily in our factory. We expect to incur additional factory capital expenditure of up to approximately \$90 million over the next four years with respect to facility automation and completion of the second production line to support the expected growth in demand for our products. This will require additional financing in order to make these additional investments. Refer to the Liquidity and Capital resources section below for further discussion. We believe our facility, including the second production line, will enable us to achieve economies of scale, meet future demand, and achieve profitability.

Components of Results of Operations

Revenue

View Smart Glass

We generate revenue under our View Smart Glass offering from (i) the manufacturing and sale of IGUs that are coated on the inside with our proprietary technology and are designed, programmed, and built to customer specifications that include sizes for specific windows, skylights, and doors in specified or designated areas of a building and (ii) selling the CSS, which includes sky sensors, window controllers and control panels with embedded software, cables and connectors, that, when combined with the IGUs enable the IGUs to tint. Also included in CSS is a system design service, in which a design document is prepared to lay out the IGUs and CSS hardware for the building, as well as a commissioning service, in which the installed IGUs and CSS components are tested and tinting configurations are set by the Company. The glaziers and LVEs subcontracted by the end user are responsible for ensuring satisfactory adherence to the design document as the products are installed.

Our View Smart Glass revenue primarily relies on securing design wins with end users of our products and services, which typically are the owners, tenants, or developers of buildings. We start the selling process by pitching the View Smart Glass benefits and business outcomes to the building owners, tenants, or developers. The pricing for a project is primarily driven by the make-up, size, shape, total units of the IGU, and associated CSS. The design win is typically secured through a non-binding agreement with the owners, tenants, or developers of the buildings. Once a design win is secured, we negotiate and enter into

legally binding agreements with our Smart Glass customers (typically glaziers for the IGUs and LVEs or general contractors for CSS) to deliver the Smart Glass products and services.

Our IGUs are custom-built and sold to customers through legally binding contracts. Each contract to provide IGUs includes multiple distinct IGUs. We recognize revenue from our IGU contracts over time as the IGU manufacturing work progresses.

Our contracts to provide the CSS network infrastructure include the sale of electrical connections schema, sky sensors, window controllers and control panels with embedded software, cables and connectors, and professional services to provide a system design and commission the installed products. The Company recognizes revenue at a point in time upon shipment of the control panels and electrical components, and upon customer acceptance for the design and commissioning services, both of which have a relatively short period of time over which the services are provided.

In limited circumstances, we contract to provide extended or enhanced warranties of our products outside of the terms of its standard assurance warranty, which are recognized as revenue over the respective term of the warranty period.

View Smart Building Platform

Our View Smart Building Platform is a complete interrelated and integrated platform that combines our smart glass IGUs, the fabrication, unitization, and installation of the framing of those IGUs, any combination of View Smart Building Technologies, and installation of the completed smart glass windows and CSS components into a fully installed Smart Building Platform. We enter into contracts to provide our View Smart Building Platform with our customers, which typically are the owners, tenants or developers of buildings, or the general contractor acting on behalf of our customers.

In contrast to the View Smart Glass product delivery method, we are the principal party responsible for delivering the fully integrated Smart Building Platform. In doing so, we take responsibility for all activities needed to fulfill the single performance obligation of transferring control to the customer of a fully operational Smart Building Platform deliverable; from design, fabrication, installation, integration, commissioning, and testing. Underlying these activities is our responsibility for performing an essential and significant service of integrating each of the inputs of its completed solution. These inputs include our smart network infrastructure and IGUs, both of which are integrated into the window glazing system, which is fabricated by an unrelated subcontractor contracted by us to work on our behalf, as well as designing how the entire Smart Building Platform will be integrated and installed into the customer's architectural specifications for the building that is being constructed or retrofitted. Our integration services also include the activities of installing, commissioning, and testing the Smart Building Platform to enable the transfer of a complete and operational system. We also use subcontractors we select and hire for portions of the installation labor. Given that our responsibility is to provide the service of integrating each of the inputs into a single combined output, we control that output before it is transferred to the customer and accordingly, we are the principal in the arrangement and will recognize the entire arrangement fee as revenue, with any fees that we pay to our subcontractors recognized in our cost of revenue.

The pricing for a Smart Building Platform project is primarily driven by the make-up, size, shape, total units of the IGU, associated CSS, and costs associated with the management and performance of system design, fabrication, unitization, and installation efforts. We assume the risk of delivery and performance of the Smart Building Platform to our customer, and manage this through three key elements to ensure a pleasant end-user experience: 1) we have a contractual right and obligation to direct the activities of the subcontractors; 2) we perform quality inspections; and 3) we engage qualified personnel to protect the company's interest and direct the actions of the subcontractors. The end product to the customer is a single-solution Smart Building Platform that uses artificial intelligence to adjust the building environment to improve occupant health and productivity, as well as reduce building energy usage and carbon footprint.

We recognize View Smart Building Platform revenue over time as services are performed using a cost-to-cost input method where progress on the performance obligation is measured by the proportion of actual costs incurred to the total costs expected to complete the contract.

In the course of providing the View Smart Building Platform, we routinely engage subcontractors we select for fabricating and unitizing the specific smart glass products and for installation of the framed IGUs and smart building infrastructure components and incur other direct costs. We are responsible for the performance of the entire contract, including subcontracted work. Thus, we may be subject to increased costs associated with the failure of one or more subcontractors to perform as anticipated.

View Smart Building Technologies

Our Smart Building Technologies offering includes a suite of products that can be either integrated into the View Smart Building Platform, added-on to View Smart Glass contracts or sold separately. These products, collectively referred to under the umbrella name "The Smart Building Cloud", include the View Secure Edge, View Remote Access, View Building Performance, and View Workplace Experience products related to our acquisition of ioTium and WorxWell during 2021. Our customers are typically the owners or tenants of buildings. Revenue generated from these products has not been material to date.

Some of our View Smart Building Technologies contracts offer software as a service pricing, which includes the use of our software applications, as a service, typically billed on a monthly or annual basis. Our contracts associated with these products, including implementation, support, and other services, represent a single promise to provide continuous access to its software solutions and their processing capabilities in the form of a service. Revenue on these services is recognized over the contract period. Revenue recognized for these contracts has not been material to date.

Cost of Revenue

Cost of revenue consists primarily of the costs to manufacture and source our products, including the costs of materials, customer support, outside services, shipping, personnel expenses, including salaries and related personnel expenses and stock-based compensation expense, equipment and facility expenses including depreciation of manufacturing equipment, rent and utilities, and insurance and taxes, warranty costs, and inventory valuation provisions.

The primary factor that impacts our cost of revenue as a percentage of revenues is the significant base operating costs that we incur as a result of our investment in manufacturing capacity to provide for future demand. At current production volume, these significant base operating costs result in higher costs to manufacture each IGU when compared to the sales price per IGU. As demand for our products increases and we achieve higher production yields, our cost of revenue as a percentage of revenue will decrease. Additional factors that impact our cost of revenue as a percentage of revenues include manufacturing efficiencies, cost of material, and mix of products. We expect to continue to incur significant base operating costs that will be absorbed over larger volumes of production as we scale our business.

Cost of revenues also includes the cost of subcontractors engaged to fabricate and unitize the specific smart glass products and for installation of IGUs and smart building infrastructure components. Further, and in contrast to View Smart Glass contracts in which losses associated with IGUs are recognized over time, our cost of revenue for our Smart Building Platform contracts includes the recognition of contract losses recorded upfront at contract execution within an initial loss accrual when the total current estimated costs for these contracts exceeds total contracted revenue. Revenue for these contracts is recognized as progress is made toward fulfillment of the performance obligation and cost of revenue is recognized equal to the revenue recognized. Actual costs incurred in excess of the revenue recognized are recorded against the initial loss accrual, which is then reduced. Given the growing nature of our business, we incur significant base operating costs attributable to our IGU production costs, which is a significant factor to the losses on these contracts. As we continue to ramp up our manufacturing volumes, we expect to absorb these base operating costs over larger volumes of production; therefore, we expect that the contract loss for individual contracts will decrease over time as a percentage of the total contract value. These economies of production have not been realized to date and the total amount of contract losses may not decrease in the near term as we continue to grow this business.

Research and Development Expenses

Research and development expenses consist primarily of costs related to research, design, maintenance, and enhancements of our products, including software, which are expensed as incurred. Research and development expenses consist primarily of costs incurred for salaries and related personnel expenses, including stock-based compensation expense, for personnel related to the development of improvements and expanded features for our products, materials and supplies used in development and testing, payments to consultants, outside manufacturers, patent related legal costs, facility costs and depreciation. We expect that our research and development expenses will increase in absolute dollars as our business grows, particularly as we incur additional costs related to continued investments in the development of new products and offerings. However, we expect that our research and development expenses will decrease as a percentage of our revenue over time.

Selling, General and Administrative Expenses

Selling, general, and administrative expenses consist primarily of salaries and related personnel expenses, including stock-based compensation, costs related to sales and marketing, finance, legal and human resource functions, contractor and professional services fees, audit and compliance expenses, insurance costs, advertising and promotional expenses and general corporate expenses, including facilities and information technology expenses.

We expect our selling, general, and administrative expenses to increase in absolute dollars for the foreseeable future as we scale headcount to grow our presence in key geographies to support our customers and growing business, and as a result of operating as a public company, including compliance with the rules and regulations of the SEC and Nasdaq, legal, audit, higher expenses for directors and officer insurance, investor relations activities, and other administrative and professional services. Over time, we expect our selling, general and administrative expenses to decline as a percentage of revenue.

Interest Expense, Net

Interest expense, net consists primarily of interest paid on our debt facilities and amortization of debt discounts and issuance costs during the first quarter of fiscal year 2021, interest paid on our finance leases and interest received or earned on our cash and cash equivalents balances.

Other Expense (Income), Net

Other expense (income), net primarily consists of penalties we expect to incur for the proposed settlement of an environmental matter in 2021, and foreign exchange gains and losses.

(Gain) Loss on Fair Value Change, Net

Our Sponsor Earn-out Shares, Private Warrants and redeemable convertible preferred stock warrants are or were subject to remeasurement to fair value at each balance sheet date. Changes in fair value as a result of the remeasurement are recognized in (gain) loss on fair value change, net in the condensed consolidated statements of comprehensive loss. The redeemable convertible preferred stock warrants were converted to common stock as a result of the Merger. We will continue to adjust the remaining outstanding instruments for changes in fair value until the Earn-Out Triggering Events are met, which is the earlier of the exercise or expiration of the Warrants.

Loss on Extinguishment of Debt

Loss on extinguishment of debt comprises a loss arising from the extinguishment of debt as a result of repayment in full of our revolving debt facility in the first quarter of 2021.

Provision for Income Taxes

Our provision for income taxes consists of an estimate of federal, state, and foreign income taxes based on enacted federal, state, and foreign tax rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities, and changes in tax law. Due to the level of historical losses, we maintain a valuation allowance against U.S. federal and state deferred tax assets as we have concluded it is more likely than not that these deferred tax assets will not be realized.

Results of Operations

The following table sets forth our historical operating results for the periods indicated (in thousands, except percentages):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022		2021		2022		2021	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Revenue	\$ 16,316	100.0 %	\$ 16,926	100.0 %	\$ 33,328	100.0 %	\$ 26,695	100.0 %
Costs and expenses:								
Cost of revenue	39,531	242.3 %	49,610	293.1 %	80,093	240.3 %	85,789	321.4 %
Research and development	20,908	128.1 %	21,040	124.3 %	40,603	121.8 %	37,610	140.9 %
Selling, general, and administrative	40,755	249.8 %	34,633	204.6 %	83,714	251.2 %	56,333	211.0 %
Total costs and expenses	101,194	620.2 %	105,283	622.0 %	204,410	613.3 %	179,732	673.3 %
Loss from operations	(84,878)	(520.2)%	(88,357)	(522.0)%	(171,082)	(513.3)%	(153,037)	(573.3)%
Interest and other expense (income), net								
Interest expense, net	69	0.4 %	316	1.9 %	266	0.8 %	5,619	21.0 %
Other expense (income), net	(187)	(1.1)%	4,978	29.4 %	141	0.4 %	6,420	24.0 %
(Gain) loss on fair value change, net	(1,904)	(11.7)%	2,065	12.2 %	(6,285)	(18.9)%	(5,348)	(20.0)%
Loss on extinguishment of debt	—	— %	—	— %	—	— %	10,018	37.5 %
Interest and other expense (income), net	(2,022)	(12.4)%	7,359	43.5 %	(5,878)	(17.6)%	16,709	62.6 %
Loss before provision of income taxes	(82,856)	(507.8)%	(95,716)	(565.5)%	(165,204)	(495.7)%	(169,746)	(635.9)%
Provision for income taxes	30	0.2 %	4	— %	54	0.2 %	9	— %
Net and comprehensive loss	\$ (82,886)	(508.0)%	\$ (95,720)	(565.5)%	\$ (165,258)	(495.9)%	\$ (169,755)	(635.9)%

Revenue

The following table presents our revenue by major product offering (in thousands, except percentages):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
Smart Glass	\$ 4,306	\$ 11,580	\$ (7,274)	(62.8)%	\$ 9,489	\$ 19,795	\$ (10,306)	(52.1)%
<i>Percentage of total revenue</i>	26.4 %	68.4 %			28.5 %	74.2 %		
Smart Building Platform	9,055	5,136	3,919	76.3 %	18,261	5,136	13,125	255.5 %
<i>Percentage of total revenue</i>	55.5 %	30.3 %			54.8 %	19.2 %		
Smart Building Technologies	2,955	210	2,745	1,307.1 %	5,578	1,764	3,814	216.2 %
<i>Percentage of total revenue</i>	18.1 %	1.2 %			16.7 %	6.6 %		
Total	\$ 16,316	\$ 16,926	\$ (610)	(3.6)%	\$ 33,328	\$ 26,695	\$ 6,633	24.8 %

The following table presents our revenue by geographic area and is based on the shipping address of the customers (in thousands, except percentages):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
United States	\$ 14,825	\$ 12,053	\$ 2,772	23.0 %	\$ 31,109	\$ 21,718	\$ 9,391	43.2 %
<i>Percentage of total revenue</i>	90.9 %	71.2 %			93.3 %	81.4 %		
Canada	1,443	4,403	(2,960)	(67.2)%	2,161	4,507	(2,346)	(52.1)%
<i>Percentage of total revenue</i>	8.8 %	26.0 %			6.5 %	16.9 %		
Other	48	470	(422)	(89.8)%	58	470	(412)	(87.7)%
<i>Percentage of total revenue</i>	0.3 %	2.8 %			0.2 %	1.8 %		
Total	\$ 16,316	\$ 16,926	\$ (610)	(3.6)%	\$ 33,328	\$ 26,695	\$ 6,633	24.8 %

Our revenue totaled \$16.3 million during the three months ended June 30, 2022, a 3.6% decrease from \$16.9 million during the three months ended June 30, 2021. The decrease during the three months ended June 30, 2022 compared to the same period in the prior year was primarily due to a decrease in Smart Glass revenue due to the shift to the new View Smart Building Platform offering introduced in the second quarter of 2021 and timing of new projects, mostly offset by higher Smart Building Platform revenues and higher Smart Building Technologies revenue primarily driven by the ioTium products acquired in July 2021 and WorxWell products acquired in November 2021. In total, the Company's revenue growth in the first half of 2022 was unfavorably impacted by project delays and challenges to win new projects during the Company's restatement period.

Our revenue totaled \$33.3 million during the six months ended June 30, 2022, a 24.8% increase from \$26.7 million in the six months ended June 30, 2021. The increase in the six months ended June 30, 2022 compared to the same period in the prior year was primarily driven by a shift to the new View Smart Building Platform offering introduced in the second quarter of 2021 and new Smart Building Technologies products, including the products acquired in the second half of 2021. The decline in Smart Glass revenues in 2022 is attributable to our customer's decisions to select the Smart Building Platform offering rather than Smart Glass offering, as well as the timing of new Smart Glass projects.

Costs and Expenses

Cost of Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
Cost of revenue	\$ 39,531	\$ 49,610	\$ (10,079)	(20.3)%	\$ 80,093	\$ 85,789	\$ (5,696)	(6.6)%

Cost of revenue totaled \$39.5 million, or 242.3% of net sales during the three months ended June 30, 2022, compared to \$49.6 million, or 293.1% of net sales during the three months ended June 30, 2021. Cost of revenue totaled \$80.1 million, or 240.3% of net sales, in the six months ended June 30, 2022, compared to \$85.8 million, or 321.4% of net sales, in the six months ended June 30, 2021. The cost of revenue decreases as a percentage of revenues during these periods reflect the benefit of leveraging the minimum operating costs in the factory over higher revenues, favorable product mix across the three product offerings and lower levels of contract loss accruals.

The \$10.1 million decrease in the cost of revenue in absolute dollars during the three months ended June 30, 2022 compared to the same period in the prior year was primarily driven by:

- a \$12.2 million decrease in new contract loss accruals,
- approximately \$3.0 million of lower levels of smart window product costs due to lower revenues,
- approximately \$1.8 million lower materials costs due to favorable factory yields,
- a \$1.3 million reduction to previously recorded contract loss accruals for actual costs incurred in excess of the revenue recognized, which offsets actual costs incurred in the production and delivery of the Smart Building Platform product for the amount incurred in excess of revenues recognized, and
- a \$1.0 million decrease in stock-based compensation expense.

These decreases were partially offset by:

- \$5.3 million of increased subcontractor costs used for the delivery of the Smart Building Platform product,
- \$3.6 million of higher levels of inventory impairments for raw materials and produced finished goods that were not sold at period end, and
- \$1.7 million of increased factory operating costs as the Company scaled its factory capacity in the second half of 2021 resulting in higher costs in the first half of 2022 as compared to the first half of 2021.

The \$5.7 million decrease in the cost of revenue in absolute dollars during the six months ended June 30, 2022 compared to the same period in the prior year was primarily driven by:

- a \$11.8 million decrease in new contract loss accruals,
- a \$5.3 million reduction to previously recorded contract loss accruals for actual costs incurred in excess of the revenue recognized, which offsets actual costs incurred in the production and delivery of the Smart Building Platform product for the amount incurred in excess of revenues recognized,
- a \$5.9 million reduction in post-installation customer support costs, primarily due to a \$4.8 million charge recorded in the first half of 2021 in connection with specific performance obligations promised to customers in connection with IGU failures associated with the previously discussed quality issue,
- approximately \$3.7 million of lower levels of smart window product costs due to lower revenues,
- approximately \$2.8 million lower materials costs due to favorable factory yields,
- a \$1.5 million decrease in stock-based compensation expense, and
- a cumulative catch-up adjustment to the previously recorded contract loss accrual of \$0.9 million.

These decreases were partially offset by:

- \$7.5 million of increased factory operating costs as the Company scaled its factory capacity in the second half of 2021 resulting in higher costs in the first half of 2022 as compared to the first half of 2021,
- \$10.8 million of increased subcontractor costs used for the delivery of the Smart Building Platform product, and
- \$9.3 million of higher levels of inventory impairments for raw materials and produced finished goods that were not sold at period end.

Cost of revenue for the three months ended June 30, 2022 and 2021 included \$0.3 million and \$1.3 million of stock-based compensation expense, respectively. Cost of revenue for the six months ended June 30, 2022 and 2021 included \$0.7 million and \$2.2 million of stock-based compensation expense, respectively.

Research and Development

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
Research and development	\$ 20,908	\$ 21,040	\$ (132)	(0.6)%	\$ 40,603	\$ 37,610	\$ 2,993	8.0 %

Research and development expenses decreased \$0.1 million during the three months ended June 30, 2022 compared to the same period in the prior year, as increased spending on the enhancement of existing products and development of new products was offset by a reduction in depreciation expense for certain assets abandoned and written off in the second half of 2021 and lower levels of stock-based compensation expense. Research and development expenses increased \$3.0 million during the six months ended June 30, 2022 compared to the same period in the prior year, primarily related to a \$7.8 million increase due to higher headcount and spending on the enhancement of existing products and development of new products, partially offset by a \$2.9 million decrease in depreciation expense and a \$1.9 million decrease in stock-based compensation expense.

Research and development expenses for the three months ended June 30, 2022 and 2021 included \$1.5 million and \$2.6 million of stock-based compensation expense, respectively. Research and development expenses for the six months ended June 30, 2022 and 2021 included \$1.6 million and \$3.5 million of stock-based compensation expense, respectively.

Selling, General, and Administrative

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
Selling, general and administrative	\$ 40,755	\$ 34,633	\$ 6,122	17.7 %	\$ 83,714	\$ 56,333	\$ 27,381	48.6 %

Selling, general, and administrative expenses increased \$6.1 million during the three months ended June 30, 2022 compared to the same period in the prior year, primarily due to an increase of approximately \$6.7 million of legal, consulting and accounting expenses during the first quarter of 2022 associated with the audit and restatement of the Company's financial statements included in its recently filed Form 10-K and Form 10-Q/A, and other related work, partially offset by a \$2.0 million decrease in stock-based compensation for CEO Option Awards, Officer RSUs and Officer Options granted as part of the Merger.

Selling, general, and administrative expenses increased \$27.4 million during the six months ended June 30, 2022 compared to the same period in the prior year, primarily due to an increase of approximately \$12.7 million of legal, consulting and accounting expenses during 2022 to assist in the restatement of the Company's financial statements included in its recently filed Form 10-K and Form 10-Q/A, and other related work, a \$6.3 million increase in stock-based compensation resulting from the CEO Option Awards, Officer RSUs and Officer Options granted as part of the Merger, a \$4.5 million increase in employee compensation and benefits associated with an increase in headcount throughout fiscal year 2021, particularly as it relates to sales support for our growing business and additional finance resources necessary as a result of operating as a public company.

Selling, general, and administrative expenses for the three months ended June 30, 2022 and 2021 included \$16.3 million and \$18.3 million of stock-based compensation expense, respectively. Selling, general, and administrative expenses for the six months ended June 30, 2022 and 2021 included \$33.3 million and \$27.0 million of stock-based compensation expense, respectively.

Interest and Other Expense, net

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	2021	Change (\$)	Change (%)	2022	2021	Change (\$)	Change (%)
Interest expense, net	\$ 69	\$ 316	\$ (247)	(78.2)%	\$ 266	\$ 5,619	\$ (5,353)	(95.3)%
Other expense (income), net	(187)	4,978	(5,165)	(103.8)%	141	6,420	(6,279)	(97.8)%
(Gain) loss on fair value change, net	(1,904)	2,065	(3,969)	(192.2)%	(6,285)	(5,348)	(937)	17.5 %
Loss on extinguishment of debt	\$ —	\$ —	\$ —	*	\$ —	\$ 10,018	\$ (10,018)	*

* not meaningful

Interest Expense, Net

Interest expense, net decreased \$0.2 million and \$5.4 million during the three and six months ended June 30, 2022, respectively, compared to the same periods in the prior year primarily due to the full repayment of the revolving debt facility at Closing, resulting in lower interest expense.

Other Expense (Income), Net

Other expense (income), net decreased by \$5.2 million and \$6.3 million during the three and six months ended June 30, 2022, respectively, compared to the same period in the prior year primarily due to \$5.0 million of penalties incurred during the three months ended June 30, 2021 in conjunction with the proposed settlement between View and the United States government to resolve claims and charges against View relating to its discharges of water into publicly owned treatment works without first obtaining a pretreatment permit. See [Note 7](#) of the "Notes to the Condensed Consolidated Financial Statements" included in Part I, Item 1. "Financial Statements (Unaudited)" for further discussion of this matter.

(Gain) loss on Fair Value Change, Net

The (gain) loss on fair value change, net during the three months ended June 30, 2022 and 2021, as well as the six months ended June 30, 2022 was primarily related to changes in the fair value of our Sponsor Earn-Out liability. The (gain) loss on fair value change, net during the six months ended June 30, 2021 also included the changes in the fair value of our redeemable convertible preferred stock warrants prior to their conversion in the first quarter of 2021.

Loss on extinguishment of debt

During the six months ended June 30, 2021, the Company recorded a loss of \$10.0 million on debt extinguishment related to the full repayment of the revolving debt facility at Closing.

Provision for Income Taxes

For the three and six months ended June 30, 2022 and 2021, the Company's income tax expense was immaterial.

Liquidity and Capital Resources

As of June 30, 2022, we had \$111.2 million in cash and cash equivalents and \$100.0 million in working capital. The Company's accumulated deficit totaled \$2,422.6 million as of June 30, 2022. For the six months ended June 30, 2022, we had a net loss of approximately \$165.3 million and negative cash flows from operations of approximately \$153.2 million. In addition, for the six months ended June 30, 2021, we had a net loss of approximately \$169.8 million and negative cash flows from operations of approximately \$125.2 million. The Company has determined that there is substantial doubt about its ability to continue as a going concern, as the Company does not currently have adequate financial resources to fund its forecasted operating costs and meet its obligations beyond November 2022. To address its cash needs, the Company continues to pursue additional sources of capital. If the Company is unable to obtain adequate capital resources to fund its obligations, the Company will formulate additional plans to extend cash availability beyond such date, including modifying our operations to reduce spending.

While the Company is seeking to raise additional capital beyond the Committed Equity Facility, as described further in [Note 14](#) of the "Notes to the Condensed Consolidated Financial Statements" included in Part I, Item 1, there can be no assurance the necessary financing will be available on terms acceptable to the Company, or at all. If the Company raises funds by issuing equity securities, dilution to stockholders will occur and may be substantial. Any equity securities issued may also provide for rights, preferences, or privileges senior to those of holders of common stock. If we raise funds by issuing debt securities, these debt securities would have rights, preferences, and privileges senior to those of preferred and common stockholders. The terms of debt securities or borrowings could impose significant restrictions on our operations and will increase the cost of capital due to interest payment requirements. The capital markets have in the past, and may in the future, experience periods of upheaval that could impact the availability and cost of equity and debt financing. In addition, recent and anticipated future increases in federal fund rates set by the Federal Reserve, which serve as a benchmark for rates on borrowing, will impact the cost of debt financing.

If we are unable to obtain adequate capital resources to fund operations, we would not be able to continue to operate our business pursuant to our current business plan, which would require us to modify our operations to reduce spending to a sustainable level by, among other things, delaying, scaling back or eliminating some or all of our ongoing or planned investments in corporate infrastructure, business development, sales and marketing, research and development and other activities, which could have a material adverse impact on our operations and our ability to increase revenues, or we may be forced to discontinue our operations entirely.

Our principal uses of cash in recent periods have been funding operations and investing in capital expenditures. Our future capital requirements will depend on many factors, including revenue growth rate, achieving profitability on our revenue contracts, the timing and the amount of cash received from customers, the expansion of sales and marketing activities, the timing and extent of spending to support research and development efforts, capital expenditures associated with our capacity expansion, the introduction of new products and the continuing market adoption of our products.

Our total current liabilities as of June 30, 2022 are \$83.5 million, including \$13.7 million accrued as estimated loss on our Smart Building Platform contracts. Our long-term liabilities as of June 30, 2022 that will come due during the next 12 months from the date of the filing of this Quarterly Report on Form 10-Q include \$1.0 million in operating and finance lease payments and \$1.1 million in estimated settlements of warranty liabilities. In addition, as disclosed in [Note 8](#) of the "Notes to the Condensed Consolidated Financial Statements" included in Part I, Item 1, we have an agreement with one customer that could result in up to \$8.4 million additional issuance of cash for a promissory note over the next 12 months.

The Company has historically financed its operations through the issuance and sale of redeemable convertible preferred stock, the issuance of debt financing, the gross proceeds associated with the Merger and revenue generation from product sales. The Company's continued existence is dependent upon its ability to obtain additional financing, achieve production volumes such that our significant base operating costs are better absorbed, thus allowing for negotiation of profitable sales contracts, and generate sufficient cash flow to meet its obligations on a timely basis. The Company's business will require significant amounts of capital to sustain operations and the Company will need to make the investments it needs to execute its long-term business plans.

Debt*Term Loan*

As of June 30, 2022, we had \$14.7 million outstanding under our term loan debt arrangement. On October 22, 2020, we entered into an amended and restated debt arrangement with the lender, which temporarily suspended the payments until June 30, 2022. Starting June 30, 2022, we are required to make semi-annual payments of \$0.7 million through June 30, 2032. As of June 30, 2022, \$1.5 million of the outstanding amount under this arrangement has been classified as a current liability, and the remaining \$13.2 million has been classified as a long-term liability.

The debt arrangement required us to invest certain amounts in land, building and equipment and create a certain number of jobs. As of June 30, 2022, we had met the requirements. The debt arrangement, as amended, has customary affirmative and negative covenants. As of June 30, 2022, we were in compliance with all covenants.

Cash Flows

The following table provides a summary of cash flow data (in thousands):

	Six Months Ended June 30,	
	2022	2021
Net cash used in operating activities	\$ (153,248)	\$ (125,168)
Net cash used in investing activities	(13,736)	(5,820)
Net cash provided by (used in) financing activities	\$ (999)	\$ 516,122

Cash Flows from Operating Activities

Net cash used in operating activities was \$153.2 million for the six months ended June 30, 2022. The most significant component of our cash used during this period was a net loss of \$165.3 million adjusted for non-cash charges of \$35.6 million related to stock-based compensation and \$11.9 million related to depreciation and amortization, partially offset by the \$6.3 million non-cash gain related to change in fair value of our Sponsor Earn-Out liability and other derivative liabilities. This cash outflow was increased further by \$29.7 million from changes in operating assets and liabilities, primarily due to a \$11.7 million decrease in accrued expenses and other liabilities, including a \$6.5 million reduction to loss accruals for work performed during fiscal year 2022 and a \$2.8 million reduction in warranty accruals primarily related to settlements during fiscal year 2022, a \$8.7 million decrease in accounts payable due to timing of payments to our suppliers, a \$6.9 million increase in inventory as a result of increased demand and timing of shipments, and a \$3.6 million decrease in deferred revenue due to timing of satisfaction of our performance obligations relating to our revenue generating contracts with customers.

Net cash used in operating activities was \$125.2 million for the six months ended June 30, 2021. The most significant component of our cash used during this period was a net loss of \$169.8 million adjusted for non-cash charges of \$32.7 million related to stock-based compensation, \$14.0 million related to depreciation and amortization, and a loss on extinguishment of debt of \$10.0 million, partially offset by \$5.3 million non-cash loss related to change in fair value of our redeemable convertible preferred stock warrant liability. This cash outflow was increased further by \$7.8 million from changes in operating assets and liabilities, primarily due to a \$7.8 million increase in inventory, prepaid and other operating assets as a result of increases in contract assets with customers for the new View Smart Building Platform offering and a \$3.4 million decrease in accounts payable due to timing of payments to our suppliers, partially offset by a \$2.5 million increase in deferred revenue due to timing of satisfaction of our performance obligations relating to our revenue generating contracts with customers.

Cash Flows from Investing Activities

Net cash used in investing activities was \$13.7 million and \$5.8 million for the six months ended June 30, 2022 and 2021, respectively, which was due to purchases of property, plant and equipment primarily related to the expansion of our manufacturing facilities.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$1.0 million for the six months ended June 30, 2022, which was related to finance lease and long-term debt payments.

Net cash used in financing activities was \$516.1 million for the six months ended June 30, 2021, which was primarily due to proceeds related to the reverse recapitalization and PIPE offering of \$773.5 million, net of transaction costs, partially offset by repayment in full of our revolving debt facility of \$257.5 million.

Off-Balance Sheet Arrangements

During the periods presented, we did not have any material off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special

purpose entities, which were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

During the course of business, the Company's bank issues standby letters of credit on behalf of the Company to certain vendors and other third parties of the Company. As of June 30, 2022 and December 31, 2021, the total value of the letters of credit issued by the bank is \$17.1 million and \$16.5 million, respectively. No amounts have been drawn under the standby letters of credit.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") requires us to make judgments, assumptions, and estimates that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. Note 1 of Notes to Consolidated Financial Statements in Company's 2021 Annual Report on Form 10-K filed on June 15, 2022 describes the significant accounting policies and methods used in the preparation of these financial statements. The accounting policies described therein are significantly affected by critical accounting estimates and include the accounting for revenue recognition, product warranties, impairment of long-lived assets, stock compensation, and the Sponsor Earn-out liability. Such accounting policies require significant judgments, assumptions, and estimates used in the preparation of the condensed consolidated financial statements, and actual results could differ materially from the amounts reported based on these policies. The Company has not made any changes in these critical accounting policies during the first six months of 2022.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements, including the expected dates of adoption and estimated effects, if any, on our condensed consolidated financial statements, see Part I, Item 1, [Note 1](#), "Organization and Summary of Significant Accounting Policies," in our notes to condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The exposure to market risks pertains mainly to changes in interest rates on cash and cash equivalents. The Company's outstanding debt as of June 30, 2022, relates to a long-term note that bears no interest with an outstanding balance of \$14.7 million and \$0.9 million of financing lease obligations. The Company does not expect net income or cash flows to be significantly affected by changes in interest rates.

Foreign currency transaction gains and losses were not material to the Company's results of operations for the quarter ended June 30, 2022. To date, the Company has not entered into any foreign currency forward exchange contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Item 4. Controls and Procedures

This Quarterly Report includes the certifications of our Chief Executive Officer and Chief Financial Officer required by Rule 13a-14 of the Securities Exchange Act of 1934 (the "Exchange Act"). See Exhibits 31.1 and 31.2. This Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the U.S. Securities and Exchange Commission ("SEC") rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this Quarterly Report, management, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2022. Based on that evaluation, due to the material weaknesses in internal control over financial reporting described below, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of June 30, 2022. Nevertheless, based on a number of factors, including the completion of the Audit Committee's investigation, our internal review that identified the need to restate our previously issued financial statements and the performance of additional procedures by management designed to ensure the reliability of our financial reporting, we believe that the condensed consolidated financial statements in this Quarterly Report fairly present, in all material respects, our financial position, results of operations and cash flows as of the dates, and for the periods, presented, in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Material Weaknesses in Internal Control over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management identified material weaknesses in our internal control over financial reporting as of June 30, 2022, as follows:

- We did not design or maintain an effective internal control environment that meets our accounting and reporting requirements. Specifically, we did not have a sufficient complement of personnel with an appropriate degree of accounting knowledge and experience to appropriately analyze, record and disclose accounting matters commensurate with our accounting and reporting requirements and lacked related internal controls necessary to satisfy our accounting and financial reporting requirements. Additionally, we did not demonstrate a commitment to integrity and ethical values. These material weaknesses contributed to the following additional material weaknesses:
 - We did not design or maintain effective controls in response to the risks of material misstatement, including designing and maintaining formal accounting policies, procedures, and controls over significant accounts and disclosures to achieve complete, accurate and timely financial accounting, reporting and disclosures, including with respect to revenue and receivables, inventory, equity and derivative liabilities, warranty-related obligations, leasing arrangements, property, plant, and equipment, stock-based compensation, and period-end financial reporting.
 - We did not design or maintain effective controls over information technology (“IT”) general controls for information systems that are relevant to the preparation of our financial statements. Specifically, we did not design or maintain: (i) program change management controls for financial systems relevant to our financial reporting to ensure that information technology program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate personnel; (iii) computer operations controls to ensure critical data interfaces between systems are appropriately identified and monitored, data backups are authorized and monitored, and restorations are tested; and (iv) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

The material weaknesses in our control environment, in our response to the risks of material misstatement, and in our warranty-related obligations process resulted in the need to restate our consolidated financial statements for the years ended December 31, 2020 and 2019, the unaudited quarterly financial information for the quarter ended March 31, 2021 and the unaudited quarterly financial information for each of the quarters in the year ended December 31, 2020. The other material weaknesses, with the exception of the IT deficiencies, resulted in adjustments to substantially all of our accounts and disclosures for the interim and annual periods related to 2018, 2019, 2020, and 2021. The IT deficiencies did not result in an adjustment to the financial statements; however, the deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would not be prevented or detected. Additionally, each of these material weaknesses could result in a misstatement of substantially all of our account balances or disclosures that would result in a material misstatement to the annual or interim condensed consolidated financial statements that would not be prevented or detected.

Remediation Plan

With oversight from the Audit Committee and input from the Chair of the Board, management has begun designing and implementing changes in processes and controls to remediate the material weaknesses described above and to enhance our internal control over financial reporting as follows:

- We are in the process of designing and implementing new control activities in response to the risk of material misstatement for our significant business processes, including revenue and receivables, inventory, equity and derivative liabilities, warranty-related obligations, leasing arrangements, property, plant, and equipment, stock-based compensation, and period-end financial reporting.
- With the assistance of an independent consultant, we are in the process of performing a comprehensive assessment of our financial reporting risk areas, associated review processes and other controls to achieve accurate and timely reporting, including with respect to:
 - warranty reserve accounting and accuracy of the accrual at each reporting period including the adequacy of the statistical model projecting future estimated failures and the costs; and

- existing disclosure committee structure, practices and charter, and the adequacy of its internal controls and processes.
- With the assistance of the independent consultant, we performed a comprehensive review of the Company's existing technical accounting capabilities and resources in the accounting/finance function, noting that certain positions in the accounting organization currently filled with interim resources need to be filled on a permanent basis.
- Our new Chief Accounting Officer, who was hired in June 2021 with strong accounting expertise and audit experience, was appointed interim Chief Financial Officer on November 8, 2021 and permanent Chief Financial Officer on February 17, 2022.
- We created a position of Vice President for Internal Audit reporting directly to the Audit Committee and are currently recruiting for this position.
- The Board amended our By-laws to separate the roles of the Chair of the Board and the CEO. In addition, it established the position of Executive Chair with the duties of the Chair of the Board as set forth in our By-laws to serve at the direction of the Board and to be filled by an individual with substantial public company experience, in order to assist our CEO and focus on strengthening our financial and accounting functions, including financial statement reporting. Harold Hughes filled the position of Executive Chair from November 8, 2021, until his resignation on February 22, 2022. On February 23, 2022, Toby Cosgrove was appointed independent Chair of the Board. Mr. Cosgrove in his capacity as Chair of the Board along with Mr. Gormly in his capacity as Chair of the Audit Committee and the other independent members of the board will continue to assist our CEO and management to strengthen our financial and accounting functions.
- Management has provided, and will continue to provide, periodic training to members of the accounting and finance function on appropriate auditor communications, the identification of improper accounting behavior, and the various means available to employees to report potential instances of improper accounting and unethical activities in an anonymous manner without consequences.
- Management will continue its efforts to establish or enhance specific processes and controls to provide reasonable assurance with respect to the accuracy and integrity of financial reporting. These efforts include:
 - Centralization of the development, oversight, and monitoring of accounting policies and standardized processes in all critical accounting areas, including areas involving management judgment and discretion;
 - Implementation and clarification of specific accounting and finance policies, applicable worldwide, regarding the establishment, increase, and release of accrued liability and other balance sheet reserve accounts;
 - Creation of a revenue recognition accounting resource function to coordinate complex revenue recognition matters and to provide oversight and guidance on the design of controls and processes to enhance and standardize revenue recognition accounting procedures;
 - Improving the processes and procedures around the completion and review of quarterly sub-certification letters, in which our various business and finance leaders make full and complete representations concerning, and assume accountability for, the accuracy and integrity of their submitted financial results; and
 - Enhancing the development, communication, and monitoring of processes and controls to ensure that appropriate account reconciliations are performed, documented, and reviewed as part of standardized procedures.
- Management will invest in the design and implementation of additional and enhanced information technology systems and user applications commensurate with the complexity of our business and financial reporting requirements. It is expected that these investments will improve the reliability of our financial reporting by reducing the need for manual processes, subjective assumptions, and management discretion; by reducing the opportunities for errors and omissions; and by decreasing reliance on manual controls to detect and correct accounting and financial reporting inaccuracies.
- Management will reemphasize our communications to all employees regarding the availability of our Ethics Hotline, through which employees at all levels can anonymously submit information or express concerns regarding accounting, financial reporting, or other irregularities they have become aware of or have observed. In addition, these communications will emphasize the existence and availability of other reporting avenues or forums for all employees, such as their management chain, their Human Resources representatives, the Legal Department, and direct contact with our Chief Financial Officer or the Audit Committee.

We believe the remediation measures described above will remediate the control deficiencies we have identified and strengthen our internal control over financial reporting. While these remediation measures are a critical priority, the design and implementation of control enhancements, and the continued execution of these enhancements, will take time to fully remediate

all identified material weaknesses. We are committed to continuing to improve our internal control processes and will continue to diligently and vigorously review our financial reporting controls and procedures.

Changes in Internal Control Over Financial Reporting

There were no changes during the quarter ended June 30, 2022 in our internal control over financial reporting (as such term is defined in the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are subject to claims, litigation, internal or governmental investigations, including those related to labor and employment, contracts, intellectual property, environmental, regulatory compliance, tax, commercial matters, and other related matters, some of which allege substantial monetary damages and claims. Please refer to [Note 7](#) of the “Notes to the Condensed Consolidated Financial Statements” included in Part I, Item 1 of this Form 10-Q and Part I, Item 3. “Legal Proceedings” of the Company’s 2021 Annual Report on Form 10-K, filed June 15, 2022 for additional information.

Item 1A. Risk Factors

Please refer to Part I, Item 1A. “Risk Factors” of the Company’s 2021 Annual Report on Form 10-K, filed June 15, 2022 for the material risk factors affecting our business operations and financial condition. Any of the risk factors included therein could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. The risks included in Part I, Item 1A. “Risk Factors” of the Company’s 2021 Annual Report on Form 10-K, filed June 15, 2022 should be read in conjunction with the unaudited condensed consolidated financial statements and notes to the unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In the second quarter of 2021, the Company granted an aggregate amount of 257,625 restricted stock units for shares of Class A Common Stock of the Company to its independent directors. On May 14, 2021, Toby Cosgrove, Lisa Picard, Nigel Gormly, Harold Hughes, and Tom Leppert, were each granted 27,662 RSUs, subject to time-based vesting conditions that vest in equal, quarterly installments over one year. On May 14, 2021, the Company granted RSUs to Mr. Hughes in the amount of 55,325 units and Mr. Leppert in the amount of 41,493 units. Such RSUs granted to Mr. Hughes and Mr. Leppert are subject to time-based vesting conditions and vest in equal installments over a three-year period with 33% to vest on each twelve-month anniversary of the grant date. On June 14, 2021, the Company granted Julie Larson-Green 22,497 RSUs, subject to time-based vesting conditions that vest in equal, quarterly installments over one year. Mr. Hughes’ and Mr. Leppert’s remaining unvested RSUs were cancelled in connection with their resignations on February 22, 2022. As of June 30, 2022, 146,973 restricted stock units of the Director RSUs have vested.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of View, Inc. (incorporated by reference to Exhibit 3.3 of the Company's Form 8-K, filed with the SEC on March 12, 2021).
3.2	Amended and Restated Bylaws of View, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K, filed with the SEC on July 22, 2022).
31.1*	Certification of the Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of the Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of the Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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

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.

Date: August 9, 2022

View, Inc.

/s/ Rao Mulpuri

Name: Rao Mulpuri
Title: Chief Executive Officer
(Principal Executive Officer)

Date: August 9, 2022

/s/ Amy Reeves

Name: Amy Reeves
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Rao Mulpuri, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of View, Inc.;
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 officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2022

/s/ Rao Mulpuri

Name: Rao Mulpuri

Title: Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Amy Reeves, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of View, Inc.;
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 officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2022

/s/ Amy Reeves

Name: Amy Reeves

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)

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

In connection with the Quarterly Report of View, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Rao Mulpuri, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2022

/s/ Rao Mulpuri

Name: Rao Mulpuri

Title: Chief Executive Officer

(Principal Executive Officer)

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

In connection with the Quarterly Report of View, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Amy Reeves, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2022

/s/ Amy Reeves

Name: Amy Reeves

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)