



Luna Innovations Provides Business Update on COVID-19

April 14, 2020

Company Announces First-Quarter Earnings Release Date

ROANOKE, Va.--(BUSINESS WIRE)--Apr. 14, 2020-- Luna Innovations Incorporated (NASDAQ: LUNA), a leader in optical technology, today provided an update on its business operations in light of the COVID-19 pandemic. Luna Innovations is deemed a critical business by the Department of Homeland Security and remains fully operational.

"The safety and well-being of our Luna team, customers and the communities in which we operate and live are our highest priorities," said Scott Graeff, President and CEO of Luna Innovations. "We are enormously grateful to our employees for adapting well and quickly to the 'new normal' and for continuing to serve our customers with little to no disruption. I'm particularly proud of the way in which we've collaborated with organizations to do our part in contributing to the fight against COVID-19, including our collaboration with OESH to design and produce a 3-D printed respirator mask for use during this N95 mask shortage. In addition, we are determined to be as transparent as possible in this increasingly fluid situation. Operational decisions are being based off the best and most current information we have in any given moment, and we are continuously reevaluating as we obtain new information. I'm extremely proud of, and grateful to, the Luna team for the flexibility, courage and dedication they've shown in response to our approach."

Business Continuity and Employee Well-Being

In mid-March, the company implemented several initiatives to ensure that it continued to serve customers, to the best of its ability, uninterrupted while providing employees with a safe workplace. These initiatives include:

- Creating alternate work arrangements, including staggered schedules and shifts, distancing within its offices and working from home. Approximately two-thirds of Luna employees are working from home full-time or on a staggered schedule. For the remaining employees who have manufacturing responsibilities, the company has created new work schedules and imposed limitations to labs and offices, in order to practice social distancing. Recognizing that maintaining a routine is important to a positive mindset, Luna is encouraging all employees to adopt a routine that works best for them.
- Implementing travel restrictions, including a freeze on all international travel, and CEO approval for emergency only domestic travel.
- Encouraging employees to make full use of their health and well-being benefits, including benefits related to mental wellness.
- Communicating openly and frequently with employees regarding the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Families First Coronavirus Response Act (FFCRA), healthcare benefits and coverage, and related COVID-19 government-sanctioned information.
- Making broad use of videoconference capabilities for meetings and non-business related team get-togethers.
- Ensuring that the CEO communicates with each location at least once a week, to address any questions, share information on operations, and generally be available to all employees.
- Working closely with our global supply chain to ensure continuity of supply of critical parts. To date supply chain interruptions have been minimal, but we continue to monitor the situation closely.

Cash Position and Access to Capital

In addition, Luna Innovations has a strong cash position and adequate access to capital. Cash and cash equivalents were \$25 million as of the fourth-quarter 2019, and Luna continues to have access to its \$10 million revolving credit facility, if needed. The company also has applied for certain loans under the CARES Act. To date, Luna has not laid-off employees, and does not anticipate doing so, although given the fluidity of the COVID-19 pandemic, no guarantees have been made.

Innovative Collaborations to Provide Substitute for N95 Masks

Luna Innovations has joined forces with its Charlottesville neighbor, OESH, to design and produce flexible 3D printed respirator masks for use during the COVID-19 pandemic N95 respirator mask shortage. OESH is using its 3D printers and expertise designing around body features along with flexible, plastic material to produce the masks, which have a tight seal around the edges. The respirator masks can be used when there are no certified N95 masks available. The masks have two vents with removable caps. Cut up surgical gowns, HEPA vacuum bags or cotton make-up pads can be used as filter material. Masks can also be washed in a dishwasher, washing machine or by hand and reused with different filter material.

Luna is welding the masks together, adding an aluminum strip on the nose and distributing them. More information may be found at:

<https://lunainc.com/luna-joins-oesh-design-produce-flexible-3d-printed-respirator-masks/>

First-Quarter Earnings Release Date

Luna will report its first-quarter financial results for the period ended March 31, 2020 after the close of the stock market on Thursday, May 7, 2020.

About Luna

Luna Innovations, Incorporated (www.lunainc.com) is a leader in optical technology, providing unique capabilities in high-performance, fiber optic-based, test products for the telecommunications industry and distributed fiber optic-based sensing for the aerospace and automotive industries. Luna is organized into two business segments, which work closely together to turn ideas into products: a Technology Development segment and a Products and Licensing segment. Luna's business model is designed to accelerate the process of bringing new and innovative technologies to market.

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