



Luna Announces Strong Start to 2025 with Substantial Bookings Growth

ROANOKE, VA, (May 20, 2025) – Luna Innovations Incorporated (OTCMKTS: LUNA) (“Luna” or the “Company”), a global leader in advanced fiber optic-based technology, today announced select preliminary operating and financial metrics for the first quarter ended March 31, 2025, showcasing significant year-over-year bookings growth, continued gross margin expansion, and sustained execution on cost containment initiatives.

“We are pleased to report a strong start to 2025, with sharp improvements in bookings, margin performance, and working capital management,” said the Company’s President, Chief Executive Officer, Kevin Ilcisin. “Our continued focus on operational discipline, customer alignment, and profitable growth is positioning us well for sustained success.”

Financial Highlights for the first quarter ended March 31, 2025

Will Denman, SVP and GM of the Optical Communications Test business commented, “The growth of artificial intelligence and data centers is driving a significant acceleration in demand for photonics. Luna’s optical test solutions are playing a critical role in enabling this next wave of high-performance computing infrastructure. It’s an exciting time to partner with some of the most innovative leaders in the industry.”

Thomas Oldemeyer, SVP and Managing Director of the Sensing business added, “Despite recent oil price volatility, demand for Luna’s sensing solutions remains strong in energy applications, particularly in oilfield services and pipeline monitoring. Our new ATLAS Acoustic Sensing Platform enabled major project wins in India and Africa.”

Based on preliminary estimates, the Company expects the following financial results for the first quarter ended March 31, 2025:

- Bookings of \$37 million to \$39 million, compared to approximately \$25 million in the first quarter of 2024, representing year-over-year growth of more than 50%.
- Revenue of \$29 million to \$31 million, representing a book-to-bill ratio of more than 1.2x.

Operational and Strategic Highlights

- **Cost Initiatives:** Luna continued executing on its cost containment program, achieving efficiencies through vendor consolidation and labor outsourcing initiatives.
- **Margin Expansion:** Significant improvement in gross margins due to enhanced manufacturing efficiencies and favorable customer and product mix.
- **Working Capital Improvements:** Inventory reductions, strong accounts receivable collections, and disciplined capital spending enhanced liquidity.
- **Tariff response planning:** In response to global trade uncertainty, Luna has taken a number of actions to mitigate the temporary disruption in customer demand and its supply chain.

Mr. Ilcisin concluded, “I am proud of our team's ability to deliver these positive results while executing significant cost savings initiatives and addressing macro headwinds. We are confident that our continued focus on operational efficiency, customer satisfaction, and product innovation will position us for sustained profitable growth.”

Preliminary Unaudited Financial Information

This press release contains preliminary estimates of selected unaudited financial and other information for the Company's quarters ended March 31, 2025 and 2024. Our full audited condensed consolidated financial statements as of and for the year ended December 31, 2024 and 2023 are not yet available. The information contained herein reflects our preliminary estimates based on currently available information and is subject to change. We have provided ranges for the preliminary estimates of the financial information described herein primarily because our financial closing procedures for the year ended December 31, 2024 and quarters ended March 31, 2025 and 2024 are not yet complete and, as a result, our final results upon completion of our closing procedures may vary from the preliminary estimates.

Forward-Looking Statements

The statements in this release that are not historical facts constitute “forward-looking statements”. These statements include, but are not limited to, preliminary financial results and statements made regarding the Company's expected and future financial and operational results. Management cautions the reader that these forward-looking statements are only predictions and are subject to a number of both known and unknown risks and uncertainties, and actual results, performance, and/or achievements of the Company may differ materially from the future results, performance, and/or achievements expressed or implied by these forward-looking statements because of a number of factors. The

statements made in this release are based on information available to Luna as of the date of this release and Luna undertakes no obligation to update any of the forward-looking statements after the date of this release.

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