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Safe Harbor

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This presentation includes information that constitutes “forward-looking statements” made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. These statements include the company's expectations regarding the company's future financial performance, including 2021 guidance, and market recognition of key technologies and demand for its products, backlog, sales growth, the company’s overall growth potential, its balance sheet and capitalization and access to capital, its technological advantages and capabilities, its strategic position, and corporate and leadership culture. 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 as a result of a number of factors. These factors include, without limitation, failure of demand for the company’s products and services to meet expectations, failure of target markets to grow and expand, technological, operational and strategic challenges, uncertainties related to the ongoing impact of the COVID-19 pandemic and those risks and uncertainties set forth in the company’s periodic reports and other filings with the Securities and Exchange Commission (“SEC”). Such filings are available on the SEC’s website at www.sec.gov and on the company’s website at www.lunainc.com. The statements made in this presentation are based on information available to Luna as of the date of this presentation, November 17, 2021, and Luna undertakes no obligation to update any of the forward-looking statements after the date of this presentation, except as required by law.

Adjusted Financial Measures

In addition to U.S. GAAP financial information, this presentation includes Adjusted EBITDA and Adjusted EPS, which are non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of Net Income to Adjusted EBITDA and Net Income to Adjusted EPS are included in the appendix to this presentation.

Luna – Enabling the Future with Fiber

- Positioned as a **global** fiber optic **leader**
- **Proprietary** measurement technology, offering **unprecedented** combination of resolution, accuracy and speed
- Customers in **attractive markets**: Military and Defense, Communications, Infrastructure, Energy, Automotive and Aerospace
- Positioned to **take advantage of trends** such as vehicle lightweighting, smart infrastructure, and increasing demands on data centers and broadband capacity
- **Adequately capitalized** to fund growth
- Long-tenured, **experienced** executive team / board
- Corporate culture of **innovation and integrity**



Luna is a global company

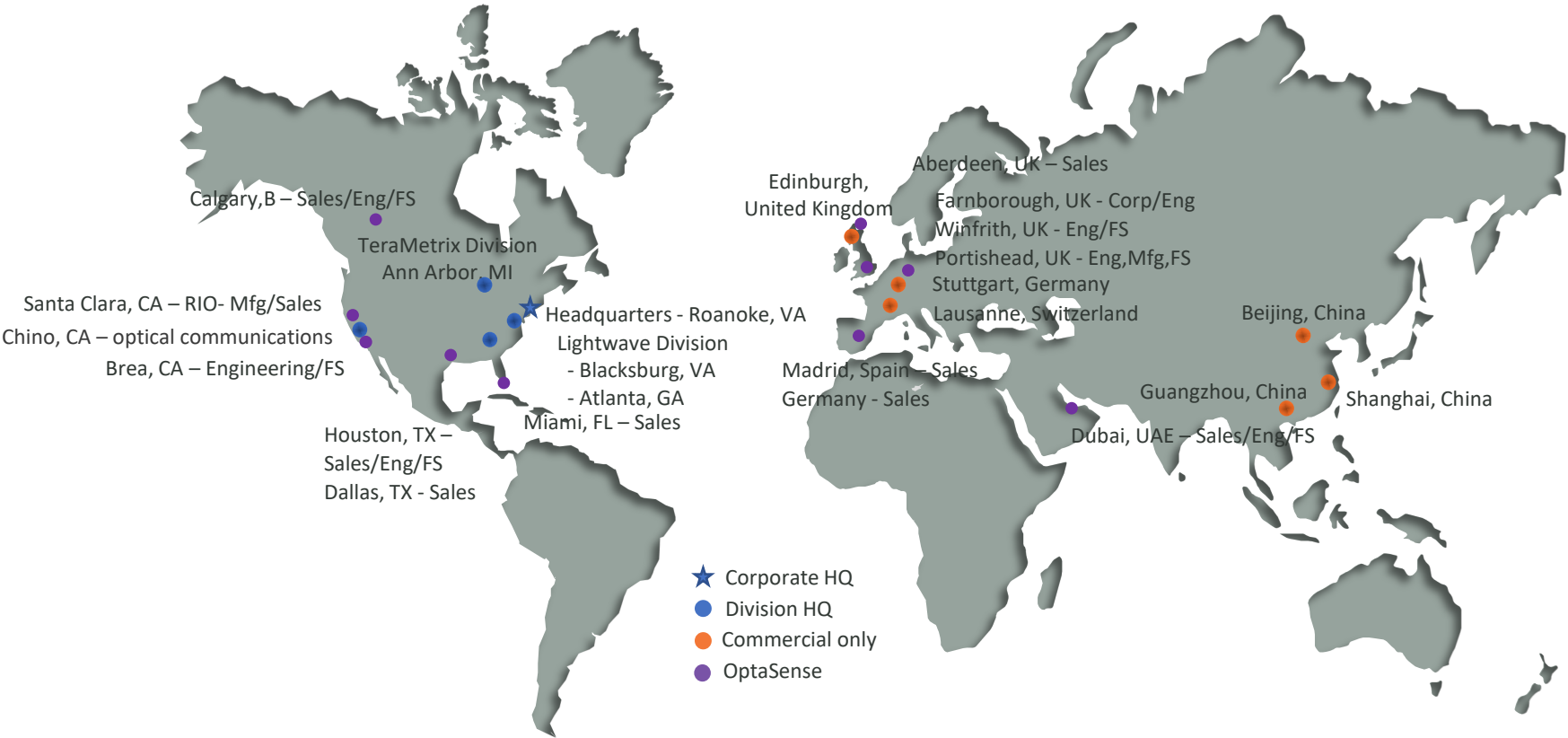


Revenue¹
FY20 \$59.1M
FY21 Guidance
\$85M-88M



AEBITDA^{1,2}
FY20 \$8.6M
FY21 Guidance
\$6M-8M

300³+ Employees



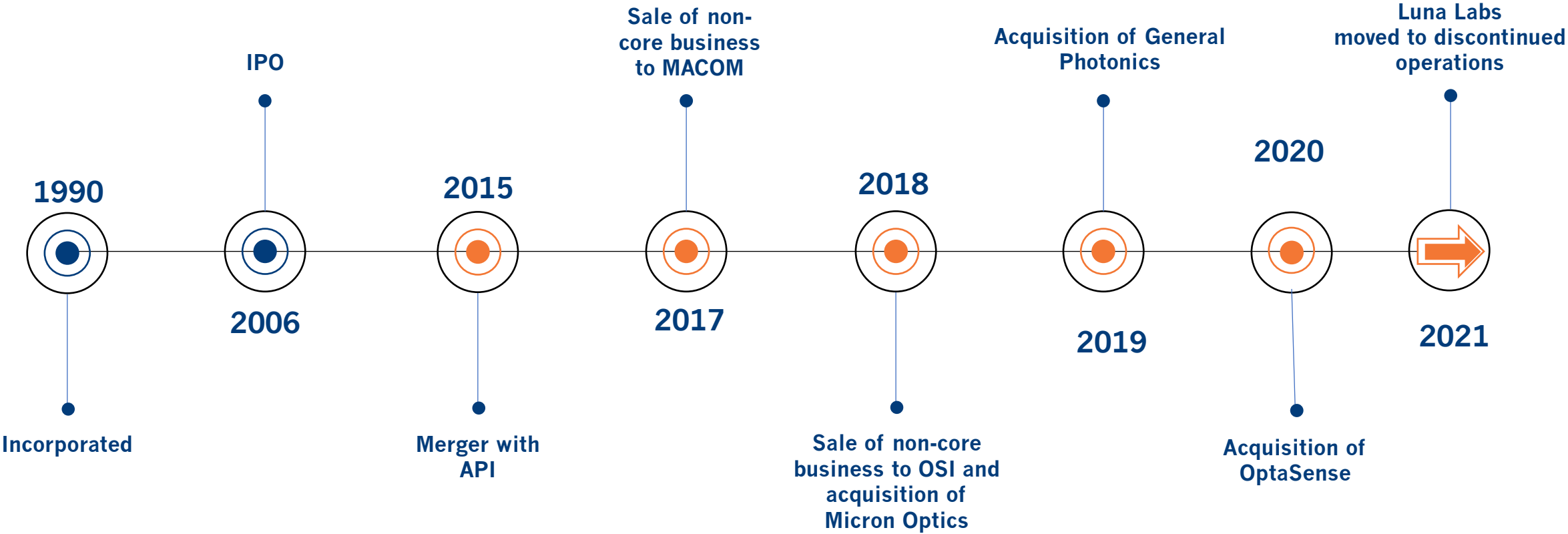
¹ Results shown include the reclassification of Luna Labs to Discontinued Operations.

² Adj EBITDA is a non-GAAP measure. Reconciliation of comparable GAAP measures to non-GAAP measures are included in the Q3 21 supplemental materials found on our website.

³ Employee count excludes Luna Labs.

Luna has a clear vision and established history

Vision: Enabling the Future with Fiber



Luna Today and Into the Future:

A Compelling business model with strong growth potential

Revenue Growth



Organic Growth:
Mid-to High-teens

18% to 20%

Strategic M&A

Within core focus and accretive

Bottom-Line Focus



Gross Margin
60%

AEBITDA

15%-20% of Revenue

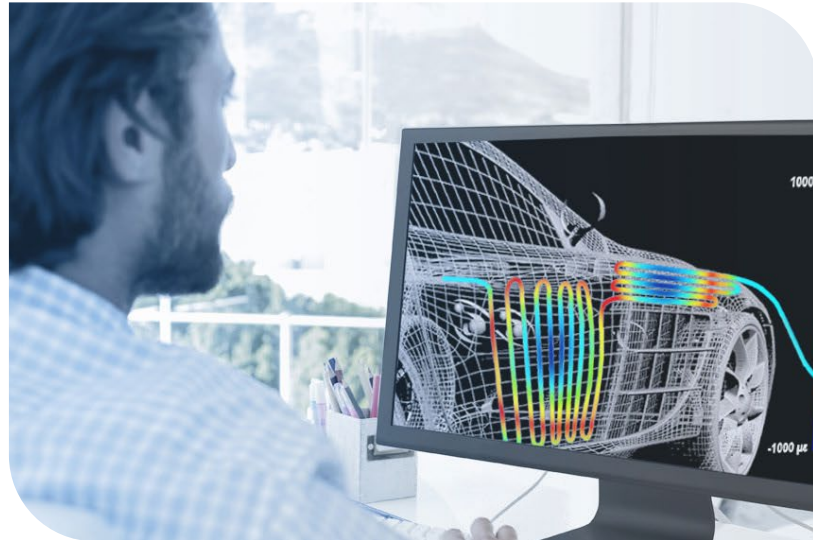
Shareholder Return



Continued Cash Generation
while investing for growth

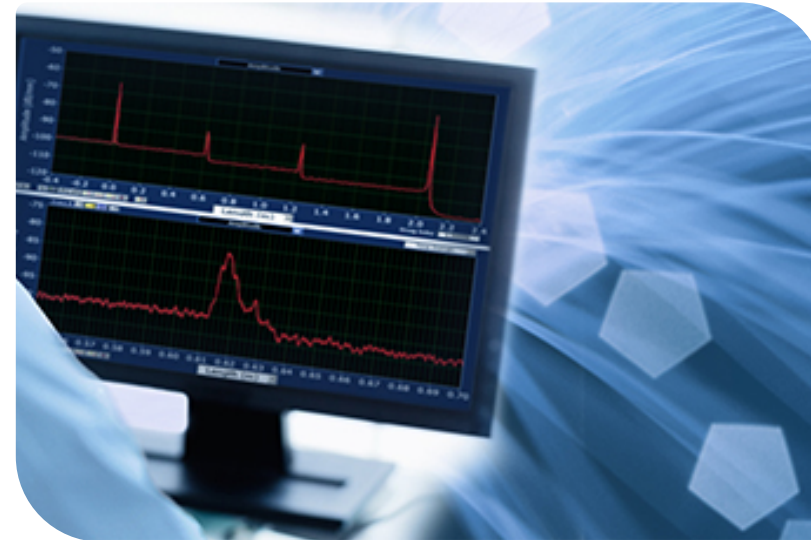
Increasing Non-GAAP EPS

Luna Overview



Sensing

- Short-range, high resolution
- Long-range, high speed
- Long-range, continuous
- Material thickness

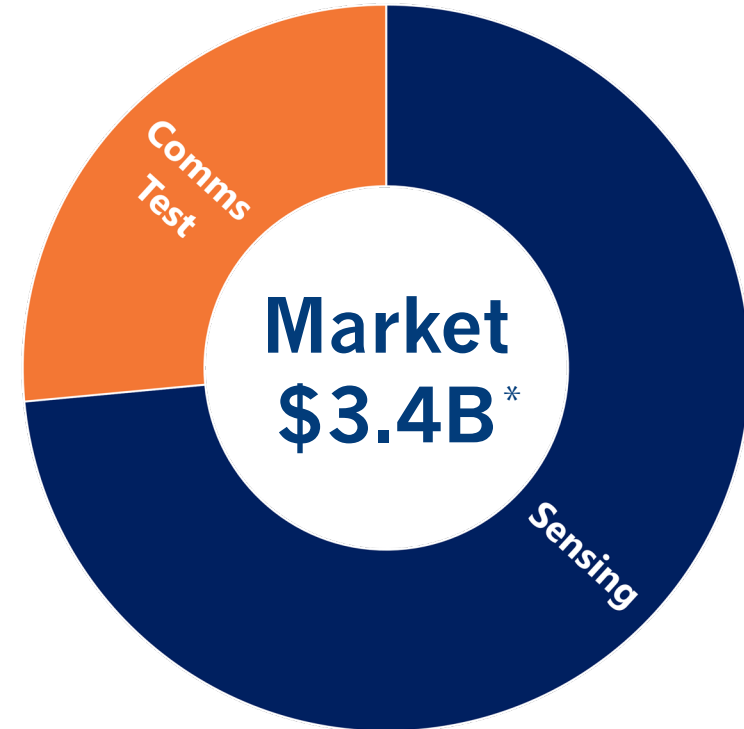


Comms Test

- Components
- Short-haul network

Where Does Luna Play?

	Comms Test	Sensing
Market size*	\$900M	\$2.5B
Luna growth	15%-20%	20-25%
Drivers	5G, Silicon Photonics	Lightweighting, Smart Infrastructure, IoT
Key competition	Keysight, Viavi, Exfo	HBM, Vishay, National Instruments

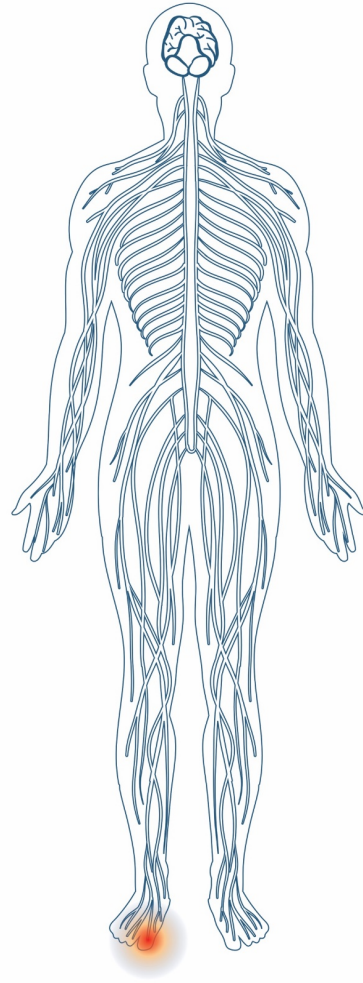


Comms Test:
5G Buildout
Field Support

Sensing:
Smart Infrastructure
Lightweighting
Process control & NDE

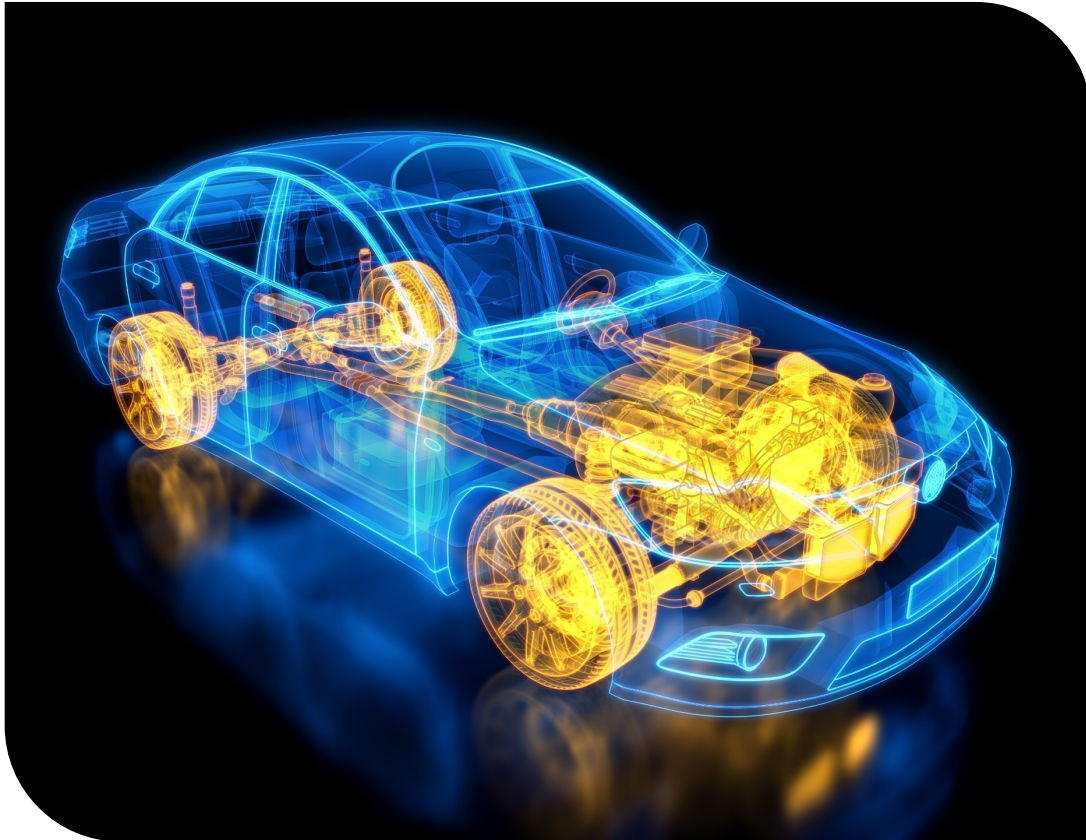
*Total SAM based on Luna estimates and published market reports

Sensing



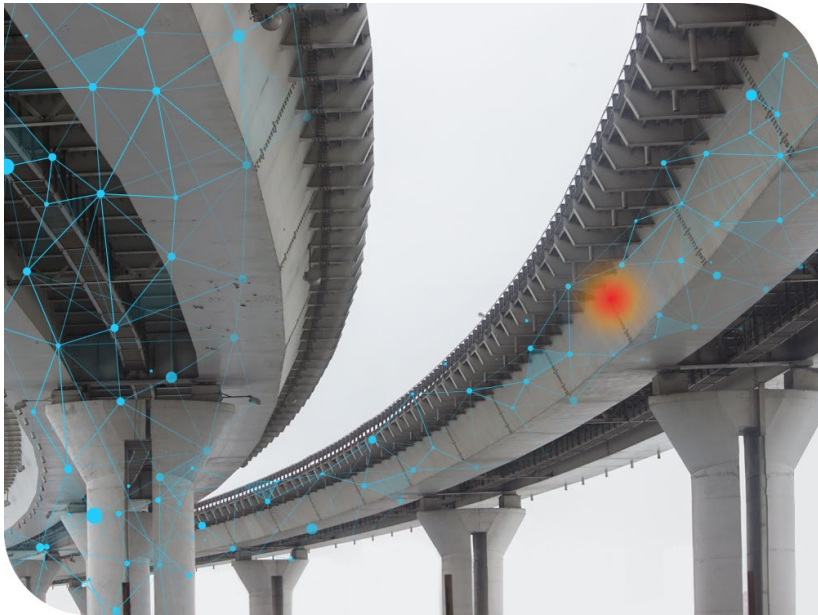
- Fiber optic sensors are the “nerves” of smart materials
- Luna’s products are the “brain” that collects and aggregates data from fiber sensor “nerves”
- The new OptaSense acquisition will add missing capability to Luna’s Sensing business

Sensing: Short-range, high-resolution

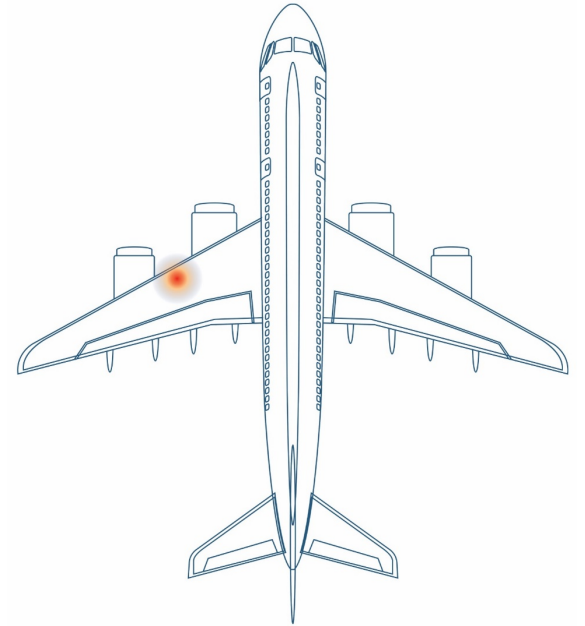


- Product: ODiSI
- High-Definition Fiber Optic Sensing
 - Measuring strain and temperature in composites and other advanced materials
 - Focus on military and commercial aerospace and automotive

Sensing: long-range, high-speed



- Product: Hyperion
- High-Speed, Long-Range FBG Sensing
 - Measuring strain, temperature, acceleration, displacement and pressure
 - Focus on structural health and security
 - Buildings, tunnels, bridges
 - Perimeter security



Sensing: long-range, continuous



- Product: OptaSense
- Market Leader in Long-Range Distributed Acoustic Sensing (DAS)
 - Proprietary distributed acoustic sensing and software analytics
 - Measure acoustic signals continuously using fiber over very long lengths (50 km)
 - Markets
 - Borders, perimeter security, transportation, pipelines, oil and gas

Sensing: Material thickness



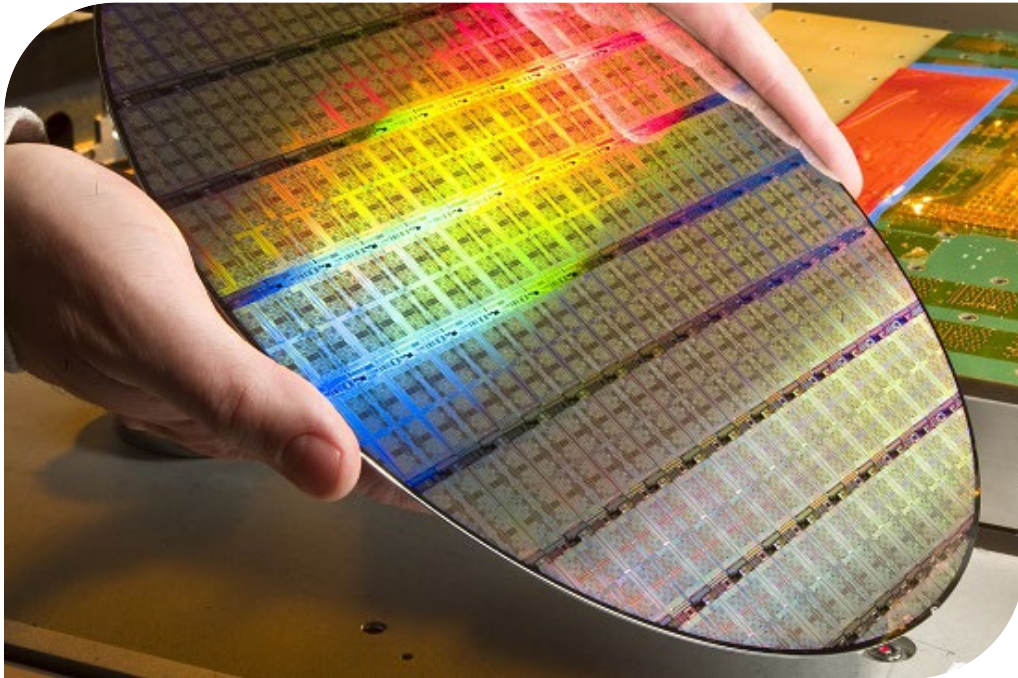
- Product: Terahertz technology
- Layer thickness measurements for process control, inspection and non-destructive testing
 - Advanced technology measures thickness of opaque materials
 - Unique measurement of composites and coatings with easy to use hand-held tools
 - Focus on manufacturing environments and field test for military-aerospace
 - Plastic and industrial packaging
 - Used extensively on F35 and F22 for anti-radar surface treatment

Comms Test



- Increased data and video consumption
 - Video forecasted to represent 82% of all IP traffic in 2022, 34% CAGR
- Growth in mobile and 4G/5G
 - Mobile data traffic growing at 46% CAGR
- Cloud services and adoption of Internet of Things
 - Data center traffic growing at 26% CAGR
 - 28.5 billion IoT networked devices by 2022

Comms Test: Components



- Product: Optical Vector Analyzer (OVA)
- Ensuring speed at the chip level
- Unprecedented visibility inside devices - you can't fix what you can't see
- Reduces time and cost associated with the development of high-speed optical components
- Focus on enabling the carriers to move to 5G networks

Comms Test: Short-haul network



- Product: Optical Backscatter Reflectometer (OBR)
- Bandwidth demands continue to drive double-digit connectivity growth
- Delivers unprecedented visibility into short-haul networks
- Emerging market for on-board aircraft communications
- Ensuring network “up time” on Lockheed Martin’s F-35



3Q FY21 Results



Third-Quarter 2021: Key Financial Results

- Revenues of \$20.3M; up 32% year-over-year
 - Beginning in Q3 with the classification of Luna Labs to discontinued operations, Luna now reports as one segment
 - Luna becomes a pure play based on its fiber optic technology; Lightwave = Luna
- Gross Margin of 62%, compared to 63% for the prior-year period
 - Increase to the low/mid 60% range, compared to the low 50% range
 - Historically, this metric included the gross margin of Luna Labs
- Operating loss of \$10K, compared to operating income of \$1.2M for the prior-year period
 - Decrease primarily due to increase in operating expenses and amortization related to our recent acquisitions
- Adjusted EBITDA¹ of \$2.1M, compared to \$3.1M for the prior-year period
- Adjusted EPS¹ of \$0.03, compared to \$0.11 for the prior-year period

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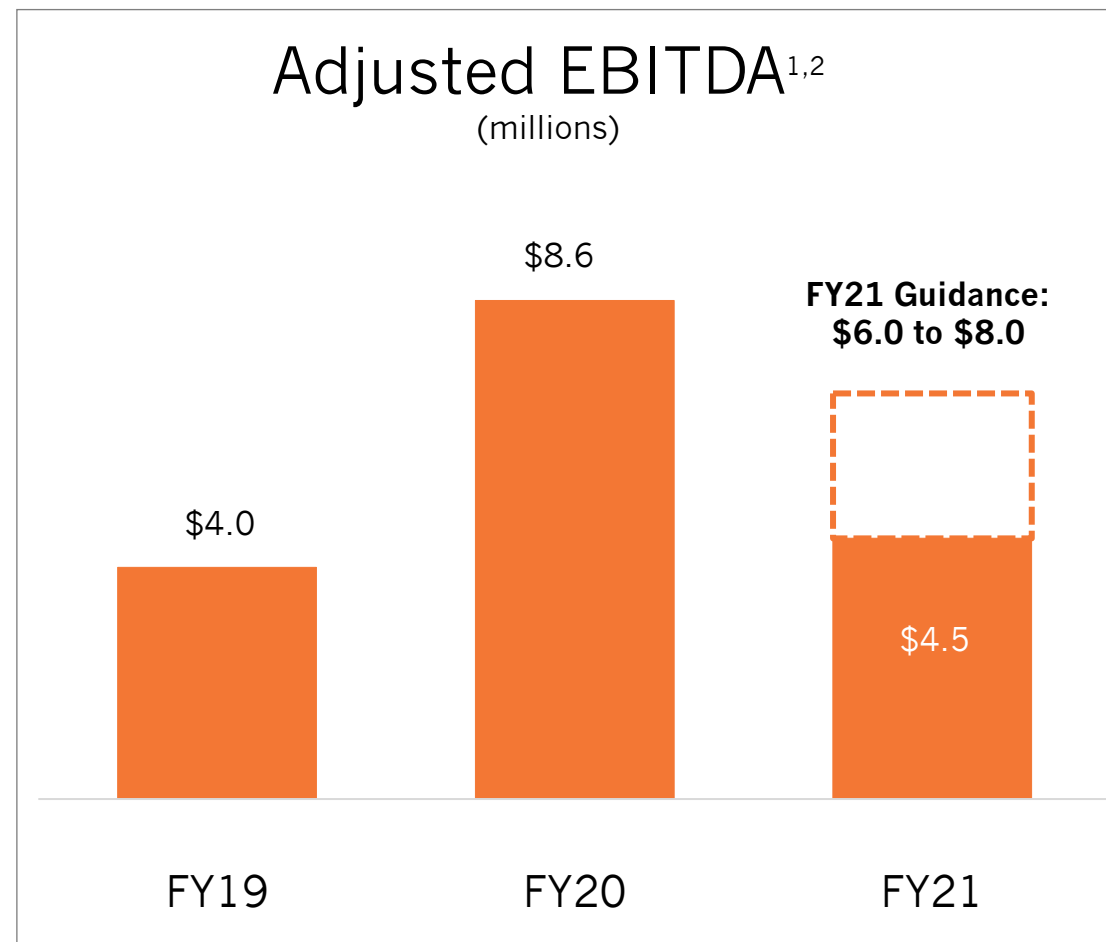
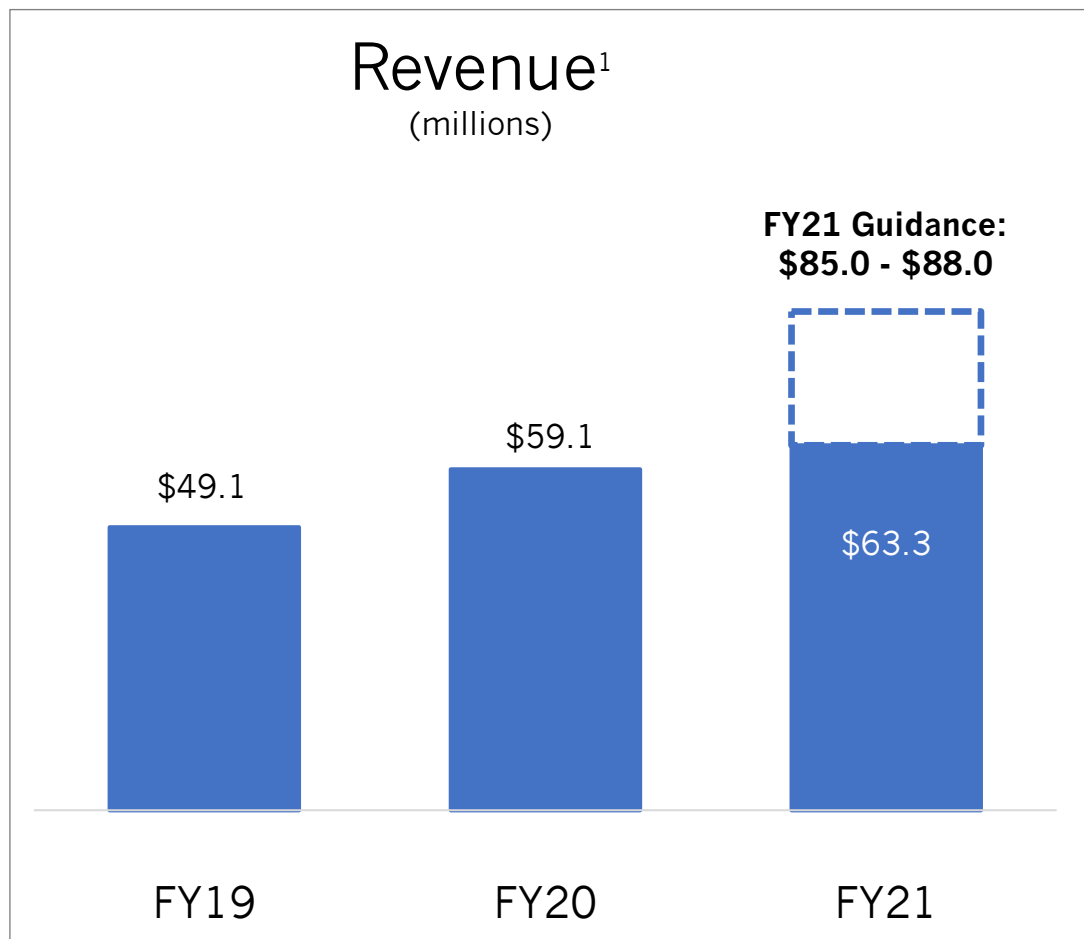
Third-quarter 2021 Highlights

- Continued focus on Luna’s mission to “enable the future with fiber” by moving Luna Labs to discontinued operations
- Returned to international travel, including onsite visits to OptaSense locations
- Recorded largest backlog in company history
- Continued successful penetration of distributed sensing solutions in key, target markets
 - Infrastructure and security
 - Delivered large order for infrastructure monitoring in the mining space to South American customer
 - First significant order for DAS products with new, “quantitative” features for monitoring strain and temperature
 - Landed large deal for perimeter monitoring system in Indonesia
 - Won competitive bid for a monitoring system for a major bridge in the southeast U.S. using Hyperion and associated sensors
 - Oil and Gas
 - Large, multi-unit order for Hyperion-based monitoring solution for off-shore oil and gas infrastructure
 - Oilfield business for DAS products seeing increasing uptake as confidence grows entering Q4
 - Carbon sequestration market beginning to recognize value of DAS technology with several key wins in Q3
 - Transportation
 - Large win for traffic monitoring system with a western U.S. DOT
 - Further validation of DAS technology for real-time traffic monitoring systems

Third-quarter 2021 Highlights (continued)

- Continued sales momentum for Terahertz products for industrial process control market
 - Record bookings with multiple, large “Blue-chip” customer wins in Q3
- Continued sales momentum for communications test products
 - Record bookings for high-speed optical analyzers (OVA/OBR)
 - Delivered first five OBR 6200, portable test systems for field support of the F-22 aircraft
 - First follow-on sale generated from successful deployment of OBR 6200 units for global fleet support of F-35
- Multiple large orders for laser and module products for multiple, growing applications
 - Significant new orders for RIO lasers from multiple LiDAR manufacturers
 - Large customer wins for polarization modules for applications in medical robotics, medical imaging, and defense-related high-power laser applications

Strong Financial Results



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A Flexible Balance Sheet

- Strong balance sheet on September 30, 2021:
 - \$129.7M in total assets
 - \$14.8M in cash and cash equivalents
 - \$49.0M in working capital
- Total debt of \$16.9M outstanding
 - \$9.4M in term debt
 - \$7.5M drawn on revolver
 - \$7.5M available
- Allows us to continue to deploy our capital to generate long-term sustainable growth by increasing organic sales, reinvesting in our business and identifying inorganic opportunities

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Thank you!

