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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

In re LUNA INNOVATIONS
INCORPORATED SECURITIES
LITIGATION

This Document Relates To:

ALL ACTIONS

Master File No. 2:24-cv-02630-CBM-KS

**NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION**

Judge: Hon. Consuelo Marshall

TO: All persons and entities who purchased or otherwise acquired Luna Innovations, Inc. securities during the period of May 16, 2022, through April 19, 2024, inclusive and were damaged thereby (the “Settlement Class” or “Class”).

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY A PROPOSED CLASS ACTION SETTLEMENT IN A LAWSUIT PENDING IN FEDERAL COURT.

IF YOU ARE A CLASS MEMBER, YOU MUST SUBMIT A CLAIM FORM TO OBTAIN YOUR SHARE OF THE SETTLEMENT. IF YOU DO NOT SUBMIT A CLAIM, YOU WILL NOT HAVE ANY RIGHT TO COMPENSATION.

This Notice concerns a lawsuit that a federal court has preliminarily certified as a class action for settlement purposes on behalf of investors (individuals and entities) who purchased or otherwise acquired Luna Innovations, Inc. securities during the period of May 16, 2022, through April 19, 2024, inclusive (the “Class Period”).¹ The lawsuit is referred to as *In re Luna Innovations Incorporated Securities Litigation*, Case No. 2:24-cv-02630-CBM-KS (the “Action”) and is pending before the Honorable Consuelo B. Marshall in the United States District Court for the Central District of California (the “Court”).

This Notice is to inform you that the Court-appointed Lead Plaintiff and Class Representative, George Lang (“Class Representative”), has reached a settlement on behalf of the Class in the amount of \$7,300,000 in cash with Defendants Luna Innovations Inc., Scott A. Graeff, Eugene J. Nastro, and George Gomez-Quintero (collectively, “Defendants”). The Settlement releases all claims for damages by Class Members provided for under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”) which relate to the purchase or other acquisition of Luna securities during the Class Period.

Overview of the Action and Settlement:

Class Representative alleged that during the Class Period, Defendants made materially false and misleading statements in violation of § 10(b) of the Exchange Act, Rule 10b-5 promulgated thereunder, and § 20(a) of the Exchange Act, which caused the price of Luna securities to trade at artificially inflated prices. Specifically, Class Representative alleged that Defendants misled investors by failing to disclose that Luna’s financial statements from May 16, 2022 to November 14, 2023 improperly recognized unearned revenue, would require restatement, and were supported by ineffective disclosure controls and procedures. As a result, the company’s public statements about its business and prospects were materially false or lacked a reasonable basis. Class Representative alleged that persons who purchased Luna securities during the Class Period suffered economic losses when the price of Luna securities declined as a result of a series of corrective disclosures between March 12, 2024, and April 25, 2024. Defendants deny Class Representative’s allegations.

The parties engaged a third-party mediator, Jed D. Melnick, Esq., of JAMS. After the submission of comprehensive mediation statements and other materials, the parties participated in a mediation via videoconference with Mr. Melnick on April 14, 2025. After negotiation throughout the mediation process, the Mediator issued a mediator’s recommendation that the Action be settled for \$7,300,000, which the Parties conditionally accepted. The Parties thereafter negotiated and executed a confidential term sheet to settle the Action, which memorialized the key terms of this Stipulation.

Overview of the Recovery: Class Representative has agreed to settle all claims and grant the Released Defendant Persons a full and complete release of all Released Claims in exchange for a cash payment of \$7,300,000 (the “Settlement Amount”). The Settlement Amount plus any interest earned thereon is called the “Settlement Fund.” The “Net Settlement Fund” (the Settlement Fund less any attorneys’ fees (estimated not to exceed 30% or \$2,190,000) and expenses (estimated not to exceed \$150,000) provided for herein or approved by the Court and less Notice and Administration Expenses (estimated to be no more than \$300,000), Taxes and Tax Expenses, and other Court-approved deductions) will be distributed pursuant to the plan of allocation that is approved by the Court (the “Plan of Allocation”), which determines how the Net Settlement Fund will be allocated among Class Members who become eligible to participate in the distribution of the Net Settlement Fund by submitting a timely and valid Proof of Claim and Release form (“Proof of Claim” or “Claim Form”). The proposed Plan of Allocation is described at page 12 below.

Based on the analysis performed by Class Representative and its damages experts, the estimated average recovery per share for a Class Member from the Settlement Fund (before the deduction of any Court-approved fees, expenses and costs as described herein) would be approximately \$0.54 per share. This amount assumes all eligible Class Members submit valid and timely Proofs of Claim. If fewer than all Class Members submit timely and valid Proofs of Claim (which is likely), the distributions per share will be higher. A Class Member’s actual recovery will be a proportion of

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Amended Stipulation and Agreement of Global Settlement dated May 5, 2025 (the “Stipulation”), which is available at www.LunaInnovationsSecuritiesLitigation.com.

the Net Settlement Fund determined by a Class Member's number of eligible shares as compared to the total eligible shares of all Class Members who submit timely and valid Proofs of Claim. (See the Plan of Allocation beginning on page 12 below for details and more information.)

Class Counsel Hagens Berman Sobol Shapiro LLP ("Class Counsel") intends to seek attorneys' fees according to the terms of the retainer agreement between Class Representative and Class Counsel. These attorneys' fees are not to exceed 30% or \$2,190,000 of the Settlement Amount. Such requested attorneys' fees and the expenses described above would amount to an average of approximately \$0.20 per share. Please note that these amounts are only estimates and are subject to approval by the Court. In addition, Class Representative may seek payment not to exceed \$3,500 for his time and expenses incurred in representing the Class.

The parties disagree on both liability and damages and do not agree on the average amount of damages per share of Luna securities that would be recoverable if the Class Representative were to prevail in the Action, and the Defendants deny liability, fault, or wrongdoing. The Class Representative's expert performed a damages analysis and estimates the aggregate damages recoverable after trial to be within the range of approximately \$35.3-58.1 million, although that amount could be substantially lower or zero if certain arguments by the Defendants were accepted by the Court or a jury. Class Representative believes that the proposed settlement represents a fair and reasonable recovery in light of the risks of continued litigation and is in the best interests of the Class Members.

Identification of Attorneys: The Class Representative and all other Class Members are represented by counsel identified in the answer to Question 17 below.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A PROOF OF CLAIM POSTMARKED OR SUBMITTED ONLINE BY JANUARY 16, 2026	This is the only way to be eligible to get a payment from the settlement. If you wish to participate in the settlement, you will need to complete and submit the enclosed Proof of Claim. Class Members who do not complete and submit the Proof of Claim in accordance with the instructions on the Proof of Claim and do not submit it within the time required will be bound by the settlement but will not participate in any distribution of the Net Settlement Fund.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED OR FILED NO LATER THAN JANUARY 27, 2026	If you believe the settlement is objectionable in any respect, you may write to the Court about why you oppose the settlement, the Plan of Allocation, the requests for attorneys' fees, costs, and expenses, and/or the requests for awards to class representatives. You will still be a Class Member.
ATTEND THE SETTLEMENT HEARING ON FEBRUARY 17, 2026, AT 10:00 AM, AND PROVIDE A NOTICE OF INTENTION TO APPEAR TO CLASS COUNSEL SO THAT IT IS RECEIVED NO LATER THAN JANUARY 27, 2026	The hearing on whether to approve the settlement is scheduled for February 17, 2026, at 10:00 AM (the "Settlement Hearing"), and is open to the public. You do not need to attend the hearing unless you wish to speak either in support of the settlement or in support of any objection you may have submitted, and have submitted to Class Counsel a Notice of Intention to Appear so that it is received no later than January 27, 2026. The Court may postpone the Settlement Hearing without prior notice on the date scheduled for the hearing.
DO NOTHING	If you are a Class Member and do not submit a Proof of Claim postmarked or submitted online by January 16, 2026, you will not be eligible to receive any payment from the Settlement Fund. You will, however, be bound by the settlement, unless you have previously requested exclusion from the Class.

These rights and options are explained in further detail later in this Notice.

Further Information

For further information regarding this settlement, you may contact the Settlement Administrator at Luna Innovations Securities Litigation, c/o Epiq Systems, Inc., PO Box 2876, Portland, OR 97208-2876, Toll-Free 1-888-851-6078. You may also visit the website for the case: www.LunaInnovationsSecuritiesLitigation.com (the "Settlement Website").

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BASIC INFORMATION

1. Why did I get this Notice?

You have received this Notice because the parties are seeking approval of a proposed settlement on behalf of Class Members, and you have been identified as a potential Class Member either from the transfer agent's record of ownership of Luna Innovations, Inc. securities or by your broker or custodian if you purchased or acquired Luna Innovations, Inc. securities in "street name."

The Court directed that this Notice be sent to Class Members because they have a right to know about the proposed settlement of the Action, and about all of their options, before the Court decides whether to approve the settlement.

This Notice explains the Action, the settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is the Action about?

The Action was brought by the Court-appointed Lead Plaintiff and Class Representative George Lang. Class Representative is represented by the Court-appointed Lead Counsel Hagens Berman Sobol Shapiro LLP. Class Representative asserted claims under Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder against Defendants Luna Innovations Inc., Scott A. Graeff, Eugene J. Nestro, and George Gomez-Quintero.

The operative complaint in the Action was filed on October 11, 2024.

Class Representative alleged that during the Class Period, Defendants made materially false and misleading statements in violation of § 10(b) of the Exchange Act, Rule 10b-5 promulgated thereunder, and § 20(a) of the Exchange Act, which caused the price of Luna securities to trade at artificially inflated prices. Specifically, Class Representative alleged that Defendants misled investors by failing to disclose that Luna's financial statements from May 16, 2022 to November 14, 2023 improperly recognized unearned revenue, would require restatement, and were supported by ineffective disclosure controls and procedures. As a result, the company's public statements about its business and prospects were materially false or lacked a reasonable basis. Class Representative alleged that persons who purchased Luna securities during the Class Period suffered economic losses when the price of Luna securities declined as a result of a series of corrective disclosures between March 12, 2024, and April 25, 2024. Defendants deny Class Representative's allegations and deny any liability whatsoever to any member of the Class.

This Notice is NOT an expression of the Court's opinion on the merits of any of the claims in the Action or whether the Defendants engaged in any wrongdoing.

To learn more about what has happened in the Action to date, including a detailed history, please see the Stipulation and other relevant pleadings which are available at www.LunaInnovationsSecuritiesLitigation.com (the "Settlement Website"). Instructions on how to get more information are also included in Question 24 below.

3. Why is this a class action?

In a class action, one or more persons or entities sue on behalf of people and entities who have similar claims. Together, these people and entities are referred to as a Class, and each is a Class Member. One court resolves the issues for all Class Members at the same time, except for those Class Members who exclude themselves from the Class (the process for which is described more fully in Question 13 below).

4. Why is there a settlement?

The Class Representative made claims against the Defendants on behalf of Class Members. The Defendants deny that they have done anything wrong or violated any statute and admit no liability. No court has decided in favor of the Defendants or the Class. Instead, all parties agreed to the settlement to avoid the costs and risks of further litigation, including trial and post-trial appeals, and the Class Representative agreed to the settlement to ensure that Class Members will receive compensation. The Class Representative and Class Counsel all believe the settlement is in the best interest of all Class Members in light of the real possibility that continued litigation could result in no recovery at all.

WHO IS IN THE SETTLEMENT

To see if you will get money from this settlement, you first have to ascertain if you are a Class Member.

5. How do I know if I am part of the settlement?

The Court directed that everyone who fits these descriptions is a Class Member: all Persons who purchased or otherwise acquired Luna securities between May 16, 2022, and April 19, 2024, inclusive (the “Class Period”), and were damaged thereby, except those Persons and entities that are excluded, as described below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN YOU ARE A CLASS MEMBER OR ENTITLED TO RECEIVE A PAYMENT FROM THE SETTLEMENT. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO GET A PAYMENT FROM THE SETTLEMENT, YOU MUST SUBMIT THE CLAIM FORM INCLUDED WITH THIS NOTICE SO THAT IT IS POSTMARKED OR SUBMITTED ONLINE BY JANUARY 16, 2026.

6. Are there exceptions to being included?

Excluded from the Settlement Class are: (i) the Defendants; (ii) members of the immediate family of defendants Scott Graeff, Eugene Nestro, and George Gomez-Quintero; (iii) any person who is or was an officer or director of Luna; (iv) any firm or entity in which Defendants have or had a majority ownership interest; (v) Luna’s liability insurance carriers; (vi) any affiliates, parents, or subsidiaries of Luna; (vii) all Luna plans that are covered by ERISA; and (viii) the legal representatives, agents, affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any excluded person or entity, in their respective capacity as such. Also excluded are any Persons or entities who properly exclude themselves by filing a valid and timely request for exclusion in accordance with the requirements set by the Court.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included in the settlement, you can ask for free help. You can contact the Claims Administrator toll-free at 1-888-851-6078 , or you can fill out and return the Proof of Claim enclosed with this Notice, to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the settlement provide?

A settlement has been reached to resolve this Action, the terms and conditions of which are set forth in the Stipulation and the Exhibits thereto. The following description of the proposed settlement is only a summary, and reference is made to the text of the Stipulation, on file with the Court or accessible at www.LunaInnovationsSecuritiesLitigation.com, for a full statement of its provisions.

The Settlement Fund consists of \$7,300,000.00 in cash, plus any interest earned thereon.

The Settlement Fund will be used to pay expenses for the Action, to pay for this Notice and the processing of claims submitted by Class Members, to pay Taxes and Tax Expenses, and to pay attorneys’ fees and any awards to Class Representative.

The balance of the Settlement Fund (the “Net Settlement Fund”) will be distributed, in accordance with the Plan of Allocation described below, to Class Members who submit valid and timely Proofs of Claim.

The effectiveness of the settlement is subject to a number of conditions and reference to the Stipulation is made for further particulars regarding these conditions.

9. How much will my payment be?

Your share of the fund will depend on several things, including how many Class Members submit a timely and valid Proof of Claim, the total dollar amount of the claims represented by the valid Proofs of Claim that Class Members send in, the number of Luna shares you purchased or acquired, how much you paid for the shares, when you purchased or acquired them, and if you sold your shares and for how much.

By following the instructions in the Plan of Allocation, you can calculate your claim. It is unlikely that you will get a payment for the full amount of your claim. After all Class Members have sent in their Proofs of Claim, the payment you get will be a part of the Net Settlement Fund equal to your claim divided by the total of all valid claimants' claims. (See the Plan of Allocation below on pages 12-18 for more information on your claim.)

10. How can I receive a payment?

You may submit a Proof of Claim as described below. If you choose this option, you will share in the proceeds of the proposed settlement if your claim is timely, valid, and entitled to a distribution under the Plan of Allocation described below and if the proposed settlement is finally approved by the Court; and you will be bound by the Judgment and release to be entered by the Court as described below.

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY SUBMIT A PROOF OF CLAIM. A Proof of Claim is enclosed with this Notice, or it may be downloaded at www.LunaInnovationsSecuritiesLitigation.com. Read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and mail or submit it to the Claims Administrator so that it is ***postmarked or electronically submitted no later than January 16, 2026***. The Claim Form may be submitted online at www.LunaInnovationsSecuritiesLitigation.com. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim, you will be barred from receiving any payments from the Net Settlement Fund but will in all other respects be bound by the provisions of the Stipulation and the Judgment.

11. When would I receive my payment?

The Court will hold a Settlement Hearing on ***February 17, 2026 at 10:00 a.m.***, to decide whether to approve the settlement. If the Court approves the settlement after that hearing, there might be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

12. What am I giving up as a Class Member?

As a Class Member, you are bound by any and all determinations or judgments in the Action in connection with the Settlement entered into or approved by the Court, whether favorable or unfavorable to the Class, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the Released Claims against the Released Defendant Persons, whether or not you submit a valid Proof of Claim.

13. How can Class Members seek exclusion from the Class?

Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to Luna Securities Litigation – EXCLUSIONS, Luna Innovations Securities Settlement, PO Box 2876, Portland, OR, 97208-2876. The exclusion request must be received no later than **January 27, 2026**. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity “requests exclusion from the Settlement Class in *In re Luna Innovations Inc. Securities Litigation*, Case No. 2:24-cv-02630-CBM-KS”; (c) identify and state the number of shares of Luna securities that the person or entity requesting exclusion purchased/acquired and/or sold during the Settlement Class Period (i.e., between May 16, 2022, and April 19, 2024, inclusive), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above or is otherwise accepted by the Court.

If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Releasees.

Defendants have the right to terminate the Settlement if valid requests for exclusion are received from members of the Settlement Class in an amount that exceeds an amount agreed to by Plaintiffs and Defendants.

14. If I exclude myself, can I get money from the proposed settlement?

No. If you exclude yourself, you may not send in a Proof of Claim to ask for any money.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court appointed the law firm of Hagens Berman Sobol & Shapiro, LLP as Lead Counsel and Class Counsel to represent the Class in this Action, including you (assuming you are a Class Member). These lawyers are called Class Counsel.

You will not be charged for these lawyers. They will be paid from the Settlement Fund to the extent the Court approves their application for fees and expenses. If you want to be represented by your own lawyer, you may hire one at your own expense.

16. How will the lawyers be paid?

At the Settlement Hearing, Class Counsel will request that the Court award aggregate attorneys' fees according to the terms of the retainer agreement between the Class Representative and Class Counsel. These attorney's fees are estimated to be no more than 30% of the Settlement Amount, or \$2,190,000. Class members are not personally liable for any such fees or any other expenses (estimated not to exceed \$150,000 for litigation expenses, and \$300,000 for Notice and Administration Expenses). The net recovery for Class Members (also referred to as the Net Settlement Fund) is estimated to be at least \$4,660,000 (\$7,300,000 minus all of the foregoing fees and expenses). In addition, Lead Plaintiff may seek payment not to exceed \$3,500 for his time and expenses incurred in representing the Class.

To date, Class Counsel and State Class Counsel have not received any payment for their services representing Class Members, nor have they been paid any of their expenses. The fees requested by Class Counsel and State Class Counsel will compensate counsel for their efforts in achieving the settlement for the benefit of the Class and for the risks they undertook in representing the Class on a wholly contingent basis. Class Counsel and State Class Counsel believe their total attorneys' fee requests are well within the range of fees awarded to plaintiff's counsel under similar circumstances in other litigation of this type. The percentage fee award that Class Counsel will request is consistent with the fee caps that were approved by the Class Representative and shared with the Court at the outset of the Action.

17. Can I hire my own lawyer?

If you are a Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing and at your own expense, provided that such counsel must file an appearance on your behalf on or before **January 27, 2026**, and must serve copies of such appearance on the attorneys listed below by both email and hard copy mail. If you do not enter an appearance through counsel of your own choosing, you will be represented by Class Counsel listed below.

Class Counsel

Lucas E. Gilmore
HAGENS BERMAN SOBOL SHAPIRO LLP
715 Hearst Avenue, Suite 300
Berkeley, CA 94710
Telephone: (510) 725-3000
Facsimile: (510) 725-3001
lucasg@hbsslaw.com

Counsel for the defendant Luna is listed below:

Counsel for Defendant Luna Innovations, Inc.

Lisa R. Bugni
KING & SPALDING LLP
633 West Fifth Street, Suite 1600
Los Angeles, CA 90071
lbugni@kslaw.com

OBJECTING TO THE SETTLEMENT

18. How do I tell the Court that I object to the proposed settlement?

Any Class Member who objects to any aspect of the settlement, including the Plan of Allocation, or the applications for attorneys' fees and expenses, may appear and ask to be heard at the Settlement Hearing. The Court can only approve or deny the settlement; the Court cannot change its terms. You can ask the Court to deny approval of the settlement by filing an objection.

You may object to the proposed settlement in writing. You may also appear at the Settlement Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for any legal expenses charged by that attorney. Any objection must (1) include your name, address, and telephone number; (2) clearly identify the case name and number (*In re Luna Innovations Inc. Securities Litigation*, Case No. 2:24-cv-02630-CBM-KS (C.D. Cal.)); (3) demonstrate your membership in the Class, including the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and/or sales of Luna securities from May 16, 2022, through April 19, 2024, inclusive; (4) contain a statement of the reasons for objection; and (5) be submitted to the Court either by mailing to the Office of the Clerk of the United States District Court for the Central District of California, First Street U.S. Courthouse, 350 W. 1st Street, Suite 4311, Los Angeles, CA 90012, or by filing them in person at any location of the United States District Court for the Central District of California, or electronically by ECF on the docket for this case. Copies of such objections must also be provided by email and hard copy mail to Class Counsel and Defendant's counsel listed above. Such objections, papers, and briefs must be **received or filed, not simply postmarked, on or before January 27, 2026.**

Only Class Members who have submitted written notices of objection in the manner and time provided above will be heard at the Settlement Hearing, unless the Court orders otherwise. Any Class Member who does not make their objection in the manner and time provided above shall be deemed to have waived such objection and shall be foreclosed from making any objection to the fairness or adequacy of the proposed settlement, to the Plan of Allocation, or to the award of attorneys' fees and expenses, unless otherwise ordered by the Court.

THE COURT'S SETTLEMENT HEARING

19. When and where will the Court decide whether to approve the proposed settlement?

The Settlement Hearing will be held on **February 17, 2026 at 10:00 a.m.**, before the Honorable Consuelo Marshall, United States District Judge, at the United States District Court for the Central District of California, 350 W. 1st Street, Suite 4311, Los Angeles, CA 90012. The purpose of the Settlement Hearing will be to determine: (1) whether the proposed settlement, as set forth in the Stipulation, consisting of \$7,300,000.00 in cash, should be approved as fair, reasonable, and adequate to the Class Members; (2) whether the proposed plan to distribute the Net Settlement Fund (the "Plan of Allocation") is fair, reasonable, and adequate; (3) whether the applications by Class Counsel for attorneys' fees and expenses, and Class Representative's awards should be approved; and (4) whether the proposed Judgment should be entered. **The Court may adjourn the Settlement Hearing to another time (i.e., reschedule) without further notice to the Class. Before the Settlement Hearing, Class Members who plan to attend should check the Settlement Website or the Court's PACER site (see Question 24 below) to confirm that the date of the Settlement Hearing has not been changed.**

20. Do I have to attend the hearing?

No. Class Counsel will answer questions the Court may have. But you are welcome to attend at your own expense. If you send an objection or statement in support of the settlement, you are not required to go to Court to discuss it. As long as you mailed your objection on time, the Court will consider it. You may also pay your own lawyer to attend, but you are not required to do so. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

21. May I speak at the hearing?

If you object to any aspect of the settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must submit a written statement saying that it is your "Notice of Intention to Appear in *In re Luna Innovations Inc. Securities Litigation*, Case No. 2:24-cv-02630-CBM-KS." Persons who intend to object to

any aspect of the settlement and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. You cannot speak at the hearing if you exclude yourself.

22. What happens if I do nothing at all?

You may do nothing at all. If you choose this option, you will not share in the proceeds of the settlement, but you will be bound by any judgment entered by the Court, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the Released Claims against the Released Defendant Persons.

DISMISSALS AND RELEASES

23. What happens if the proposed settlement is approved?

As a Class Member, in consideration for the benefits of the settlement, you will be bound by the terms of the settlement and you will release the Released Defendant Persons from the Released Claims as defined below.

“Defendants” refers, collectively, to Defendants.

“Released Claims” means any and all rights, liabilities, suits, debts, obligations, demands, damages, losses, judgment matters, issues, claims (including Unknown Claims), and causes of action of every nature and description whatsoever, in law, equity, or otherwise, whether accrued or unaccrued, fixed or contingent, liquidated or unliquidated, whether arising under federal, state, local, statutory, common law, foreign law, or any other law, rule, or regulation, and whether class and/or individual in nature, concerning, based on, arising out of, or in connection with all claims and causes of action that Lead Plaintiff or any other member of the Settlement Class (i) asserted in the Action, or (ii) were or could have been asserted in any forum that, both (a) arise out of the facts, matters, statements, or omissions alleged in the Action and (b) relate to the purchase, acquisition, sale, disposition, or holding of Luna securities. This release does not cover, include, or release claims relating to the enforcement of this Settlement.

“Released Defendant Persons” means Defendants and all of Defendants’ past and present officers, directors, employees, insurers, subsidiaries, affiliates, successors, representatives, attorneys, underwriters, and agents.

If the proposed settlement is approved, the Court will enter a Judgment (the “Judgment”). Upon the Effective Date of the Judgment, the Class Representative and all Class Members and anyone claiming through or on behalf of any of them shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Defendant Persons, whether or not such Class Member executes and delivers the Proof of Claim and Release, whether or not such Class Member shares in the Settlement Fund, and whether or not such Class member objects to the settlement, and will be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal or administrative forum, asserting any and all Released Claims against any of the Released Defendant Persons, except to enforce the Stipulation.

GETTING MORE INFORMATION

24. How do I get more information about the proposed settlement?

This Notice contains only a summary of the terms of the proposed settlement and does not describe all of the details of the Stipulation. For the precise terms and conditions of the settlement, please see the Stipulation available at www.LunaInnovationsSecuritiesLitigation.com; by contacting Class Counsel at 510-725-3000; by accessing the Court docket in the Action through the Federal Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.cacd.uscourts.gov>; or by visiting the office of the Clerk at the United States District Court for the Central District of California, First Street U.S. Courthouse, 350 W. 1st Street, Suite 4311, Los Angeles, CA 90012, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

If you have any questions about the settlement, you may contact Class Counsel by writing to:

Hagens Berman Sobol Shapiro, LLP
 ATTN: Lucas E. Gilmore
 Luna Litigation
 715 Hearst Avenue, Suite 300
 Berkeley, CA 94710

SPECIAL NOTICE TO NOMINEES

Nominees who purchased or otherwise acquired Luna securities for the beneficial interest of other Persons between May 16, 2022, and April 19, 2024, inclusive, shall either: (i) within ten (10) calendar days of receipt of this Notice, request from the Notice Administrator sufficient copies of the Notice to forward to all such beneficial owners and within ten (10) calendar days of receipt of those Notices forward them to all such beneficial owners; or (ii) within ten (10) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to the Claims Administrator at *Luna Innovations Securities Settlement*, PO Box 2876, Portland, OR 97208-2876.

If you choose the first option, you must send a statement to the Claims Administrator confirming that the mailing was made and **you must retain your mailing records for use in connection with any further notices that may be provided in the Action.**

If you choose the second option, the Claims Administrator will send a copy of the Notice to the beneficial owners.

Upon full and timely compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred (but not to exceed \$0.03 per mailing, excluding postage) by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought.

Copies of this Notice may also be obtained from www.LunaInnovationsSecuritiesLitigation.com or by calling the Claims Administrator toll free at 1-888-851-6078.

HOW MUCH WILL MY PAYMENT BE?

1. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement.
2. Pursuant to the Settlement, Luna has agreed to pay or cause to be paid \$7,300,000.00 in cash. The Settlement Amount has been deposited into an escrow account and is earning interest for the benefit of the Class. The Settlement Amount plus any interest earned thereon and accretions thereto is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the Net Settlement Fund will be distributed to Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.
3. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.
4. Neither the Defendants, any Released Defendant Persons, nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to return of any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. The Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the Plan of Allocation.
5. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.
6. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked or submitted online on or before **January 16, 2026** shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Class Member releases the Released Claims (as defined in ¶ 1.34 of the Stipulation) against the Released Defendant Persons (as defined in ¶ 1.36 of the Stipulation) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Claims against any of the Released Defendant Persons whether or not such Class Member submits a Claim Form.

7. Participants in and beneficiaries of a Luna, Inc. employee benefit plan covered by ERISA (“Luna ERISA Plan”) should NOT include any information relating to their transactions in Luna, Inc. securities held through the Luna ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY shares they purchased outside of the Luna ERISA Plan. To the extent that any of the Defendants, Released Defendant Persons, or any of the other persons or entities excluded from the Class are participants in the Luna ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement.
8. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.
9. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.
10. Only Class Members or persons authorized to submit a claim on their behalf will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Class by definition or that previously validly excluded themselves from the Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

PROPOSED PLAN OF ALLOCATION

11. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the Consolidated Amended Class Action Complaint. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Claimants against one another for the purposes of making pro rata allocations of the Net Settlement Fund.
12. In developing the Plan of Allocation, the Class Representative’s damages expert calculated the estimated amount of artificial inflation in the per-share closing price of Luna securities which allegedly was proximately caused by Defendants’ alleged false and misleading statements and material omissions.
13. Lead Counsel worked in conjunction with Lead Plaintiff’s consulting damages expert to estimate the amount of artificial inflation in the daily closing prices of (a) Common Stock; (b) Call Options; and (c) Put Options, which Lead Plaintiff alleges were damaged by Defendants’ alleged materially false and misleading statements and omissions.
14. Under federal securities laws, losses can be represented as compensable only if the cause of changes in the prices of the relevant securities is found to be the disclosure of the allegedly misrepresented or omitted information. Thus, in order to have been damaged by the alleged violations of the federal securities laws, Common Stock, and Call Options purchased or otherwise acquired during the Settlement Class Period, or Put Options sold or otherwise disposed of during the Settlement Class Period, must have been held during a period of time in which their price declined due to the disclosure of information which corrected an allegedly misleading statement or omission.
15. In calculating the estimated artificial inflation allegedly caused by Defendants’ alleged misrepresentations and omissions, the Class Representative’s damages expert considered price changes in Luna securities in reaction to certain public announcements allegedly revealing the truth concerning Defendants’ alleged misrepresentations and material omissions, adjusting for price changes that were attributable to market or industry forces. The estimated artificial inflation per share of Luna securities is stated in Table 1 at the end of this Notice.
16. In order to have recoverable damages, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of Luna securities. In this case, the Class Representative alleges that between May 16, 2022 and April 19, 2024, inclusive, Defendants issued allegedly false and misleading statements and omissions, which had the effect of artificially inflating the price of Luna securities during the Class Period. The Class Representative further alleges that corrective information was released to the market on March 12, 2024, March 25, 2024, April 8, 2024, and April 19, 2024, which removed the artificial inflation from the price of Luna securities.
17. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the prices of Luna securities at the time of purchase and at the time of sale or the difference between the actual purchase price and sale price. In order to have a Recognized Loss Amount under the Plan of Allocation, a Class Member who or which purchased Luna securities from May 16, 2022 through April 19, 2024, must have held those shares through the close of trading on at least one of March 12, 2024, March 25, 2024, April 5, 2024, or April 19, 2024.

RECOGNIZED LOSS AMOUNT CALCULATIONS

18. In calculating the estimated artificial inflation allegedly caused by Defendants' misrepresentations and omissions, the Class Representative's damages expert considered price changes in Luna securities in reaction to certain public announcements allegedly revealing the truth concerning Defendants' alleged misrepresentations and material omissions and adjusted for price changes that were otherwise attributable to unrelated market or industry forces.

19. In order to have recoverable damages under the Exchange Act, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of Luna securities. In this case, the Class Representative alleges that Defendants made false statements and omitted material facts during the Class Period, which had the effect of artificially inflating the price of Luna securities. The Class Representative further alleges that corrective information was released to the market on March 12, 2024, March 25, 2024, April 8, 2024, and April 19, 2024, which removed artificial inflation from the price of Luna securities by April 25, 2024.

20. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the prices of Luna securities at the time of purchase or acquisition and at the time of sale. Accordingly, in order to have a Recognized Loss under the Plan of Allocation, an Authorized Claimant must have purchased or otherwise acquired Luna securities during the Class Period and held such Luna securities through at least one of the alleged corrective disclosures that removed artificial inflation from the price of Luna securities.

21. Based on the formula stated below, a Recognized Loss Amount will be calculated for each purchase or acquisition of Luna securities that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that number will be zero.

22. For each share of Luna common stock purchased or otherwise acquired from May 16, 2022 through April 19, 2024, inclusive, and:

- (a) Sold on or before March 12, 2024, the Recognized Loss Amount will be \$0.00.
- (b) Sold from March 13, 2024 through April 24, 2024, inclusive, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase or acquisition as stated in **Table 1** *minus* the amount of artificial inflation per share on the date of sale as stated in **Table 1**; or (ii) the price of purchase or acquisition *minus* the price of sale.
- (c) Sold between April 25, 2024 and July 23, 2024, inclusive (*i.e.*, sold during the 90-Day Look-Back Period), the Recognized Loss Amount will be *the least of*: (i) the amount of artificial inflation per share on the date of purchase or acquisition as stated in **Table 1**; (ii) the price of purchase or acquisition *minus* the average closing price between April 25, 2024 and the date of sale (*i.e.*, the "90-Day Look-Back Value") as detailed in **Table 2**; or (iii) the price of purchase or acquisition *minus* the price of sale.
- (d) Held as of the close of trading on July 23, 2024, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase or acquisition as stated in **Table 1**; or (ii) the price of purchase or acquisition *minus* the average closing price for Common Stock during the 90-Day Look-Back Period, which is \$3.03.²

Call and Put Options

23. A Recognized Loss Amount will be calculated based on the formula below for each purchase or other type of acquisition of Call Options or sale of Put Options during the Settlement Class Period. In order to be eligible as an Authorized Claimant under this Plan of Allocation, adequate documentation must be provided confirming all transactions. Recognized Loss Amounts are floored at zero, meaning any Recognized Loss Amount that is calculated as negative under the formula below will be equal to zero.

² Pursuant to Section 21(D)(e)(1) of the Exchange Act, "in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Luna securities during the 90-day look-back period. The mean (average) closing price for Luna securities during this 90-day look-back period was \$3.03.

24. For each Call Option that was purchased or otherwise acquired during the period from May 16, 2022, through April 25, 2024, inclusive, and:

- i) Not held at the opening of trading on one or more of the corrective disclosure dates as defined above, the Recognized Loss Amount will be \$0.00
- ii) Held at the opening of trading on one or more of the corrective disclosure dates as defined above, and:
 - a. that was subsequently sold during the Settlement Class Period, the Recognized Loss Amount per Call Option will be the purchase price *minus* the sale price.
 - b. that was subsequently exercised during the Settlement Class Period, the Recognized Loss Amount per Call Option is the purchase price *minus* the intrinsic value of the option on the date of exercise. The intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the closing price of Luna common stock on the date of exercise *minus* the strike price of the option.
 - c. that expired unexercised during the settlement class period, the Recognized Loss Amount per Call Option is equal to the purchase price.
 - d. that was still held as of the close of trading on April 25, 2024, the Recognized Loss per Call Option is the purchase price *minus* the intrinsic value of the option as of the close of trading on April 25, 2024 (i.e., the latest corrective disclosure date), where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) \$1.99 *minus* the strike price of the option.

25. No Recognized Loss Amount shall be calculated based upon purchase or acquisition of any Call Option that had been previously sold or written.

26. For each Put Option that was sold (written) during the period from May 16, 2022 through April 25, 2024 inclusive, and:

- i) Not open (i.e., not outstanding) at the opening of trading on one or more of the corrective disclosure dates as defined above, the Recognized Loss Amount will be \$0.00.
- ii) Open (i.e., outstanding) at the opening of trading on one or more of the corrective disclosure dates as defined above, and:
 - a. that was subsequently purchased during the Settlement Class Period, the Recognized Loss Amount per Put Option will be the purchase price *minus* the sale price.
 - b. that was subsequently exercised (i.e., assigned) during the Settlement Class Period, the Recognized Loss Amount per Put Option is the intrinsic value of the Put Option on the date of exercise *minus* the sale price. The intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* the closing price of Luna common stock on the date of exercise.
 - c. that expired unexercised during the Settlement Class Period, the Recognized Loss Amount per Put Option is \$0.00.
 - d. that was still open (i.e., outstanding) as of the close of trading on April 25, 2024, the Recognized Loss Amount per Put Option is the intrinsic value of the option as of the close of trading on April 25, 2024 (i.e., the latest corrective disclosure date), minus the sale price, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* \$1.99.

27. No Recognized Loss Amount shall be calculated based upon the sale or writing of any Put Option that had been previously purchased or acquired.

28. The Settlement proceeds available for Call Options purchased/acquired during the Settlement Class Period and Put Options sold (written) during the Settlement Class Period shall be limited to a total amount equal to 6.68% of the Net Settlement Fund. Thus, if the cumulative Recognized Loss Amounts for Call Options and Put Options exceeds 6.68% of all Recognized Claims, then the Recognized Loss Amounts calculated for option transactions will be reduced proportionately until they collectively equal 6.68% of all Recognized Claims. In the unlikely event that the Net Settlement Fund is sufficient to pay 100% of the Common Stock claims, any excess amount will be used to pay the balance on the remaining Option-based claims.

ADDITIONAL PROVISIONS

29. Calculation of Claimant's "Recognized Claim": A Claimant's "Recognized Claim" will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to Luna securities.

30. FIFO Matching: If a Class Member made more than one purchase or sale of Luna securities during the relevant period, all purchases and sales will be matched on a First In, First Out ("FIFO") basis. Sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases in chronological order, beginning with the earliest purchase made during the Class Period.

31. "Purchase/Sale" Dates: Purchases and sales of Luna securities will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. "Purchases" eligible under the Settlement and this Plan of Allocation include all purchases or other acquisitions of Luna securities in exchange for value and are not limited to purchases made on or through a stock exchange, as long as the purchase is adequately documented. However, the receipt or grant by gift, inheritance, or operation of law of Luna securities during the Class Period shall not be deemed a purchase or sale of Luna securities for the calculation of a Claimant's Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/sale of Luna securities unless (i) the donor or decedent purchased the shares during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares. Any transaction in Luna securities executed outside regular trading hours for the United States financial markets shall be deemed to have occurred during the next trading session.

32. Short Sales: The date of covering a "short sale" is deemed to be the date of purchase of the Luna securities. The date of a "short sale" is deemed to be the date of sale of the Luna securities. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" and the purchases covering "short sales" is zero. In the event that a Claimant has an opening short position in Luna securities, the earliest purchases of Luna securities during the Class Period will be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

33. Common Stock Purchased/Sold Through the Exercise of Options: With respect to Luna securities purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

34. Market Gains and Losses: With respect to all Luna Common Stock purchased or acquired from the start of the Class Period through and including April 19, 2024, Luna Call Options purchased or acquired during the Class Period, or Luna Put Options sold during the Class Period, the Claims Administrator will determine if the Claimant had a "Market Gain" or a "Market Loss" with respect to his, her, or its overall transactions those Luna securities during the Class Period. For purposes of making this calculation, with respect to Luna Common Stock and Call Options, the Claims Administrator shall determine the difference between (i) the Claimant's Total Purchase Amount³ and (ii) the sum of the Claimant's Total Sales Proceeds⁴ and the Claimant's Holding Value.⁵ For Luna Common Stock and Call Options, if the Claimant's Total Purchase Amount *minus* the sum of the Claimant's Total Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain. With respect to Luna Put Options, the Claims

³ For Luna Common Stock and Call Options, the "Total Purchase Amount" is the total amount the Claimant paid (excluding all fees, taxes and commissions) for all such Luna securities purchased or acquired during the Class Period.

⁴ For Luna Common Stock, the Claims Administrator shall match any sales of Luna Common Stock from the start of the Class Period through and including July 23, 2024 first against the Claimant's opening position in Luna Common Stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (not deducting any fees, taxes and commissions) for sales of the remaining shares of Luna Common Stock sold from the start of the Class Period through and including the close of trading on July 23, 2024 will be the "Total Sales Proceeds." For Luna Call Options, the Claims Administrator shall match any sales of Luna Call Options from the start of the Class Period through and including April 25, 2024 first against the Claimant's opening position in Luna Call Options (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (not deducting any fees, taxes and commissions) for sales of the remaining Luna Call Options sold from the start of the Class Period through and including the close of trading on April 25, 2024 will be the "Total Sales Proceeds."

⁵ For each share of Luna Common Stock purchased or acquired during the Class Period that was still held as of the close of trading on July 23, 2024, the Claims Administrator shall ascribe a "Holding Value" of \$2.74 per share. For each Luna Call Option purchased or acquired during the Class Period that was still held as of the close of trading on April 25, 2024, the Claims Administrator shall ascribe a "Holding Value" for that option which shall be *the greater of*: (i) \$0.00 or (ii) \$1.99 *minus* the strike price of the option.

Administrator shall determine the difference between (i) the sum of the Claimants Total Purchase Amount⁶ and the Claimant's Holding Value⁷ and (ii) the Claimant's Total Sale Proceeds.⁸ For Luna Put Options, if the sum of the Claimant's Total Purchase Amount and the Claimant's Holding Value minus the Claimant's Total Sales Proceeds is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain.

35. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in Luna securities during the Class Period, the value of the Claimant's Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in Luna securities during the Class Period but that Market Loss was less than the Claimant's Recognized Claim, then the Claimant's Recognized Claim will be limited to the amount of the Market Loss.

36. Determination of Distribution Amount: If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share or "Distribution Amount" will be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

37. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund will be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

38. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund nine (9) months after the initial distribution, if Class Counsel Hagens Berman Sobol Shapiro LLP ("Class Counsel"), in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Class Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to a non-sectarian, non-profit Section 501(c)(3) organization as may be deemed appropriate by the Court.

39. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Authorized Claimants. No person shall have any claim against Class Representative, Class Counsel, Class Representative's damages expert, Class Representative's consulting experts, Defendants, Defendants' Counsel, or any of the other Released Plaintiff Persons or Released Defendant Persons, or the Claims Administrator or other agent designated by Class Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further Orders of the Court. Class Representative, Defendants, and their respective counsel, and all other Released Defendant Persons or Released Plaintiff Persons, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the Plan of Allocation; the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

40. The Plan of Allocation stated herein is the plan that is being proposed to the Court for its approval by Class Representative after consultation with its damages' expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the case website, www.LunaInnovationsSecuritiesLitigation.com.

⁶ For Luna Put Options, the Claims Administrator shall match any purchases from the start of the Class Period through April 25, 2024, to close out positions in Luna Put Options first against the Claimant's opening position in Luna Put Options (the total amount paid with respect to those purchases will not be considered for purposes of calculating market gains or losses). The total amount paid for the remaining purchases during the Class Period to close out positions in Put Options is the "Total Purchase Amount".

⁷ For each Luna Put Option sold (written) during the Class Period that was still outstanding as of the close of trading on April 25, 2024, the Claims Administrator shall ascribe a "Holding Value" for that option which shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option minus \$1.99.

⁸ For Luna Put Options, the total amount received for put options sold (written) during the Class Period is the "Total Sales Proceeds."

TABLE 1
Luna, Inc. Securities Estimated Artificial Inflation Amount

Date Range	Artificial Inflation per Share
May 16, 2022 - March 12, 2024	\$3.42
March 13, 2024 - March 25, 2024	\$1.22
March 26, 2024 - April 5, 2024	\$0.83
April 8, 2024 - April 19, 2024	\$0.78
April 22, 2024	\$0.44
April 23, 2024	\$0.19
April 24, 2024	\$0.02

TABLE 2
Luna, Inc. Securities Closing Price & Average Closing Price

Date	Closing Price	Average Closing Price Between April 25, 2024 and Date Shown		Date	Closing Price	Average Closing Price Between April 25, 2024 and Date Shown
April 25, 2024	\$1.99	\$1.99		June 10, 2024	\$3.59	\$2.91
April 26, 2024	\$1.99	\$1.99		June 11, 2024	\$3.73	\$2.94
April 29, 2024	\$2.08	\$2.02		June 12, 2024	\$3.59	\$2.95
April 30, 2024	\$2.06	\$2.03		June 13, 2024	\$3.29	\$2.96
May 01, 2024	\$2.24	\$2.07		June 14, 2024	\$3.19	\$2.97
May 02, 2024	\$2.25	\$2.10		June 17, 2024	\$3.33	\$2.98
May 03, 2024	\$3.06	\$2.24		June 18, 2024	\$3.44	\$2.99
May 06, 2024	\$2.86	\$2.32		June 20, 2024	\$3.45	\$3.00
May 07, 2024	\$2.80	\$2.37		June 21, 2024	\$3.44	\$3.01
May 08, 2024	\$2.68	\$2.40		June 24, 2024	\$3.61	\$3.03
May 09, 2024	\$2.80	\$2.44		June 25, 2024	\$3.58	\$3.04
May 10, 2024	\$2.70	\$2.46		June 26, 2024	\$3.53	\$3.05
May 13, 2024	\$2.73	\$2.48		June 27, 2024	\$3.44	\$3.06
May 14, 2024	\$2.81	\$2.50		June 28, 2024	\$3.20	\$3.07
May 15, 2024	\$2.86	\$2.53		July 01, 2024	\$2.95	\$3.06
May 16, 2024	\$2.95	\$2.55		July 02, 2024	\$2.96	\$3.06
May 17, 2024	\$3.01	\$2.58		July 03, 2024	\$3.06	\$3.06
May 20, 2024	\$3.01	\$2.60		July 05, 2024	\$3.00	\$3.06
May 21, 2024	\$3.02	\$2.63		July 08, 2024	\$3.03	\$3.06
May 22, 2024	\$3.13	\$2.65		July 09, 2024	\$2.86	\$3.05
May 23, 2024	\$2.99	\$2.67		July 10, 2024	\$2.91	\$3.05
May 24, 2024	\$3.05	\$2.68		July 11, 2024	\$2.93	\$3.05
May 28, 2024	\$3.33	\$2.71		July 12, 2024	\$2.96	\$3.05
May 29, 2024	\$3.20	\$2.73		July 15, 2024	\$2.91	\$3.05
May 30, 2024	\$3.34	\$2.76		July 16, 2024	\$3.06	\$3.05

TABLE 2
Luna, Inc. Securities Closing Price & Average Closing Price

Date	Closing Price	Average Closing Price Between April 25, 2024 and Date Shown		Date	Closing Price	Average Closing Price Between April 25, 2024 and Date Shown
May 31, 2024	\$3.34	\$2.78		July 17, 2024	\$3.02	\$3.05
June 03, 2024	\$3.41	\$2.80		July 18, 2024	\$2.94	\$3.04
June 04, 2024	\$3.38	\$2.82		July 19, 2024	\$2.69	\$3.04
June 05, 2024	\$3.45	\$2.85		July 22, 2024	\$2.67	\$3.03
June 06, 2024	\$3.51	\$2.87		July 23, 2024	\$2.74	\$3.03
June 07, 2024	\$3.52	\$2.89				

DATED: September 19, 2025

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA