
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 25, 2019

Luna Innovations Incorporated
(Exact name of registrant as specified in its charter)

**301 1st Street SW, Suite 200
Roanoke, VA 24011**
(Address of principal executive offices, including zip code)

540-769-8400
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value per share	LUNA	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth Company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Gene Nestro as Chief Financial Officer

On November 27, 2019, Luna Innovations Incorporated (the “Company”) announced the appointment of Eugene Nestro as the Company’s Chief Financial Officer, effective December 2, 2019. Mr. Nestro will serve as the Company’s principal financial officer and principal accounting officer.

There is no arrangement or understanding between Mr. Nestro and any other person pursuant to which he was selected as an officer of the Company, and there is no family relationship between Mr. Nestro and any of the Company’s other directors or executive officers. Additional information about Mr. Nestro is set forth below:

Eugene Nestro, age 54, previously served as the Vice President, Corporate Finance at Cree, Inc., a public company developing and marketing power and radio frequency semiconductors and lighting class LEDs, from September 2017 to June 2019. Prior to Cree, Mr. Nestro served in corporate and operational finance positions of increasing responsibility at TE Connectivity Ltd., a public industrial technology company, from 2000 to September 2017. Mr. Nestro holds a B.S. degree in accounting from Penn State University and a M.B.A. degree in finance from Saint Joseph’s University, Erivan K. Haub School of Business.

The Company expects to enter into an employment agreement with Mr. Nestro. Pursuant to the employment agreement, Mr. Nestro will be employed by the Company on an “at-will” basis, meaning either party may terminate the agreement at any time, with or without cause or advanced notice. Mr. Nestro’s initial annual base salary will be \$275,000 per year, subject to review and adjustment from time to time in the discretion of the Board. Mr. Nestro will also be eligible to earn an annual performance cash bonus at a target amount of 40% of his then current base salary, subject to his achievement of annual predetermined objectives to be determined by the Board.

On December 2, 2019, the Company will grant Mr. Nestro 50,000 restricted stock units. These restricted stock units will vest in three equal installments on December 2, 2020, December 2, 2021 and December 2, 2022, subject to Mr. Nestro’s continuous service through each applicable vesting date.

The foregoing description of Mr. Nestro’s employment agreement is not complete and is qualified in its entirety by reference to the employment agreement, which the Company expects to file with the Company’s Annual Report on Form 10-K for the year ending December 31, 2019.

Separation of Dale Messick as Chief Financial Officer

In connection with the appointment of Mr. Nestro as the Company’s Chief Financial Officer, on November 25, 2019, the Company agreed with Dale Messick, the Company’s current Chief Financial Officer, that he will cease serving as the Chief Financial Officer of the Company effective November 30, 2019. Mr. Messick’s separation is not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices. In accordance with the terms of Mr. Messick’s employment agreement, subject to Mr. Messick entering into a separation agreement with the Company that includes a general release of claims, Mr. Messick will receive (a) severance payments equal to his then applicable base salary for a period of 9 months, (b) a discretionary lump sum bonus payment equal to the target bonus that Mr. Messick would have been eligible to receive for 2019, (c) if he timely elects and remains eligible for continued coverage under COBRA, the Company will continue paying Mr. Messick’s COBRA premiums until the earliest of November 30, 2020, the date Mr. Messick becomes eligible for substantially equivalent insurance in connection with new employment or self-employment, or the date Mr. Messick ceases to be eligible for COBRA continuation coverage and (d) a payment equal to the value of any unvested 401(k) match amount.

Item 7.01. Regulation FD Disclosure.

On November 27, 2019, the Company issued a press release announcing the appointment of Mr. Nestro as the Company’s Chief Financial Officer. A copy of this press release is furnished herewith as Exhibit 99.1 to this Current Report.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release, dated November 27, 2019, by Luna Innovations Incorporated.



Luna Innovations Names Gene Nestro as Chief Financial Officer

Luna Reaffirms Guidance

(ROANOKE, VA, November 27, 2019) – Luna Innovations Incorporated (NASDAQ: LUNA), a global leader in advanced fiber optic-based technology, today announced that Gene Nestro will join the company effective December 2, 2019 and will be named as Chief Financial Officer (CFO). Mr. Nestro will succeed current CFO Dale Messick, who has agreed to assist the company through mid-2020 to ensure a smooth transition. Mr. Nestro will lead Luna’s Finance organization and represent Luna in communications with investors, lenders and rating agencies. As a member of the Company’s executive team, Mr. Nestro will report to President and CEO Scott A. Graeff.

Mr. Nestro is a senior global finance executive whose experience includes Securities and Exchange Commission reporting, diverse corporate and operational roles across multiple industries, and implementing global data and financial systems to improve efficiency. Mr. Nestro comes to Luna from Cree, Inc. (NASDAQ: CREE), where he held the position of Vice President, Corporate Finance. Prior to Cree, Mr. Nestro worked in senior finance positions at TE Connectivity (NYSE: TEL), Arthur Anderson, LLP and Ernst & Young, LLP. Mr. Nestro has served on the Boards of several community athletic associations.

Mr. Graeff said, “We are very pleased that an executive with Gene’s skills, global experience and proven leadership is joining our management team. Gene’s deep expertise and diverse background, particularly in financial strategic planning, as well as his operational experience, make him an excellent choice as our new CFO. We announced a strong third quarter last month, at which time we raised annual guidance, and we are reaffirming that guidance today. Luna is poised for continued robust growth, and Gene will play a key role in driving our continued global growth and profitability. We look forward to welcoming him to the Luna team.”

Mr. Nestro said, “I am excited to begin a new chapter with Luna and help one of the leading technology companies extend its track record of performance. On a personal note, my family and I look forward to becoming very involved with the Roanoke, Virginia community.”

Mr. Graeff thanked Mr. Messick for his thirteen plus years of service to Luna. “Dale has been a great finance partner and has contributed significantly to Luna’s success over the years, including helping us to navigate through periods of change so that we could emerge as a leader in fiber optic-based technology. I thank Dale for his dedication to Luna and his support of a smooth transition, and I wish him all the best in future endeavors.”

Mr. Messick said, “With the progress that we’ve made, and Luna’s stable financial platform, the time is right for my transition. It has been a privilege to work with the exceptional people on the Luna team, and I consider myself fortunate to have worked here. I’m very proud of everything we have accomplished, and I look forward to the new opportunities that await me.”

Reaffirmation of 2019 Full-Year Outlook:

Luna is reaffirming the 2019 outlook provided on its third-quarter fiscal 2019 earnings call:

- Total revenues in the range of \$69 million to \$70 million for full fiscal 2019; and
- Adjusted EBITDA in the range of \$8.2 million to \$8.6 million for full fiscal 2019.

Luna is not providing an outlook for net income, which is the most directly comparable generally accepted accounting principles ("GAAP") measure to Adjusted EBITDA, because changes in the items that Luna excludes from net income to calculate Adjusted EBITDA, such as share-based compensation, tax expense, and significant non-recurring charges, among other things, can be dependent on future events that are less capable of being controlled or reliably predicted by management and are not part of Luna's routine operating activities.

The outlook above does not include any future acquisitions, divestitures, or unanticipated events.

Non-GAAP Financial Measures

In evaluating the operating performance of its business, Luna’s management considers Adjusted EBITDA, which excludes certain charges and credits that are required by GAAP. Adjusted EBITDA provides useful information to both management and investors by excluding the effect of certain non-cash expenses and items that Luna believes may not be indicative of its operating performance, because either they are unusual and Luna does not expect them to recur in the ordinary course of its business, or they are unrelated to the ongoing operation of the business in the ordinary course. Adjusted EBITDA should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results.

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.

Forward-Looking Statements

The statements in this release that are not historical facts constitute "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 Luna's expectations regarding its projected 2019 financial results and outlook and continued global growth and profitability. 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 Luna 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 Luna's products and services to meet expectations, failure of target market to grow and expand, technological and strategic challenges and those risks and uncertainties set forth in Luna's Form 10-Q for the quarter ended September 30, 2019, and Luna's other periodic reports and filings with the Securities and Exchange Commission ("SEC"). Such filings are available on the SEC's website at www.sec.gov and on Luna's website at www.lunainc.com. 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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