UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): December 15, 2021

TENABLE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

001-39690
(Commission File Number)

47-5580546
(I.R.S. Employer Identification Number)

6100 Merriweather Drive, Columbia, Maryland 21044
(Address of principal executive offices, including zip code)

(410) 872-0555
(Registrant's telephone number, including area code)

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:

☐ 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 Act:

Title of each class Trading Symbol(s) Name of each exchange on which registered
Common Stock, par value $0.01 per share TENB 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 7.01. Regulation FD Disclosure

On December 15, 2021, Tenable Holdings, Inc. (the "Company") will host a virtual Investor Day event, where members of the Company's senior management will present to attendees regarding the Company's business and long-term strategy, which will be webcast live on the Company's website. A copy of the materials that will be used during the presentation are furnished as Exhibit 99.1 to this Current Report. The materials and a webcast replay of the presentation may be accessed at "Investor Events" section of the Company's investor relations website at https://investors.tenable.com after the live presentation.

The information set forth in this Item 7.01, including the presentation slides attached hereto as Exhibit 99.1, is being furnished pursuant to Item 7.01 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Exchange Act, whether made before or after the date hereof, except as expressly provided by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.1</td>
<td>Tenable's Investor Day Presentation, dated December 15, 2021</td>
</tr>
<tr>
<td>101.LAB</td>
<td>Inline XBRL Taxonomy Extension Label Linkbase Document.</td>
</tr>
<tr>
<td>104</td>
<td>The cover page from Tenable's 8-K filed on December 15, 2021, formatted in Inline XBRL.</td>
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</table>
Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TENABLE HOLDINGS, INC.

Date: December 15, 2021

By: /s/ Stephen A. Riddick

Stephen A. Riddick
General Counsel and Corporate Secretary
# Topics and Speakers

- **Business Update** by Amit Yoran, Chief Executive Officer
- **Product Review** by Nico Popp, Chief Product Officer
- **Go-To-Market overview** by Mark Thurmond, Chief Operating Officer and Dave Feringa, Senior Vice President Worldwide Sales
- **Financial Overview and Outlook** by Steve Vintz, Chief Financial Officer
- **Investor Q&A**
This presentation includes forward-looking statements. All statements contained in this presentation other than statements of historical facts, including statements regarding our future results of operations and financial position, our business strategy and plans and our objectives for future operations, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “will” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. These risks, uncertainties and assumptions are detailed in the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Quarterly Report on Form 10-Q filed with the SEC on November 3, 2021 and other filings that we make from time to time with the SEC, which are available on the SEC’s website at sec.gov. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements that we may make. Such risks and uncertainties may be amplified by the COVID-19 pandemic and its potential impact on our business and the global economy. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those contained in any forward-looking statements we make.

This presentation contains projected financial information. Such projected financial information constitutes forward-looking information and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive, and other risks and uncertainties and are based on certain assumptions. Actual results may differ materially from the results contemplated by the financial forecast information contained herein, and the inclusion of such information in this presentation should not be regarded as a representation by any person that the results reflected in such forecasts will be achieved.

You should not rely on forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. Neither we, nor any other person, are under any duty to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations, except as required by law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation. Moreover, except as required by law, we and any other person assumes responsibility for the accuracy and completeness of the forward-looking statements contained in this presentation.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk. By receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.

This presentation includes non-GAAP financial measures which may contain limitations and should not be considered in isolation, or as alternatives to, or substitutes for, financial measures determined in accordance with GAAP. The non-GAAP measures as defined by us may not be comparable to similar non-GAAP measures presented by other companies. Our presentation of such measures, which may include adjustments for or without unusual or non-recurring items, should not be construed as an inference that our future results will not be affected by unusual or non-recurring items. See the GAAP to Non-GAAP Reconciliation section for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

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Amit Yoran
Chairman and Chief Executive Officer
Key Milestones Since IPO

**Scale**
- Customer growth: 35K+ customers
- Significant global footprint
- Surpassing $600M CCB*

**Extended Leadership**
- Recognized leader in Vulnerability Management
- Increased coverage in Modern Infrastructure
- Developed Unified Exposure Platform

**Growth and Profitability**
- Grew CCB & Revenue at over 25% CAGR*
- Achieved FCF+ earlier than forecasted at IPO

*Includes FY 2021E which takes the midpoint of the Q4 estimate plus Q1-Q3 actuals
Tenable is an Industry and Market Share Leader in Vulnerability Management

- #1 in market share¹ and over 20 years experience with best-of-breed strategy
- Largest customer base at 35,000+ customers in VM including 2.5M+ cumulative unique Nessus downloads
- 20-plus percent greater coverage of CVEs than our competitors² and test our products to six-sigma accuracy
- Added ~ 360 new enterprise platform customers on average per quarter from Q1'18 to Q3'21

VM identifies, classifies, prioritizes and mitigates misconfigurations that can be exploited across an environment

Source: Please see endnotes listed on slide 18
Tenable is an Industry and Market Share Leader in Vulnerability Management Cont’d

- **Gartner** Peer Insights Choice for Vulnerability Assessment 2020 for 3 yrs in a row
- Recognized as a leader by **Frost & Sullivan** in the firm’s Frost Radar™: Global Vulnerability Management Market, 2021 report
- Ranked #1 by **IDC** in market share in the Worldwide Vulnerability Management market
- Named a leader in the **Forrester** Wave: Vulnerability Risk Management, Q4 2019

Source: Please see endnotes listed on slide 18
New cyber vulnerability poses 'severe risk,' DHS says
The vulnerability is linked to a commonly used piece of software called Log4j.

The Log4J Vulnerability Will Haunt the Internet for Years
Hundreds of millions of devices are likely affected.
Use of Tech is Exploding in Modern Infrastructure

- Containers
- Virtual Machines
- Cloud
- Identity Services
- BYOD / WFH
- DESKTOPS
- Laptops
- Servers
- Web/API
Recent Breaches Highlight the Complexity of Modern Infrastructure

**Massive SolarWinds hack has big businesses on high alert**
Security researchers have discovered three more vulnerabilities in SolarWinds products, including a critical remote code execution bug.

**Microsoft says a group of cyber attackers tied to China hit its Exchange email servers**
On March 2, Microsoft said there were vulnerabilities in its Exchange Server mail and calendar software for corporate and government data centers. The vulnerabilities go back 10 years, and have been exploited by Chinese hackers at least since January.

**Pipeline Attack Yields Urgent Lessons About U.S. Cybersecurity**
The hack reveals how vulnerable government and industry are to even basic attacks on computer networks.

**Biden Signs Executive Order to Bolster Federal Government’s Cybersecurity**
President Biden’s order gives strict new standards on software sold to the government.

**World’s Biggest Meat Producer, JBS, Hacked In Organized Attack**
Major Amazon S3 leaks highlight user blind spots in enterprise race to the cloud.

**THE REAPER IOT BOTNET HAS ALREADY INFECTED A MILLION NETWORKS**
US warns of cyber attacks on critical infrastructure.
- Unified risk-based product for OT & IT converged environments
- Comprehensive active/passive capability & deep situational awareness
- Tenable named a leader in the Forrester Wave for ICS Security Solutions

Sources: Please see endnotes listed on slide 18
Extending Expertise into Active Directory

- Purpose built AD security product created to disrupt one of the most common attack paths
- Identity/access as a vulnerability has been overlooked until now
- Expertise in securing AD environments coupled with a deep understanding of IT
- Gartner named Tenable as an Active Directory Defense vendor

"The complexity of the directory-based identity services platform used by 90% of enterprises around the world, coupled with the need for at least two different teams to collaborate to properly secure it and the constantly changing nature of its configuration, make it a difficult attack surface to protect." - EMA

Sources: Please see endnotes listed on slide 18
Expanding Cloud Capabilities Tenable.CS

CLOUD SECURITY FUNCTIONS

- Source-Code Analysis/SCA
- Infrastructure As Code Terraform
- WebAPI
- Kubernetes Posture Management
- Container Security
- CSPM
- Frictionless Assessment and Virtual Machines
- Microsegmentation and Protection

Left (Development)  Right (Run-time)

- Bringing security of and in the cloud for full visibility
- Assessing security posture of the cloud before it is configured
- System of action instead of system of record
- Gartner named Tenable as a CNAPP vendor

“By 2023, more than 50% of enterprises that adopted cloud-native services will leverage cloud security platforms that are tightly integrated with security operations products.”

- Gartner

Sources: Please see endnotes listed on slide 18
Tenable Strategy: From VM to the New Exposure Platform

Tenable.ep
Unified Cyber Exposure Platform

Other data inputs

Vulnerability Management (T.IO/T.SG)
Web/API Security (T.WAS)
OT Security (T.OI)
Active Directory/Identity (T.AD)
Infrastructure as Code (T.IAS)
KSPM & CSPM Exposure (T.CS)
AppSec (SAST)
Supply Chain (SCA)
API Scanning
Attack Surface Mgmt
Third Party Risk Mgmt
Bring your own data...
Tenable Total Addressable Market

Cyber Exposure
$25B

Identity
$5B

Cloud/Container
$10B

Vulnerability Management
$5B

Application
$3B

ICS/OT
$2B

Sources: Represents 2025 forecasts based on a blended view of recent forecasts from IDC, Gartner and Tenable assumptions.
## Unified Exposure Platform

- Web Application
- Analytics
- Cloud / Container
- Operational Technology
- IT
- Active Directory / Identities
Endnotes Slides 7&8:


2. Principled Technologies report: Comparing vulnerability and security configuration assessment coverage of leading VM vendors, October 2019

3. Gartner Peer Insights Customers’ Choice constitute the subjective opinions of individual end-user reviews, ratings, and data applied against a documented methodology; they neither represent the views of, nor constitute an endorsement by, Gartner or its affiliates. The Gartner Peer Insights Customers’ Choice badge is a trademark and service mark of Gartner, Inc., and/or its affiliates, and is used herein with permission. All rights reserved. Gartner Peer Insights Customers’ Choice constitute the subjective opinions of individual end-user reviews, ratings, and data applied against a documented methodology; they neither represent the views of, nor constitute an endorsement by, Gartner or its affiliates.


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Slide 12:

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Slide 13:


Slide 14:


Slide 15:


Slide 16:

10. Represents 2025 forecasts based on a blended view of recent forecasts from IDC, Gartner and Tenable assumptions
Product Review
December 2021
Product Update: Supporting Our Long-Term Growth Strategy

- Ever Extending Attack Surface
  “Extending Tenable VM Everywhere”
- Cloud Native Digital Transformation
  “Shifting Cloud Security to the Left”
- Vendor Consolidation & The Rise of Platforms
  “Transforming Into a Cyber Data & Analytics Platform”

Three Synergetic Opportunities
Ever Expanding Digital Attack Surface

“VM Everywhere”
(Access, Configuration & Software Vulnerabilities across EVERYTHING)
CISO Challenge: The Digital Attack Surface Keeps Expanding

Modern Exposures


Modern attack surface

Infrastructure as Code  Public Cloud Security  Traditional On-prem IT  WFH  Digital Identity  OT & Critical Infrastructure

"Is my cloud infrastructure secure?"

"Are my containers & workloads securely configured?"

"Are my on-prem systems hardened against ransomware?"

"What is the security hygiene of my remote workforce?"

"Do I have the right access permissions?"

"How vulnerable are my industrial control systems?"

More Complexity: More attacks, more point solutions, more vendors, more integrations...
Simple Solution: “VM” Across the Expanded Attack Surface

Permission to Move Across the Attack Surface?

Same Core Competency: “A Vuln is a Vuln is a Vuln…”

Growth Flywheel: Surface expansion drives asset expansion
Why Do We Win?

- Accurics
  - Public Cloud
- Digital ID Infrastructure
- Attack Surface
  - Configuration Vulnerabilities
- Access Vulnerabilities
- VM Everywhere
- Software Vulnerabilities
- OT Infrastructure
- Indegy
- WFH Private IT Infrastructure
- Tenable
  - Trusted Brand
  - Best of Breed Approach
  - Leading Content & Research
- 35,000+ customers, more than half of F500, 30%+ of G2000
- 100K+ agents, network, FA, APIs, IaC scanners...
- 65K CVEs, 135K+ plug-ins

VM Everywhere

- Why Do We Win?
- WFH Private IT Infrastructure
- Tenable
  - Trusted Brand
  - Best of Breed Approach
  - Leading Content & Research
  - 35,000+ customers, more than half of F500, 30%+ of G2000
  - 100K+ agents, network, FA, APIs, IaC scanners...
  - 65K CVEs, 135K+ plug-ins
"VM Everywhere": OT & AD Individual Momentum & Strength

• AD infrastructure at the heart of modern attacks (ransomware)
• Top notch tech & research
• Power of integrations (attack paths to marry traditional VM and AD)

CSO UNITED STATES

More analysis
Infrastructure bill includes $1.8 billion for cybersecurity

Passage of the infrastructure bill includes $1.8 billion for cybersecurity, and more could be on the way with the Build Back Better and other bills working their way through Congress.

Zoho Tenable

Tenable Named a Leader in The Forrester Wave™
Industrial Control Systems (ICS) Security Solutions, Q4 2021

Tenable

• Renewed focus on critical infrastructure cybersecurity
• Product leadership
• "Better together" industry forces (convergence of IT & OT)

Hadera hospital back to work over month after cyberattack

Hadera’s hospital is back to being fully operational today, according to Hadera-language media reports, over a month after a ransomware attack on the medical center’s systems brought some activities to a halt.

Some non-urgent procedures were canceled as a result of the October 10 attack, but most of the hospital’s work continued using a derivative IT system and paper records.
"VM Everywhere" Has a Long Growth Runway

Left (Development)
- Open source & 3rd party software
- API security
- Code security

Right (Run-time)
- External attack surface mgmt.
- SaaS security posture mgmt.
- Third party risk mgmt.

Only the end of the beginning...
**Problem:** Digital Transformation & the Rise of Cloud Native Applications

1. New Architectures
2. New Deployment Model

- Security flaws can no longer be found late in prod
- Security **lacks app context** to make decisions
- Runtime SecOps is **powerless** as their changes get ** overridden** by dev-driven updates

**Conclusion:** New Approach to Security Required

The next generation of cloud applications is disrupting the first generation of cloud security solutions
Opportunity: Cloud Native Security Solution

So, we seized this moment of disruption To create a modern Cloud Native Security offering

- Expected Early 22’ Launch
- Accurics IaC security and runtime CSPM
- Tenable Container Security and Frictionless Assessment

Build-Time: Code Repos & CI/CD Integration

Runtimes: Kubernetes & Containers

Runtimes: Workloads & Serverless

IaC Security & ConSec

KSPM, ConSec & Drift Monitoring

CSPM, TA & Drift Monitoring

IO Integrated Management
**Tenable.io**: Integrated Management Across All Clouds (Private & Public)

- All assets & findings, all clouds, within one unified workspace & remediation workflow
- Cross-Sell: the tool Tenable customers already have, already know, and already love
- One modern "VM" program for the hybrid enterprise
There is one more thing...
Creating Technology Leverage: The Latest Innovation from Tenable

*No agent to deploy. No agent to activate. No performance overhead*

*Highly scalable. Optimized beyond "snapshot scanning"*

*Launch is expected to follow Tenable.cs in H1 2022*
The Next Horizon
Tenable as a Unified Exposure Platform
Exposure risk across entire attack surface is a **compelling product** value-proposition.

- Product **bundle** has a very attractive ROI.
- CISOs are looking to **consolidate** around a few trusted vendors.
The New, Unified Exposure Platform: Creating a “Better Together”

Tenable.EP: Cyber Exposure Data & Analytics Platform

- CISO Risk Analytics: Exposure Card, SaaS, Trends & Benchmarks (assessment & remediation)
- Practitioner Risk Analytics: Risk-Based Prioritization & Attack Pathway Assessment (Expanded Lumin)

- AppSec (SAST)
- Supply Chain (SCA)
- API Scanning
- External Attack Surface Mgmt.
- Third Party Risk Mgmt.
- Bring your own data...

Shift-Left

External Data

Tenable Products TODAY
New Analytics: Attack Pathways, Context & Breach Prediction

- **IO: CVE-2021-1566**
  - Ransomware malware, DVC
  - Bad Guy @ Organized Crime

- **AD: Domain Admin Elevation**
  - Elevation Store Credentials

- **AD: Authorized Access for Remote User Group**
  - Remote User Group Member

- **Two data sets - One major breach pathway detected!**
  - AD DOMAIN CONTROLLER

- **AD: Trust Relationship Across Domains**

- **+OT Data Set:** Shows pathways to compromise the entire control network

- **Three data sets - Two catastrophic breach pathways detected!**

- **AD: VPN services with no MFA**
  - Phish to spread ransomware

- **My Very Critical Windows Server**
  - AD: Domain Admin Elevation
  - Elevation Store Credentials

- **Bad Guy @ Organized Crime**
  - Phish to spread ransomware

- **Remote User Group**
  - Member

- **ๆ

- **Authorized Access for Remote User Group**
  - New Credentials

- **Two data sets - One major breach pathway detected!**
  - My Very Critical Windows Server
From “VM” Everywhere to Unified Platform

New security insights – Stronger together – From proactive to predictive

- Early 22': New EP with AD, CS, OT, AD-based attack pathways
- Mid 22': Enhanced analytics across entire portfolio VM, including cloud pathways
- Late 22': Targeted external data enrichment

Note: Timelines are expected only as of the date of this presentation.
Conclusion: Three Opportunities. One Transformation

- "VM Everywhere": Ever expanding attack surface continues to drive growth
- "Shift-Left CNAPP": Rise of cloud native apps opens door to tenable shift-left cloud security
- "Tenable as a Unified Platform": Exposure data & cloud analytics create a transformational product & GTM opportunity
Go-to-Market Strategy

Platforms Unify Buying Decisions

- Nessus Upgrade
- New Logo Acquisition
- Expansion of Existing Customers

World-Class Customer Retention
Why We Win

- Technology, Technology, Technology
- Large and loyal install base and strong Nessus brand
- Highly trained (Core & Specialized). metric-driven global sales force
- Recognized as a leader in VM and OT
- 100% commitment to the channel with 1,900+ partners
- Significant presence in Public Sector
- Enterprise Experience (Professional Services, Technical Support, Partner ecosystem, Customer Success)

Well Positioned for Success!
Focus Areas & Growth Drivers

1. Add Sales Capacity (Core & Specialized) and Generate Higher Sales Productivity
2. Leverage Large Existing Customer Base to Drive Incremental Use Cases and Expansion
3. Maintain High Customer Renewal Rates
4. Leverage Partner Ecosystem to Expand our Sales, Services and Geo Coverage
5. Compensation Plans Driving Alignment with Corporate Goals
Global Presence and Massive Ecosystem

- **35,000+** Customers
- Presence in **35** Countries
- Business in over **160** Countries
- **1,900+** Partner Organizations
- **300+** MSSPs added in FY21
  - Fast-growing route to market
Global Customer Segmentation

Enterprise
> 3,500 employees
Field Sales to Large Customers

Commercial
500-3,500 employees
Inside Sales to Mid-Market Customers

Velocity/E-Commerce
< 500 employees
Unaided to Small Customers

Marketing and Sales Development

CDM/PS/Channel
MSSP Partnerships

➔ 8 of top 10 MSSPs¹
➔ 7 of top 10 SI’s²
➔ Rapid Growth Area
➔ New Route to Market Driving Geo and Commercial Growth

Technology Ecosystem
➔ Splunk, ServiceNow, IBM, GCP, etc.
➔ AWS Advanced Technology Partner – Triple digit transaction growth
➔ Hundreds of Integrations
➔ Influenced sales > 20% YTD

100% Partner Commitment
➔ 1800+ Partners
➔ Channel In ~40% New Enterprise YTD (Ent)
➔ Partner Breadth Strategy – Assure Program
➔ 8000+ Product Certifications

MSSP Partnerships
➔ 8 of top 10 MSSPs¹
➔ 7 of top 10 SI’s²
➔ Rapid Growth Area
➔ New Route to Market Driving Geo and Commercial Growth

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Dave Feringa
Senior Vice President
Worldwide Sales
Customer Success: Canadian Manufacturing Conglomerate

Background:
➔ Existing Tenable.sc customer concerned about recent attacks in Manufacturing and Energy

Business Objectives:
➔ Secure manufacturing assets as plant shutdown could be costly
➔ Have greater risk visibility across IT and Industrial Security assets
➔ Prevent what happened in Colonial Pipeline breach

Who is the Buyer?:
➔ Executive buyer: CISO
➔ Influencers: Plant Managers, Active Directory Team, IT Leadership, Vulnerability Management Team

What Solutions Did They Buy?
➔ Expanded their Tenable.SC environment
➔ Tenable.OT for key industrial locations
➔ Tenable.AD to reduce risk

Why Tenable?
➔ Only vendor to provide unified visibility of OT and IT environment
➔ Tenable.AD helps prevent lateral movement in case of a breach to multiple subsidiaries
➔ They have been a happy customer

Total Annual Contract Value: $1M
Customer Success: Financial Institution in the US

**Background:**
- Rapidly Growing Bank Using Multiple Vendors for Risk Based VM

**Business Objectives:**
- Reduce Risk by consolidating multiple RBVM requirements with one vendor who could scale
- Improve operational efficiency as they grow
- Tight integrations with Splunk and ServiceNow
- Predictable cost model for future growth

**Who is The Buyer:**
CISO, VP Security Strategy

**What Tenable Solutions?**
Tenable.EP

**Why Tenable?**
- Only solution to provide a complete RBVM solution. They consolidated 3 vendors to 1
- Lumin improves VM assessment and remediation, prioritizes business unit resources
- EP provides predictable cost model for assets, including future solutions (WAS is NEXT)
- Quote: “Their requirements document looked like our data sheet for Tenable.EP”
- A Trusted Partner brought us this opportunity and had tight executive relationships we leveraged

**Total Annual Contract Value:** $200K ACV
### Customer Success: Large US Federal Agency

**Background:**
- Federal Agency using multiple vendors for VM

**Business Objectives:**
- Single vendor to increase visibility into advanced threats
- Flexibility for On-Prem solution with a FedRamped cloud offering
- Critical integration with Splunk, CyberArk and ServiceNow
- Global Support

**Who is the Buyer?**
- Executive buyers: Branch Chief, CISO, Vulnerability Management Team

**What Solutions Did They Buy?**
- Tenable.sc for On Prem locations, FedRamped
- Tenable.io for Cloud
- Have opportunities for Active Directory as a next step

**Why Tenable?**
- Only vendor to meet their On Prem and FedRamp requirements
- VPR allows them to prioritize resources to efficiently remediate most critical vulnerability
- Proven Integrations with Splunk, CyberArk and ServiceNow
- Global support and brand reputation with Federal community

**Total Annual Contract Value:** $2.3M
Why we’re excited

- Product Innovation
- Deepening Strategic Partnership
- Expansion Of Salesforce / Global Reach
Financial Overview & Outlook
December 2021
Stephen Vintz
Chief Financial Officer
Past, Present and Future

- In 13 quarters as a public company, have established ourselves a leader in Traditional VM
- Evolving the portfolio to address high-growth opportunities in Exposure Solutions
- Well positioned for sustained 20%+ long-term growth and business model leverage
- Path to $1+ billion in revenues resulting in Rule of 50+
Top Line Metrics That Inform Our Progress

- **Calculated Current Billings**
  - Why?: Leading Indicator

- **New Enterprise & Six-Figure Customers**
  - Why?: Enterprise scale

- **Dollar-based Net Expansion Rate**
  - Why?: Leverage Customer Base
Performance Since IPO

Win the VM Market

#1 Market Share in Vulnerability Management\(\text{(1)}\)

Grow Cloud presence

Cloud 50% of new Q3/21 sales

Deliver growth & profitability

FCF\(\text{+}\) earlier than forecasted at IPO

**Calculated Current Billings (\text{\$M})\text{\(^{1)}\)**

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\(+28%\) \text{ CAGR}\n
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<th>(\text{$M})</th>
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</tr>
<tr>
<td>2021E</td>
<td>(\text{$864})</td>
</tr>
</tbody>
</table>

**Non-GAAP Operating Margin (\%\text{\(^{3)}\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017A</td>
<td>(\text{-6})</td>
</tr>
<tr>
<td>2021E</td>
<td>(\text{18})</td>
</tr>
</tbody>
</table>

\(+23%\) \text{ CAGR}\n
<table>
<thead>
<tr>
<th>Year</th>
<th>(\text{$M})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017A</td>
<td>(\text{-32M})</td>
</tr>
<tr>
<td>2021E</td>
<td>(\text{-9M \text{uFCF}})</td>
</tr>
</tbody>
</table>

**Revenue (\text{\$M})\**

<table>
<thead>
<tr>
<th>Year</th>
<th>(\text{$M})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017A</td>
<td>(\text{$188})</td>
</tr>
<tr>
<td>2021E</td>
<td>(\text{$536})</td>
</tr>
</tbody>
</table>

\(+20%\) \text{ CAGR}\n
<table>
<thead>
<tr>
<th>Year</th>
<th>(\text{$M})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017A</td>
<td>(\text{$188})</td>
</tr>
<tr>
<td>2021E</td>
<td>(\text{$536})</td>
</tr>
</tbody>
</table>

**uFCF Margin (\%\text{\(^{3)}\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017A</td>
<td>(\text{58})</td>
</tr>
<tr>
<td>2021A</td>
<td>(\text{-32M \text{uFCF}})</td>
</tr>
</tbody>
</table>

Note: 2021E, based on mid-point of Guidance


\(\text{(2)Non-GAAP Income from operations}}\)

\(\text{(3)Reflects non-GAAP measures and refer to Appendix for the definitions of non-GAAP financial measures and reconciliation from GAAP measures to the non-GAAP measures}}\)
Growth in Customer Base and Deal Size Since IPO

Active Customers

<table>
<thead>
<tr>
<th></th>
<th>Q1'18</th>
<th>Q3'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5X</td>
<td>25K</td>
<td>35K+</td>
</tr>
</tbody>
</table>

Six-Figure Customers

<table>
<thead>
<tr>
<th></th>
<th>Q1'18</th>
<th>Q3'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>3X</td>
<td>307</td>
<td>995</td>
</tr>
</tbody>
</table>

Active customers includes Nessus and Enterprise Platform customers

Added ~ 360 new Enterprise Platform customers on average per quarter from Q1'18 to Q3'21

Note: Six-Figure customers are those with an LTM ARR > $100K
Evolving Portfolio to Address Broadening Attack Surface

**Exposure Solutions**
- **Tenable.ep Today**
- **Tenable.ep Tomorrow**

**Traditional VM**
- **Tenable.sc™**
- **Nessus®**

**On-ramp to Exposure Solutions**
- Cloud Security
- Active Directory
- Operational Technology
- Frictionless Assessment
- Lumin
- Container Security
- Web Application Security
- Tenable.io®

Ubiquitous brand and on-ramp to Exposure Solutions
Expanding Product Portfolio Driving Diversification & Growth

Exposure Solutions
- Exposure Platform
  - Tenable.io
  - Web Application Security
  - Container Security
  - Frictionless Assessment
  - Lumin
- Operational Technology
- Active Directory
- Cloud Security

Traditional VM
- Tenable.sc
- Nessus
- PCI

Source: Calculated Current Billings: new and renewal
Note: (1) 5% reflects Nessus Cloud, the predecessor to Tenable.io

Growing 50%+ YoY
Growing 10%+ YoY
# M&A Strategy Accelerates Product Roadmap and Expands TAM

<table>
<thead>
<tr>
<th>Product Description</th>
<th>Purchase Price</th>
<th>Date Acquired</th>
<th>2021E CCB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indegy Operational Technology</td>
<td>$78M</td>
<td>Dec 2019</td>
<td>&gt;$10M</td>
</tr>
<tr>
<td>Active Directory</td>
<td>$98M</td>
<td>April 2021</td>
<td>&gt;$10M</td>
</tr>
<tr>
<td>accurics Cloud</td>
<td>$160M</td>
<td>October 2021</td>
<td>NM</td>
</tr>
</tbody>
</table>

*Note: 2021E based on mid-point of Guidance*
Growth Strategy

- Expand relationships with existing customers
- Invest in sales capacity including internationally
- Lead with and broaden Exposure Platform
- Mergers & Acquisitions
**Growth Algorithm:**

1. 95% of revenue is recurring
2. Expansion sales from more asset coverage and broader portfolio (110%+ dollar-based net expansion)
3. New sales via increase in sales capacity / productivity and channel leverage

**Path to $1 Billion in Revenue**

- 2017: $188m
- 2018: $267m
- 2019: $355m
- 2020: $440m
- 2021E: $536m
- 2025E: $1.1B+

**Note:** 2021E mid-point of revenue guidance. Dollar-based net expansion rate based on LTM.
## Demonstrating Operating Leverage

<table>
<thead>
<tr>
<th>Non-GAAP Measures</th>
<th>2019</th>
<th>2020</th>
<th>2021E</th>
<th>Long-term target model @ IPO</th>
<th>Updated long-term target model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>84%</td>
<td>84%</td>
<td>82%</td>
<td>77-80%</td>
<td>77-80%</td>
</tr>
<tr>
<td>S&amp;M % of Revenue</td>
<td>60%</td>
<td>46%</td>
<td>44%</td>
<td>35-40%</td>
<td>30-35%</td>
</tr>
<tr>
<td>R&amp;D % of Revenue</td>
<td>22%</td>
<td>20%</td>
<td>18%</td>
<td>12-15%</td>
<td>12-15%</td>
</tr>
<tr>
<td>G&amp;A % of Revenue</td>
<td>14%</td>
<td>12%</td>
<td>11%</td>
<td>6-8%</td>
<td>5-7%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>-12%</td>
<td>6%</td>
<td>9%</td>
<td>20%+</td>
<td>25%+</td>
</tr>
<tr>
<td>uFCF Margin</td>
<td>-9%</td>
<td>10%</td>
<td>17%</td>
<td>25%+</td>
<td>30%+</td>
</tr>
</tbody>
</table>

Notes: 2021E reflects mid-point of Guidance
Refer to Appendix for the definitions of non-GAAP financial measures and reconciliation from GAAP measures to the non-GAAP measures.
In Summary

- 20%+ growth on path to $1B
- Exposure solutions creates expansionary TAM
- Leveraging sizable customer base and global distribution capability
- Targeting Rule Of 50%+
Appendix
Non-GAAP Reconciliations

**Calculated Current Billings:** We define calculated current billings as a non-GAAP financial measure, as total revenue recognized in a period plus the change in current deferred revenue in the corresponding period. We believe that calculated current billings is a key metric to measure our periodic performance. Given that most of our customers pay in advance (including multi-year contracts), but we generally recognize the related revenue ratably over time, we use calculated current billings to measure and monitor our ability to provide our business with the working capital generated by upfront payments from our customers. We believe that calculated current billings, which excludes deferred revenue for periods beyond twelve months in a customer’s contractual term, more closely correlates with annual contract value and that the variability in total billings, depending on the timing of large multi-year contracts and the preference for annual billing versus multi-year upfront billing, may distort growth in one period over another.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$124,371</td>
<td>$167,727</td>
<td>$267,580</td>
<td>$354,596</td>
<td>$440,221</td>
<td>$392,112</td>
<td>$536,100</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue (current), and of period</td>
<td>$80,691</td>
<td>$154,990</td>
<td>$213,544</td>
<td>$274,340</td>
<td>$328,818</td>
<td>$362,708</td>
<td>$389,056</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue (current), beginning of period</td>
<td>$(24,721)</td>
<td>$(107,009)</td>
<td>$(164,978)</td>
<td>$(214,608)</td>
<td>$(276,340)</td>
<td>$(331,795)</td>
<td>$(351,666)</td>
<td></td>
</tr>
<tr>
<td>Calculated current billings</td>
<td>$170,661</td>
<td>$235,639</td>
<td>$320,106</td>
<td>$414,869</td>
<td>$404,892</td>
<td>$423,145</td>
<td>$603,500</td>
<td></td>
</tr>
</tbody>
</table>

1) In connection with adopting ASC 606, we recorded $19.0M of current deferred revenue on January 1, 2017 related to perpetual license revenue recognized in prior periods.
2) Deferred revenue (current), beginning of period for 2021E, YTD Q3 2021, and 2019 includes $2.8 million, $2.5 million, and $0.4 million, respectively, related to acquired deferred revenue.
### Non-GAAP Reconciliations (continued)

**Free Cash Flow and Unlevered Free Cash Flow**

We define free cash flow, a non-GAAP financial measure, as net cash provided by (used in) operating activities less purchases of property and equipment. We believe free cash flow is an important liquidity measure of the cash that is available, after purchases of property and equipment, for investment in our business and to make acquisitions. We believe that free cash flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. We define unlevered free cash flow as free cash flow plus cash paid for interest and other financing costs. We believe unlevered free cash flow is useful as a liquidity measure as it measures the cash that is available to invest in our business and meet our current and future financing needs.

#### Free Cash Flow and Unlevered Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash (used in) provided by operating activities</td>
<td>$ (6,268)</td>
<td>$ (2,659)</td>
<td>$ (10,744)</td>
<td>$ 64,233</td>
<td>$ 72,777</td>
<td>$ 92,000</td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(2,785)</td>
<td>(5,733)</td>
<td>(22,074)</td>
<td>(20,227)</td>
<td>(4,103)</td>
<td>(6,980)</td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(9,053)</td>
<td>(8,392)</td>
<td>(32,818)</td>
<td>(44,560)</td>
<td>18,666</td>
<td>55,918</td>
<td></td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>79</td>
<td>111</td>
<td>86</td>
<td>330</td>
<td>1,840</td>
<td>5,044</td>
<td></td>
</tr>
<tr>
<td>Unlevered free cash flow</td>
<td>(8,042)</td>
<td>(8,281)</td>
<td>(33,702)</td>
<td>(44,890)</td>
<td>(2,194)</td>
<td>(9,962)</td>
<td></td>
</tr>
<tr>
<td>Unlevered free cash flow margin</td>
<td>-5%</td>
<td>-3%</td>
<td>-9%</td>
<td>10%</td>
<td>18%</td>
<td>17%</td>
<td></td>
</tr>
</tbody>
</table>

(1) Free cash flow and unlevered free cash flow for each actual period shown above were impacted by the following:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee stock purchase plan activity</td>
<td>$ -</td>
</tr>
<tr>
<td>Capital expenditures related to new headquarters</td>
<td>$ (11.4)</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>$ (2.1)</td>
</tr>
<tr>
<td>Proceeds from lease Incentives</td>
<td>$ 14.2</td>
</tr>
<tr>
<td>Tax payment on intra-entity asset transfer</td>
<td>$ 2.8</td>
</tr>
</tbody>
</table>

(1) Free cash flow and unlevered free cash flow for 2020 and the last twelve months ended September 30, 2021 were reduced by approximately $17 million and $6 million, respectively, as a result of the accelerated timing of payments for cloud software subscriptions, insurance, and rent in the three months ended December 31, 2020.
Non-GAAP Reconciliations (continued)

Non-GAAP Gross Profit and Non-GAAP Gross Margin: We define Non-GAAP gross profit as GAAP gross profit, excluding the effect of stock-based compensation and amortization of acquired intangible assets. Non-GAAP gross margin is defined as Non-GAAP gross profit as a percentage of revenue.

### Non-GAAP Gross Profit and Non-GAAP Gross Margin

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit</td>
<td>$297.7M</td>
<td>$362.8M</td>
<td>$428.3M</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>2.8M</td>
<td>3.1M</td>
<td>3.0M</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>620M</td>
<td>2.3M</td>
<td>6.6M</td>
</tr>
<tr>
<td>Gross margin</td>
<td>83%</td>
<td>82%</td>
<td>80%</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>84%</td>
<td>84%</td>
<td>82%</td>
</tr>
</tbody>
</table>
Non-GAAP Reconciliations (continued)

Non-GAAP Sales and Marketing Expense, Non-GAAP Research and Development Expense and Non-GAAP General and Administrative Expense:
We define these non-GAAP measures as their respective GAAP measures, excluding stock-based compensation and acquisition-related expenses.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-GAAP Sales and Marketing Expense</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and marketing expense</td>
<td>$228,036</td>
<td>$224,271</td>
<td>$263,444</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>18,032</td>
<td>19,842</td>
<td>27,690</td>
</tr>
<tr>
<td>Non-GAAP sales and marketing expense</td>
<td>$212,003</td>
<td>$204,429</td>
<td>$235,894</td>
</tr>
<tr>
<td>Non-GAAP sales and marketing expense % of revenue</td>
<td>60%</td>
<td>46%</td>
<td>44%</td>
</tr>
<tr>
<td><strong>Non-GAAP Research and Development Expense</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development expense</td>
<td>$87,094</td>
<td>$101,667</td>
<td>$117,820</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>8,931</td>
<td>14,794</td>
<td>21,400</td>
</tr>
<tr>
<td>Non-GAAP research and development expense</td>
<td>$78,163</td>
<td>$86,873</td>
<td>$96,420</td>
</tr>
<tr>
<td>Non-GAAP research and development expense % of revenue</td>
<td>22%</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Non-GAAP General and Administrative Expense</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative expense</td>
<td>$89,468</td>
<td>$73,136</td>
<td>$94,771</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>15,663</td>
<td>21,773</td>
<td>28,200</td>
</tr>
<tr>
<td>Less: acquisition-related expense</td>
<td>3,970</td>
<td>3,39</td>
<td>7,000</td>
</tr>
<tr>
<td>Non-GAAP general and administrative expense</td>
<td>$64,295</td>
<td>$51,048</td>
<td>$53,571</td>
</tr>
<tr>
<td>Non-GAAP general and administrative expense % of revenue</td>
<td>14%</td>
<td>12%</td>
<td>11%</td>
</tr>
</tbody>
</table>
Non-GAAP Reconciliations (continued)

Non-GAAP (Loss) Income from Operations and Non-GAAP Operating Margin: We define these non-GAAP financial measures as their respective GAAP measures, excluding the effect of stock-based compensation, acquisition-related expenses, and amortization of acquired intangible assets. Acquisition-related expenses include transaction expenses and costs related to the transfer of acquired intellectual property.

<table>
<thead>
<tr>
<th>(dollars in thousands)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss from operations</td>
<td>$(40,760)</td>
<td>$(72,581)</td>
<td>$(80,789)</td>
<td>$(36,433)</td>
<td>$(47,200)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>7,760</td>
<td>22,675</td>
<td>43,443</td>
<td>50,573</td>
<td>80,200</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>-</td>
<td>-</td>
<td>3,970</td>
<td>3,138</td>
<td>7,000</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>603</td>
<td>603</td>
<td>820</td>
<td>2,314</td>
<td>6,600</td>
</tr>
<tr>
<td>Non-GAAP (loss)/income from operations</td>
<td>$(32,397)</td>
<td>$(48,103)</td>
<td>$(42,766)</td>
<td>$25,793</td>
<td>$46,600</td>
</tr>
</tbody>
</table>

| Operating Margin                                          | -22%  | -27%    | -26%    | -8%     | -9%     |
| Non-GAAP operating margin                                 | -17%  | -18%    | -12%    | 6%      | 9%      |