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
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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 share 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 competitors 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 2020³ for 3yrs in a row

✔ Recognized as a leader by **Frost & Sullivan** in the firm’s Frost Radar™: Global Vulnerability Management Market, 2021 report⁴

✔ Ranked #1 by **IDC** in market share in the Worldwide Vulnerability Management market¹

✔ Named a leader in the **Forrester** Wave: Vulnerability Risk Management, Q4 2019⁵

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.

- Released checks within 24hrs
- Checks work across product lines
- 1-3 vulnerable systems per second
- Already generating checks for vulnerable applications
- Primary customer response tool
Use of Tech is Exploding in Modern Infrastructure
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 underscored how vulnerable government and industry are to even basic assaults on computer networks.

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

**Massive Amazon S3 leaks highlight user blind spots in enterprise race to the cloud**
Data leaks at Dow Jones, Verizon, and a GOP analytics firm show that companies are forgoing security best practices in order to quickly make it to the cloud.

**World’s Biggest Meat Producer, JBS, Hacked In Organized Attack**

**THE REAPER IOT BOTNET HAS ALREADY INFECTED A MILLION NETWORKS**

**US warns of cyber attacks on critical infrastructure**
Extending Expertise to Operational Technology

- 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 Solutions⁶

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

**Key Milestones since IPO**

- Expanding Cloud Capabilities Tenable.CS
- 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**

- **Vulnerability Management** (T.IO/T.SC)
- **Web/API Security** (T.WAS)
- **Active Directory/Identity** (T.AD)
- **Infrastructure as Code** (T.CS)
- **KSPM & CSPM Exposure** (T.CS)

**Tenable.ep**
Unified Cyber Exposure Platform

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

**Other data inputs**
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
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Slide 12:

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Slide 13:


Slide 14:


Slide 15:

10. Represents 2025 forecasts based on a blended view of recent forecasts from IDC, Gartner and Tenable assumptions
Product Review
December 2021
Nico Popp
Chief Product Officer
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

- "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?"


Modern attack surface

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

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

Digital ID Infrastructure
Access Vulnerabilities

Risk-Based Vulnerability Mgmt.

Software Vulnerabilities

Growth Flywheel: Surface expansion drives asset expansion

Permission to Move Across the Attack Surface?

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

Private IT Infrastructure
WFH

OT Infrastructure
Indegy

Public Cloud

Private IT Infrastructure

WFH

Private IT Infrastructure

Indegy

Private IT Infrastructure

WFH

Private IT Infrastructure

Indegy
Why Do We Win?

- **VM Everywhere**
- **Attack Surface**
  - Digital ID Infrastructure
  - Access Vulnerabilities
  - Configuration Vulnerabilities
  - Public Cloud
  - Software Vulnerabilities
  - Private IT Infrastructure
  - OT Infrastructure
  - WFH

**Why Do We Win?**

- **Best of Breed Approach**
  - (10M+ agents, network, FA, APIs, IaC scanners...)

- **Trusted Brand**
  - (35,000+ customers, more than half of F500, 30%+ of G2000)

- **Leading Content & Research**
  - (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)

Hadera hospital back to work over month after cyberattack

Hillel Yaffe hospital in Hadera is back to being fully operational Sunday, according to Hebrew language media reports, over a month a ransomware attack on the medical center’s servers brought some activities to a standstill.

Some non-urgent procedures were canceled as a result of the October 15 attack, but most of the hospital’s work continued using alternative IT systems and pen and paper.
Left and Right: “VM Everywhere” Has a Long Growth Runway

VM Everywhere

- Open source & 3rd party software
- API security
- Code security

Software Vulnerabilities
- External attack surface mgmt.
- SaaS security posture mgmt.
- Third party risk mgmt.

Access Vulnerabilities

Left (Development)

Right (Run-time)

Only the end of the beginning...
From Code to Cloud

The Shift-Left Cloud Security Opportunity
**Problem:** Digital Transformation & the Rise of Cloud Native Applications

- 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

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

Tenable + Accurics

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, FA & Drift Monitoring

Io Integrated Management
Creating GTM Leverage: Integration, Integration, Integration...

**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
Tenable Exposure Platform Today: Successful Growth Engine

- 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, SLAs, Trends & Benchmarks (assessment & remediation)

Practitioner Risk Analytics: Risk-Based Prioritization & Attack Pathway Assessment (Expanded Lumin)

Vulnerability Management (T.IO/T.SC)
Web/API Security (T.WAS)
OT Security (T.OT)
Active Directory / Identity (T.AD)
Infrastructure as Code (T.CS)
KSPM & CSPM Exposure (T.CS)

Tenable Products TODAY

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

Shift-Left

External Data
New Analytics: Attack Pathways, Context & Breach Prediction

IO: CVE-2021-1566
Ransomware malware CVE

Bad Guy @ Organized Crime
Phish to spread ransomware

AD: Domain Admin Elevation
My Very Critical Windows Server

AD: Remote User Group
Authorized Access for Remote User Group
Store Credentials

AD: AD DOMAIN CONTROLLER

Two data sets - One major breach pathway detected!

Three data sets - two catastrophic breach pathways detected!

+OT Data Set:
Shows pathways to compromise the entire control network
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 Update
December 2021
Mark Thurmond
Chief Operating Officer
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
### Massive Partner Ecosystem

<table>
<thead>
<tr>
<th>Tech Alliances</th>
<th>Channel</th>
<th>MSSP Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology Ecosystem</strong></td>
<td><strong>100% Partner Commitment</strong></td>
<td><strong>MSSP Partnerships</strong></td>
</tr>
<tr>
<td>➔ Splunk, ServiceNow, IBM, GCP, etc.</td>
<td>➔ 1900+ Partners</td>
<td>➔ 8 of top 10 MSSPs¹</td>
</tr>
<tr>
<td>➔ AWS Advanced Technology Partner - Triple digit transaction growth</td>
<td>➔ Channel In ~40% New Enterprise YTD (Ent)</td>
<td>➔ 7 of top 10 SI’s²</td>
</tr>
<tr>
<td>➔ Hundreds of Integrations</td>
<td>➔ Partner Breadth Strategy - Assure Program</td>
<td>➔ Rapid Growth Area</td>
</tr>
<tr>
<td>➔ Influenced sales &gt; 20% YTD</td>
<td>➔ 8000+ Product Certifications</td>
<td>➔ New Route to Market Driving Geo and Commercial Growth</td>
</tr>
</tbody>
</table>

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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

**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

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

**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
Key Milestones since IPO

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
Win the VM Market

**#1 Market Share** in Vulnerability Management

Grow Cloud presence

Cloud **50%** of new Q3'21 sales

Deliver growth & profitability

**FCF+** earlier than forecasted at IPO

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**Performance Since IPO**

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**Calculated Current Billings ($M)**

- **2017A**: $236
- **2021E**: $604

**CAGR +26%**

**Non-GAAP Operating Margin (%)**

- **2017A**: -17%
- **2021E**: 9%

**CAGR +26%**

**Revenue ($M)**

- **2017A**: $188
- **2021E**: $536

**CAGR +30%**

**uFCF Margin (%)**

- **2017A**: -9%
- **LTM Q3'21**: 18%

**CAGR +23%**

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


(2) Non-GAAP Income from operations

(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

- Q1'18: 25K
- Q3'21: 35K+

1.5X

Active customers includes Nessus and Enterprise Platform customers

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

Six-Figure Customers

- Q1'18: 307
- Q3'21: 995

3X

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

Exposure Solutions

Tenable.ep

Tomorrow

Tenable.ep

Today

Traditional VM

Tenable.sc™

Ubiquitous brand and on-ramp to Exposure Solutions

Cloud Security

Active Directory

Operational Technology

Frictionless Assessment

Lumin

Container Security

Web Application Security

Tenable.io®

Foundation for Exposure Solutions

Tenable.sc™

Tenable.ep

Today

Nessus®
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
<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>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
Path to $1 Billion in Revenue

**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

<table>
<thead>
<tr>
<th>Year</th>
<th>Expansion Sales</th>
<th>New Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$188m</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$267m</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$355m</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>$440m</td>
<td></td>
</tr>
<tr>
<td>2021E</td>
<td>$536m</td>
<td></td>
</tr>
</tbody>
</table>

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, 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.

### Calculated Current Billings

* (In thousands)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$124,371</td>
<td>$187,727</td>
<td>$267,360</td>
<td>$354,586</td>
<td>$440,221</td>
<td>$392,112</td>
<td>$536,100</td>
</tr>
<tr>
<td>Deferred revenue (current), end of period</td>
<td>88,011</td>
<td>154,898</td>
<td>213,844</td>
<td>274,348</td>
<td>328,819</td>
<td>362,308</td>
<td>399,056</td>
</tr>
<tr>
<td>Deferred revenue (current), beginning of period</td>
<td>(54,721)</td>
<td>(107,006)</td>
<td>(154,898)</td>
<td>(214,069)</td>
<td>(274,348)</td>
<td>(331,275)</td>
<td>(331,656)</td>
</tr>
<tr>
<td>Calculated current billings</td>
<td>$157,661</td>
<td>$235,621</td>
<td>$326,106</td>
<td>$414,865</td>
<td>$494,692</td>
<td>$423,145</td>
<td>$603,500</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 (if any) 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.

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>LTM Q3</th>
<th>2021</th>
<th>2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash (used in) provided by operating activities</td>
<td>$(6,266)</td>
<td>$(2,559)</td>
<td>$(10,744)</td>
<td>$64,232</td>
<td>$92,727</td>
<td>$92,000</td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(2,755)</td>
<td>(5,733)</td>
<td>(20,674)</td>
<td>(20,277)</td>
<td>(4,973)</td>
<td>(8,082)</td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(9,021)</td>
<td>(8,292)</td>
<td>(31,418)</td>
<td>43,955</td>
<td>87,754</td>
<td>85,918</td>
<td></td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>79</td>
<td>111</td>
<td>96</td>
<td>335</td>
<td>1,845</td>
<td>5,044</td>
<td></td>
</tr>
<tr>
<td>Unlevered free cash flow</td>
<td>$(8,942)</td>
<td>$(8,181)</td>
<td>$(31,322)</td>
<td>$44,290</td>
<td>$89,599</td>
<td>$90,962</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></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee stock purchase plan activity</td>
<td>$-</td>
<td>$6.3</td>
<td>$(0.9)</td>
<td>$0.9</td>
<td>$(1.1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures related to new headquarters</td>
<td>$-</td>
<td>$-</td>
<td>$(11.4)</td>
<td>$(17.2)</td>
<td>$(1.5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>$-</td>
<td>$-</td>
<td>$(13.1)</td>
<td>$(0.7)</td>
<td>$(3.6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from lease incentives</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$14.2</td>
<td>$-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax payment on intra-entity asset transfer</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$2.8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) 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**  
*(dollars in thousands)*

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit</td>
<td>$293,768</td>
<td>$362,867</td>
<td>$428,353</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>$2,817</td>
<td>$3,158</td>
<td>$3,000</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>$620</td>
<td>$2,314</td>
<td>$6,600</td>
</tr>
<tr>
<td><strong>Non-GAAP gross profit</strong></td>
<td><strong>$297,205</strong></td>
<td><strong>$368,139</strong></td>
<td><strong>$437,953</strong></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.

(dollars in thousands)

<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>$228,035</td>
<td>$224,277</td>
<td>$263,484</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>$16,032</td>
<td>$19,842</td>
<td>$27,600</td>
</tr>
<tr>
<td>Non-GAAP sales and marketing expense</td>
<td>$212,003</td>
<td>$204,435</td>
<td>$235,884</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>$87,064</td>
<td>$101,687</td>
<td>$117,898</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>$8,911</td>
<td>$14,794</td>
<td>$21,400</td>
</tr>
<tr>
<td>Non-GAAP research and development expense</td>
<td>$78,153</td>
<td>$86,893</td>
<td>$96,498</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>$69,468</td>
<td>$73,136</td>
<td>$94,171</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>$15,683</td>
<td>$21,779</td>
<td>$28,200</td>
</tr>
<tr>
<td>Less: acquisition-related expense</td>
<td>$3,970</td>
<td>$339</td>
<td>$7,000</td>
</tr>
<tr>
<td>Non-GAAP general and administrative expense</td>
<td>$49,815</td>
<td>$51,018</td>
<td>$58,371</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></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>$(90,799)</td>
<td>$(36,433)</td>
<td>$(47,200)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>7,760</td>
<td>22,875</td>
<td>43,443</td>
<td>59,573</td>
<td>80,200</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>-</td>
<td>-</td>
<td>3,970</td>
<td>339</td>
<td>7,000</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>603</td>
<td>603</td>
<td>620</td>
<td>2,314</td>
<td>6,600</td>
</tr>
<tr>
<td><strong>Non-GAAP (loss) income from operations</strong></td>
<td><strong>$(32,397)</strong></td>
<td><strong>$(49,103)</strong></td>
<td><strong>$(42,766)</strong></td>
<td><strong>$25,793</strong></td>
<td><strong>$46,600</strong></td>
</tr>
<tr>
<td>Operating Margin</td>
<td>-22%</td>
<td>-27%</td>
<td>-26%</td>
<td>-8%</td>
<td>-9%</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>-17%</td>
<td>-18%</td>
<td>-12%</td>
<td>6%</td>
<td>9%</td>
</tr>
</tbody>
</table>