Forward-Looking Statements

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We help organizations confidently answer the question: "How secure are we?"
Tenable at a Glance

Category-leader in strategically important Cyber Exposure market

Holistic approach to Cyber Exposure focusing on measuring and managing cyber risk

Leveraging our core competency in VM to deliver an integrated unified platform

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

~40K Customers
~60% of Fortune 500
~40% of Global 2000

$159.4 \text{ mm} \ Q1 \ Rev.
29\% \ Rev. \ Growth

95\% \ Q1 \ Recurring \ Rev.

81\% \ Q1 \ Non-GAAP \ Gross \ Margin\(^{(2)}\)

$32.1 \text{ mm} \ Q1 \ Unlevered \ Free \ Cash \ Flow\(^{(2)}\)

2. Refer to Appendix for the definitions of non-GAAP financial measures and a reconciliation from the GAAP measures to the non-GAAP measures.
Investment Highlights

- Unique approach to secular growth opportunity
- Best-in-Class strategy in Cyber Exposure
- One platform unifying data across network, cloud, Identity, OT and DevOps environments
- Data science driven analytics - prioritization, benchmarking
- High growth, recurring model
- Attractive margin profile with operating leverage
Use of Tech is Exploding in Modern Infrastructure
Best of Breed Strategy in Vulnerability Management

#1 in Vulnerability Management Market Share (1)
25% Market share in Device VM (1)

#1 In Vulnerability Coverage (2)
>20% More CVEs than competitors (2)

Leader In Zero-day Research (3)
141/167 zero-day vulnerabilities discovered in 2020 / 2021

3 Refer to https://www.tenable.com/security/research for published vulnerabilities and research advisories.
Tenable is an Industry and Market Share Leader in Vulnerability Management

- **Gartner** Peer Insights Choice for Vulnerability Assessment 2020³ for 3yrs in a row¹
- Recognized as a leader by **Frost & Sullivan** in the firm’s Frost Radar™: Global Vulnerability Management Market, 2021 report²
- Ranked #1 by **IDC** in market share in the Worldwide Vulnerability Management market³
- Named a leader in the **Forrester Wave: Vulnerability Risk Management, Q4 2019⁴**

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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...
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)

**External Data**

**Tenable Products TODAY**

- 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)
Problem: Digital Transformation & the Rise of Cloud Native Applications

1. New Architectures
2. New Deployment Model

3. High Rate of Change

- 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.
Unified Exposure Platform

Managing risk across many interconnected and interdependent systems

Web Application
Analytics
Cloud / Container
Operational Technology
IT
Active Directory / Identities
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.
Growth Strategy

- Acquire new enterprise platform customers
- Expand asset coverage
- Invest in technology and expand use cases
- Explore acquisition opportunities
Experienced Management Team

Amit Yoran
CEO & Chairman

Steve Vintz
CFO

Mark Thurmond
COO

Glen Pendley
CTO

Bridgett Paradise
Chief People Officer

Nico Popp
Chief Product Officer

Brian Goldfarb
Chief Marketing Officer

Steve Riddick
General Counsel

Terry Dolce
SVP, Global Operations

Dave Feringa
SVP, Worldwide Sales

Michela Stribling
Chief Communications Officer

Matt Olton
SVP, Corp. Development
Financial Overview
Key Business Model Highlights

- Rapid revenue growth via attractive, recurring model
- Strong land and expand dynamic
- Balanced and diversified business mix
- Balanced philosophy between growth and profitability
## Rapidly Growing, High-Quality CCB and Revenue

### Calculated current billings\(^{(1)}\) ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$414.9</td>
<td>$494.7</td>
<td>$617.2</td>
<td>$119.5</td>
<td>$156.5</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Calculated current billings (CCB) figures presented here are Non-GAAP financial measures. Refer to Appendix for the definitions of non-GAAP financial measures and reconciliation of GAAP to Non-GAAP financial measures.

### Revenue ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$354.6</td>
<td>$440.2</td>
<td>$541.1</td>
<td>$123.2</td>
<td>$159.4</td>
</tr>
</tbody>
</table>

Annual prepaid / multi-year contracts

95% recurring revenue

\(^{1}\) Calculated current billings (CCB) figures presented here are Non-GAAP financial measures. Refer to Appendix for the definitions of non-GAAP financial measures and reconciliation of GAAP to Non-GAAP financial measures.
Attractive Composition of Revenue

Recurring Revenue

Q1 2021: 94%
Q1 2022: 95%

Q1 2022 Revenue by Geography

- Americas: 62%
- EMEA: 27%
- APAC: 11%
Landing Higher Value Customers

New logo enterprise platform customers\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>1,178</td>
<td>1,511</td>
<td>1,455</td>
<td>1,882</td>
</tr>
</tbody>
</table>

LTM $100K+ ACV accounts\(^{(2)}\)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '18</td>
<td>307</td>
<td>340</td>
<td>387</td>
<td>453</td>
</tr>
<tr>
<td>Q2 '18</td>
<td>494</td>
<td>538</td>
<td>589</td>
<td>641</td>
</tr>
<tr>
<td>Q3 '18</td>
<td>665</td>
<td>715</td>
<td>771</td>
<td>837</td>
</tr>
<tr>
<td>Q4 '18</td>
<td>866</td>
<td>933</td>
<td>995</td>
<td>1,095</td>
</tr>
<tr>
<td>Q1 '19</td>
<td>1,112</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Chart represents new enterprise platform customer acquisitions excluding upsells. Enterprise platform customer defined as a customer that has licensed Tenable.io, Tenable.cs, Tenable.sc, Tenable.ad, Tenable.ot or Tenable.ep for an annual amount of $5,000 or greater. The number of new enterprise platform customers added in 2021 includes 95 legacy customers from our acquisitions.

2. Chart represents the number of customers with $100K and greater of annual contract value (ACV) for the last 12 months.
Multiple Ways to Land and Expand

- Nessus is a cost-effective on-ramp to larger enterprise platform
- Nessus Professional upgrades to either T.SC (on prem) or T.IO (cloud) or both (hybrid) can access additional features:
  - Centralized data & reporting
  - Access to more sensors (Agents, Passive, WebApp, OT, etc.)
  - Predictive Prioritization
  - APIs

- New logos
- Nessus upsells
- More assets and applications
Strong Operating Leverage

Non-GAAP operating margins\(^{(1)}\)

- 2019: (12)%
- 2020: 6%
- 2021: 9%
- Q1 2021: 11%
- Q1 2022: 8%

Unlevered free cash flow margin profile\(^{(1)}\)

- Q1 2021: 31%
- Q1 2022: 20%

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\(^{(1)}\) Figures presented here are Non-GAAP financial measures. Refer to Appendix for the definitions of non-GAAP financial measures and reconciliation of GAAP to Non-GAAP financial measures.
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.

The following table presents a reconciliation of revenue, the most directly comparable GAAP measure, to calculated current billings for each of the periods presented. All dollars are in thousands.

<table>
<thead>
<tr>
<th>Calculated Current Billings:</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$354,586</td>
<td>$440,221</td>
<td>$541,130</td>
<td>$123,189</td>
<td>$159,368</td>
</tr>
<tr>
<td>Add: Deferred revenue (current), end of period</td>
<td>274,348</td>
<td>328,819</td>
<td>407,498</td>
<td>325,113</td>
<td>404,786</td>
</tr>
<tr>
<td>Less: Deferred revenue (current), beginning of period</td>
<td>(214,069)</td>
<td>(274,348)</td>
<td>(331,462)</td>
<td>(328,819)</td>
<td>(407,635)</td>
</tr>
<tr>
<td>Calculated current billings</td>
<td>$414,865</td>
<td>$494,692</td>
<td>$617,166</td>
<td>$119,483</td>
<td>$156,519</td>
</tr>
</tbody>
</table>

1 Deferred revenue (current), beginning of period for 2019, 2021, and Q1 2022 includes $0.4 million, $2.6 million and $0.1 million, respectively, related to acquired deferred revenue.
Non-GAAP Reconciliations (continued)

Non-GAAP Income (Loss) 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, costs related to the intra-entity asset transfers resulting from the internal restructuring of legal entities and amortization of acquired intangible assets. Acquisition-related expenses include transaction expenses and costs related to the intercompany transfer of acquired intellectual property.

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.

Free Cash Flow and Unlevered Free Cash Flow: We define free cash flow, a non-GAAP financial measure, as net cash provided by operating activities less purchases of property and equipment, which includes capitalized internal use software. 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 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.

The following tables reconcile the most directly comparable GAAP measures to our non-GAAP measures for each of the periods presented. All dollars are in thousands.

<table>
<thead>
<tr>
<th>Non-GAAP (Loss) Income from Operations</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss from operations</td>
<td>$(90,799)</td>
<td>$(36,433)</td>
<td>$(41,768)</td>
<td>$(5,802)</td>
<td>$(17,548)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>43,443</td>
<td>59,573</td>
<td>79,405</td>
<td>16,952</td>
<td>25,398</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>3,970</td>
<td>339</td>
<td>6,901</td>
<td>2,158</td>
<td>1,341</td>
</tr>
<tr>
<td>Costs related to intra-entity asset transfers</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>838</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>620</td>
<td>2,314</td>
<td>6,447</td>
<td>579</td>
<td>2,427</td>
</tr>
<tr>
<td>Non-GAAP (loss) income from operations</td>
<td>$ (42,766)</td>
<td>$ 25,793</td>
<td>$ 50,985</td>
<td>$ 13,887</td>
<td>$ 12,456</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>(12)%</td>
<td>6%</td>
<td>9%</td>
<td>11%</td>
<td>8%</td>
</tr>
</tbody>
</table>
## Non-GAAP Reconciliations (continued)

<table>
<thead>
<tr>
<th>Non-GAAP Gross Profit</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>$124,438</td>
</tr>
<tr>
<td>Stock-based compensation(^{(1)})</td>
<td>1,513</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>2,427</td>
</tr>
<tr>
<td>Non-GAAP gross profit</td>
<td>$128,378</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>81 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Free Cash Flow and Unlevered Free Cash Flow</th>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$38,625</td>
<td>$32,862</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>-(1,061)</td>
<td>-(4,811)</td>
</tr>
<tr>
<td>Free cash flow(^{(2)})</td>
<td>$37,564</td>
<td>$28,051</td>
</tr>
<tr>
<td>Cash paid for interest and other financing costs</td>
<td>71</td>
<td>4,051</td>
</tr>
<tr>
<td>Unlevered free cash flow(^{(2)})</td>
<td>$37,635</td>
<td>$32,102</td>
</tr>
<tr>
<td>Free cash flow margin</td>
<td>30 %</td>
<td>18 %</td>
</tr>
<tr>
<td>Unlevered free cash flow margin</td>
<td>31 %</td>
<td>20 %</td>
</tr>
</tbody>
</table>

(in millions) Free cash flow and unlevered free cash flow were impacted by:

<table>
<thead>
<tr>
<th></th>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee stock purchase plan activity</td>
<td>-(5.0)</td>
<td>-(4.0)</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>-(1.7)</td>
<td>-(0.7)</td>
</tr>
<tr>
<td>Costs related to intra-entity asset transfers</td>
<td>—</td>
<td>-(0.8)</td>
</tr>
<tr>
<td>Tax payment on intra-entity asset transfers</td>
<td>-(2.8)</td>
<td>-(2.7)</td>
</tr>
</tbody>
</table>

1 Cost of revenue portion of total stock-based compensation
2 Free cash flow and unlevered free cash flow for the three months ended March 31, 2022 and 2021 were benefited by approximately 6 million and 5 million, respectively, as a result of the accelerated timing of payments for insurance, professional fees and rent in prior quarters.