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

Category-leader in strategically important Exposure Management market

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

Leveraging our competency in risk management to deliver an integrated unified platform

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

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

$174.9M Q3 Rev.
26% Rev. Growth

95% Q3 Recurring Rev.

81% Q3 Non-GAAP Gross Margin\(^{(2)}\)

$34.8M Q3 Unlevered Free Cash Flow\(^{(2)}\)

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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 Exposure Management
- 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 in Class Strategy in Vulnerability Management

1. **#1 in Vulnerability Management Market Share**
   - 25% Market share in Device VM

2. **#1 In Vulnerability Coverage**
   - >20% More CVEs than competitors

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

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3. Refer to [https://www.tenable.com/security/research](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:** Risk Based Exposure Mgmt. Across the Attack Surface
- **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)
- Internet Exposure (T.ASM)
**Problem:** Digital Transformation & the Rise of Cloud Native Applications

1. **New Architectures**
   - Security flaws can no longer be found late in prod

2. **New Deployment Model**
   - 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
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>Q3 2021</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($M)</td>
<td>$414.9</td>
<td>$494.7</td>
<td>$617.2</td>
<td>$166.9</td>
<td>$207.3</td>
</tr>
</tbody>
</table>

Annual prepaid / multi-year contracts

\(+24\%\)

Revenue ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Q3 2021</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($M)</td>
<td>$354.6</td>
<td>$440.2</td>
<td>$541.1</td>
<td>$138.7</td>
<td>$174.9</td>
</tr>
</tbody>
</table>

\(95\%\) recurring revenue

\(+26\%\)

\(^{1}\) 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

Q3 2021: 95%
Q3 2022: 95%

Q3 2022 Revenue by Geography

- Americas: 64%
- EMEA: 25%
- APAC: 11%
Landing Higher Value Customers

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

- 2018: 1,178
- 2019: 1,511
- 2020: 1,455
- 2021: 1,882

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 '18</th>
<th>Q2 '18</th>
<th>Q3 '18</th>
<th>Q4 '18</th>
<th>Q1 '19</th>
<th>Q2 '19</th>
<th>Q3 '19</th>
<th>Q4 '19</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
<th>Q4 '20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>307</td>
<td>340</td>
<td>387</td>
<td>453</td>
<td>494</td>
<td>538</td>
<td>589</td>
<td>641</td>
<td>665</td>
<td>715</td>
<td>771</td>
<td>837</td>
</tr>
<tr>
<td></td>
<td>866</td>
<td>933</td>
<td>995</td>
<td>1,095</td>
<td>1,112</td>
<td>1,191</td>
<td>1,280</td>
<td></td>
<td></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
Non-GAAP operating margins (1)

Unlevered free cash flow margin profile (1)

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>Q3 2021</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$354,586</td>
<td>$440,221</td>
<td>$541,130</td>
<td>$138,664</td>
<td>$174,851</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>362,308</td>
<td>447,863</td>
</tr>
<tr>
<td>Less: Deferred revenue (current), beginning of period(^{(1)})</td>
<td>(214,069)</td>
<td>(274,348)</td>
<td>(331,462)</td>
<td>(334,106)</td>
<td>(415,378)</td>
</tr>
<tr>
<td>Calculated current billings</td>
<td>$414,865</td>
<td>$494,692</td>
<td>$617,166</td>
<td>$166,866</td>
<td>$207,336</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Deferred revenue (current), beginning of period for 2019 and 2021 includes $0.4 million and $2.6 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 debt obligations and future financing needs. However, given our debt obligations, non-cancelable commitments and other contractual obligations, unlevered free cash flow does not represent residual cash flow available for discretionary expenses.

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>Q3 2021</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss from operations</td>
<td>$(90,799)</td>
<td>$(36,433)</td>
<td>$(41,768)</td>
<td>$(11,218)</td>
<td>$(12,958)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>43,443</td>
<td>59,573</td>
<td>79,405</td>
<td>20,912</td>
<td>32,643</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>3,970</td>
<td>339</td>
<td>6,901</td>
<td>2,270</td>
<td>322</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>620</td>
<td>2,314</td>
<td>6,447</td>
<td>1,721</td>
<td>3,080</td>
</tr>
<tr>
<td>Non-GAAP (loss) income from operations</td>
<td>$(42,766)</td>
<td>$(25,793)</td>
<td>$(50,985)</td>
<td>$13,685</td>
<td>$23,087</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>(12)%</td>
<td>6 %</td>
<td>9 %</td>
<td>10 %</td>
<td>13 %</td>
</tr>
</tbody>
</table>
## Free Cash Flow and Unlevered Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Q3 2021</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash (used in) provided by operating activities</strong></td>
<td>$(10,744)</td>
<td>$64,232</td>
<td>$96,765</td>
<td>$19,633</td>
<td>$35,853</td>
</tr>
<tr>
<td><strong>Purchases of property and equipment</strong></td>
<td>(20,674)</td>
<td>(20,277)</td>
<td>(6,561)</td>
<td>(1,174)</td>
<td>(4,347)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>$(31,148)</td>
<td>$43,955</td>
<td>$90,204</td>
<td>$18,459</td>
<td>$31,506</td>
</tr>
<tr>
<td><strong>Cash paid for interest and other financing costs</strong></td>
<td>96</td>
<td>335</td>
<td>4,978</td>
<td>1,615</td>
<td>3,253</td>
</tr>
<tr>
<td><strong>Unlevered free cash flow</strong></td>
<td>$(31,322)</td>
<td>$44,290</td>
<td>$95,182</td>
<td>$20,074</td>
<td>$34,759</td>
</tr>
<tr>
<td><strong>Free cash flow margin</strong></td>
<td>(9)%</td>
<td>10%</td>
<td>17%</td>
<td>13%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Unlevered free cash flow margin</strong></td>
<td>(9)%</td>
<td>10%</td>
<td>18%</td>
<td>14%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Free cash flow and unlevered free cash flow were impacted by:

### (in millions)

<table>
<thead>
<tr>
<th>Impact</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Q3 2021</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee stock purchase plan activity</td>
<td>(0.9)</td>
<td>0.9</td>
<td>(0.3)</td>
<td>(2.8)</td>
<td>(4.8)</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>(13.1)</td>
<td>(0.7)</td>
<td>(6.5)</td>
<td>(0.3)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Costs related to intra-entity asset transfers</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Tax payment on intra-entity asset transfers</td>
<td>—</td>
<td>—</td>
<td>(2.8)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Capital expenditures related to new headquarters</td>
<td>(11.4)</td>
<td>(17.2)</td>
<td>(0.9)</td>
<td>(0.1)</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from lease incentives</td>
<td>—</td>
<td>14.2</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

1 Free cash flow and unlevered free cash flow in 2021 were reduced by approximately $8 million due to prepayments of software subscription costs, insurance and rent, offset by a benefit of approximately $15 million from prepayments of similar items made in 2020. The 2020 prepayments reduced free cash flow and unlevered free cash flow by approximately $17 million in 2020. Free cash flow and unlevered free cash flow for the three months ended September 30, 2022 and 2021 were benefited by approximately $0 million and $1 million, respectively, as a result of the accelerated timing of payments for insurance, professional fees and rent in prior quarters.
Non-GAAP Reconciliations (continued)

<table>
<thead>
<tr>
<th>Non-GAAP Gross Profit</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>$136,269</td>
</tr>
<tr>
<td>Stock-based compensation&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>2,341</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>3,080</td>
</tr>
<tr>
<td>Non-GAAP gross profit</td>
<td>$141,690</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>81 %</td>
</tr>
</tbody>
</table>

1 Cost of revenue portion of total stock-based compensation