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We help organizations confidently answer the question: “How secure are we?”
We Have Delivered Since IPO

Market Leader with

- 30K+ Customers
- 50%+ of Fortune 500
- 30%+ of Global 2000
- #1 VM Market Share and VRM Leader\(^{(1)}\)
- 94% Recurring Revenue\(^{(2)}\)
- 84% Q4’20 Non-GAAP Gross Margin\(^{(3)}\)
- Positive Q4’20 Non-GAAP Operating Income and Free Cash Flow\(^{(3)}\)

Revenue ($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($ in millions)</th>
<th>Q4’20 Non-GAAP Gross Margin(^{(3)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$354.6</td>
<td>(9%)</td>
</tr>
<tr>
<td>2020</td>
<td>$440.2</td>
<td>10%</td>
</tr>
</tbody>
</table>

\(^2\) Recurring revenue as a percentage of total revenue as of Q4 2020.
\(^3\) 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 of Breed strategy in VM

One platform unifying data across network, cloud, OT and DevOps environments

Data science driven analytics - prioritization, benchmarking

High growth, recurring model

Attractive margin profile with operating leverage
Digital Transformation Increases Complexity & Risk

Increasing Surface of Attack...

- Growth of Applications
- Remote workforce
- Proliferation of IoT and OT
- Adoption of Cloud Computing
- Rise of DevOps

...requires Best of Breed, Risk-Based VM

- Prioritization
- Scoring
- Business Context
- Benchmarking
Enterprises Struggle to Make Sense of Vulnerabilities

Enterprise challenge

- **Visibility**
  - Live asset discovery and automated exposure assessment

- **Prioritization**
  - Remediation actions by order of risk

- **Business Context**
  - Translate IT/OT VM data into C-Suite digestible risk assessment

Tenable solution

- Network and cloud monitoring of all IT assets
- 150 data sources feed the Tenable analytics engine to prioritize vulnerabilities by likelihood, severity and difficulty
- Data and data science allows for objective scores, trends and benchmarks
Best of Breed Strategy in Vulnerability Management

#1 in Device VM Market Share\(^{(1)}\)
27.6% Market share in Device VM\(^{(1)}\)

#1 In Vulnerability Coverage\(^{(2)}\)
>20% More CVEs than competitors\(^{(2)}\)

Leader In Zero-day Research\(^{(3)}\)
147/141 Zero-day vulnerabilities discovered in 2019 / 2020

3 Refer to [https://www.tenable.com/security/research](https://www.tenable.com/security/research) for published vulnerabilities and research advisories.
Tenable Named a Leader by Market Analysts and Recognized by Customers

Tenable is Top Ranked in both strategy and current offering categories

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Tenable Named a 2020 Gartner Peer Insights Customers’ Choice for Vulnerability Assessment for the second year in a row

“We needed to switch to a new vulnerability management tool when BeyondTrust announced they were getting out of the v-m business, and even they recommend Tenable. I see why - they are the industry leader and deserve to be. I wish we’d switched a long time ago.”

- Analyst Network and Infrastructure in the Transportation Industry


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Frictionless Assessment Of Cloud Assets

PURPOSE BUILT FOR VM IN THE CLOUD

Deploy at the speed of Cloud.
Setup in seconds and receive actionable results in minutes - no scanner installs or agents required

Cloud Native.
Leverage cloud native management tools for frictionless collection of state information

Continuous Visibility.
Continuously assess the cloud as new assets are discovered or vulnerabilities disclosed
Tenable’s Cyber Exposure Platform

- Real Time Vulnerability Data
- Cyber Exposure Data Lake
- Multiple Third Party Data Sources

Cyber Exposure Score
Peer Benchmarking
Trending Over Time
Remediation Guidance
Large and Underpenetrated TAM

Traditional vulnerability management market(1)

- $ in billions
- 12% CAGR
- $3.9 in 2018
- $6.1 in 2022

Bottoms-up analysis

- TAM
- $16Bn

Risk-Based Analytics

Modern IT Assets

Traditional Vulnerability Management Market

1 Traditional Vulnerability Management Market includes the Policy and Compliance and Device and Application Vulnerability Assessment segments as reported by IDC in their Worldwide Cybersecurity Analytics, Intelligence, Response, and Orchestration Forecast, 2019–2023: Finding and Mitigating the Adversary.
Large and Diverse Customer Base

30,000+ Customers

>30% of Global 2000

>50% of Fortune 500
Best of Breed Strategy Strengthens Technology Ecosystem

SIEMENS  splunk  servicenow

CYBERARK  BeyondTrust

112 Integrations  74 Technology Partners

Jira Software

Amazon web services  Azure  Google Cloud  Cisco  Microsoft  RSA
Growth Strategy

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

- Rapid revenue growth via attractive, recurring model
- Land-and-expand model
- Balanced and diversified model
- Profitable, Capital efficient business
Rapid Growth at Scale

Annual Revenue
$ in millions

Quarterly revenue
$ in millions

2018 2019 2020

$267  $355  $440

Q4 2019  Q4 2020

$97  $118

22% growth
Attractive Composition of Revenue/Balanced Model

Revenue by offering

% recurring

<table>
<thead>
<tr>
<th></th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>93%</td>
<td>94%</td>
</tr>
</tbody>
</table>

Revenue by geography

- **Americas**: 67%
- **Europe, Middle East, & Africa**: 23%
- **Asia Pacific**: 10%

2020
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>
</tr>
</thead>
<tbody>
<tr>
<td>Q1’18</td>
<td>1,178</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2’18</td>
<td>1,511</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3’18</td>
<td>1,455</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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>
</tbody>
</table>

1. Chart represents new enterprise platform customer acquisitions excluding upsells. Enterprise platform customer defined as a customer that has licensed Tenable.io or Tenable.sc for an annual amount of $5,000 or greater.
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 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

* Exemplary only; actual comparison of contract value varies by customer. This is not intended as an average or median representation.
Improving Operating Leverage

Improving non-GAAP operating margins\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>(16%)</td>
<td>(13%)</td>
<td>(11%)</td>
<td>(8%)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>(9%)</td>
<td>10%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 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
Strong Growth in Calculated Current Billings

Annual CCB\(^{(1)}\) $ in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>CCB (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$326</td>
</tr>
<tr>
<td>2019</td>
<td>$415</td>
</tr>
<tr>
<td>2020</td>
<td>$495</td>
</tr>
</tbody>
</table>

Quarterly CCB $ in millions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>CCB (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2019</td>
<td>$125</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>$151</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.
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>2018</th>
<th>2019</th>
<th>2020</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$267,360</td>
<td>$354,586</td>
<td>$440,221</td>
<td>$97,049</td>
<td>$118,082</td>
</tr>
<tr>
<td>Add: Deferred revenue (current), end of period</td>
<td>213,644</td>
<td>274,348</td>
<td>328,819</td>
<td>274,348</td>
<td>328,819</td>
</tr>
<tr>
<td>Less: Deferred revenue (current), beginning of period(^{(1)})</td>
<td>(154,898)</td>
<td>(214,069)</td>
<td>(274,348)</td>
<td>(246,410)</td>
<td>(296,360)</td>
</tr>
<tr>
<td>Calculated current billings</td>
<td>$326,106</td>
<td>$414,865</td>
<td>$494,692</td>
<td>$124,987</td>
<td>$150,541</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Deferred revenue (current), beginning of period for the three months and year ended December 31, 2019 includes $0.4 million 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 and amortization of acquired intangible assets. Acquisition-related expenses include transaction expenses and costs related to the 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.

**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.

**Free Cash Flow:** We define free cash flow, a non-GAAP financial measure, as net cash (used in) provided by 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.

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></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss from operations</td>
<td>($22,685)</td>
<td>($22,234)</td>
<td>($18,327)</td>
<td>($27,553)</td>
<td>($21,672)</td>
<td>($10,565)</td>
<td>($3,465)</td>
<td>($731)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>9,319</td>
<td>11,373</td>
<td>10,499</td>
<td>12,252</td>
<td>13,035</td>
<td>15,666</td>
<td>15,300</td>
<td>15,572</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>3,970</td>
<td>339</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>151</td>
<td>151</td>
<td>125</td>
<td>193</td>
<td>579</td>
<td>578</td>
<td>579</td>
<td>578</td>
</tr>
<tr>
<td><strong>Non-GAAP income (loss) from operations</strong></td>
<td>($13,215)</td>
<td>($10,710)</td>
<td>($7,703)</td>
<td>($11,138)</td>
<td>($7,719)</td>
<td>$5,679</td>
<td>$12,414</td>
<td>$15,419</td>
</tr>
<tr>
<td><strong>Non-GAAP operating margin</strong></td>
<td>(16%)</td>
<td>(13%)</td>
<td>(8%)</td>
<td>(11%)</td>
<td>(8%)</td>
<td>5%</td>
<td>11%</td>
<td>13%</td>
</tr>
</tbody>
</table>
## Non-GAAP Reconciliations (continued)

### Non-GAAP Gross Profit

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>$293,768</td>
<td>$362,667</td>
<td>$78,620</td>
<td>$97,765</td>
</tr>
<tr>
<td>Stock-based compensation&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>2,817</td>
<td>3,158</td>
<td>729</td>
<td>755</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>620</td>
<td>2,314</td>
<td>193</td>
<td>578</td>
</tr>
<tr>
<td>Non-GAAP gross profit</td>
<td>$297,205</td>
<td>$368,139</td>
<td>$79,542</td>
<td>$99,098</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>84%</td>
<td>84%</td>
<td>82%</td>
<td>84%</td>
</tr>
</tbody>
</table>

### Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash (used in) provided by operating activities</td>
<td>($10,744)</td>
<td>$64,232</td>
<td>($3,072)</td>
<td>$17,934</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(20,674)</td>
<td>(20,277)</td>
<td>(10,412)</td>
<td>(1,204)</td>
</tr>
<tr>
<td>Free cash flow&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>($31,418)</td>
<td>$43,955</td>
<td>($13,484)</td>
<td>$16,730</td>
</tr>
<tr>
<td>Free cash flow margin</td>
<td>(9%)</td>
<td>10%</td>
<td>(14%)</td>
<td>14%</td>
</tr>
</tbody>
</table>

<sup>1</sup> Cost of revenue portion of total Stock-based compensation

<sup>2</sup> Free cash flow was increased (decreased) by employee stock purchase plan activity of $3.6 million and $3.8 million in the three months ended December 31, 2020 and 2019, respectively, and $0.9 million, and ($0.9) million in the year ended December 31, 2020 and 2019, respectively. The year ended December 31, 2020 included $14.2 million in proceeds from lease incentives. Free cash flow included capital expenditures related to our new headquarters of $0.6 million and $9.0 million in the three months ended December 31, 2020 and 2019, respectively, and $17.2 million and $11.4 million in the year ended December 31, 2020 and 2019, respectively. The year ended December 31, 2020 included $0.7 million and the three months and year ended December 31, 2019 included $13.1 million of acquisition-related payments for Indegy. Free cash flow for the three months and year ended December 31, 2020 was reduced by approximately $17 million as a result of the accelerated timing of payments for cloud software subscriptions, insurance, and rent.