tenable®

CYBER EXPOSURE

MANAGING AND MEASURING CYBER RISK IN THE DIGITAL ERA

April 2021

Forward-Looking Statements

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 and uncertainties are detailed in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K 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. 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 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 anticipated or implied in any forward-looking statements we make.

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, neither we nor 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 have certain 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 to exclude unusual or non-recurring items, should not be construed as an inference that our future results will be unaffected by these or other 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.

All third-party trademarks, including names, logos and brands, referenced by us in this presentation are property of their respective owners. All references to third-party trademarks are for identification purposes only. Such use should not be construed as an endorsement of our products or services.

We help organizations confidently answer the question:

“How secure are we?”

Tenable at a Glance

Market Leader with

30K+ Customers

50%+ of Fortune 500
30%+ of Global 2000

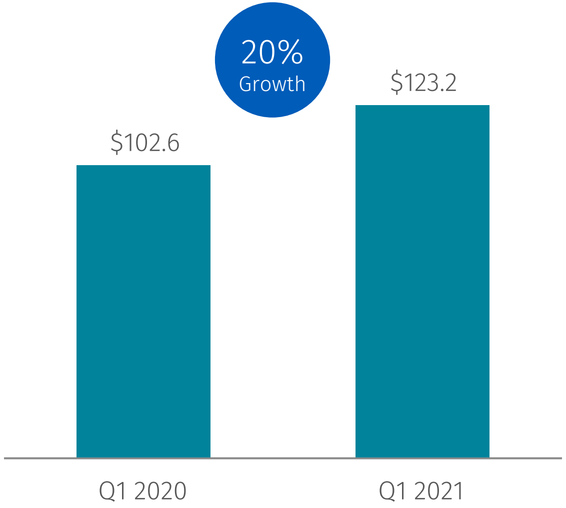
#1 VM Market Share and **VRM** Leader[1]

94% Recurring Revenue[2]

83% Q1'21 Non-GAAP Gross Margin[3]

Positive Q1'21 Non-GAAP Operating Income and Free Cash Flow[3]

Revenue ($ in millions)



	Q1 2020	Q1 2021
% Free Cash Flow Margin[3]	*4%*	*30%*

[1] Vulnerability Risk Management, Source: IDC, "Worldwide Device Vulnerability Management Market Shares 2019: Finding the Transitional Elements Between Device Assessment Scanning and Risk-Based Remediation" - May 2020
[2] Recurring revenue as a percentage of total revenue as of Q1 2021
[3] Refer to Appendix for the definitions of non-GAAP financial measures and a reconciliation from the GAAP measures to the non-GAAP measures

tenable

Investment Highlights

Unique approach to secular growth opportunity

Best of Breed strategy in Cyber Exposure

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 Cyber Exposure solutions

Prioritization

Scoring

Business Context

Benchmarking

Enterprises Struggle to Make Sense of Vulnerabilities

Enterprise challenge	Tenable solution
Visibility Live asset discovery and automated exposure assessment	Network and cloud monitoring of <u>all</u> IT assets
Prioritization Remediation actions by order of risk	150 data sources feed the Tenable analytics engine to prioritize vulnerabilities by likelihood, severity and difficulty
Business Context Translate IT/OT VM and AD data into C-Suite digestible risk assessment	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]

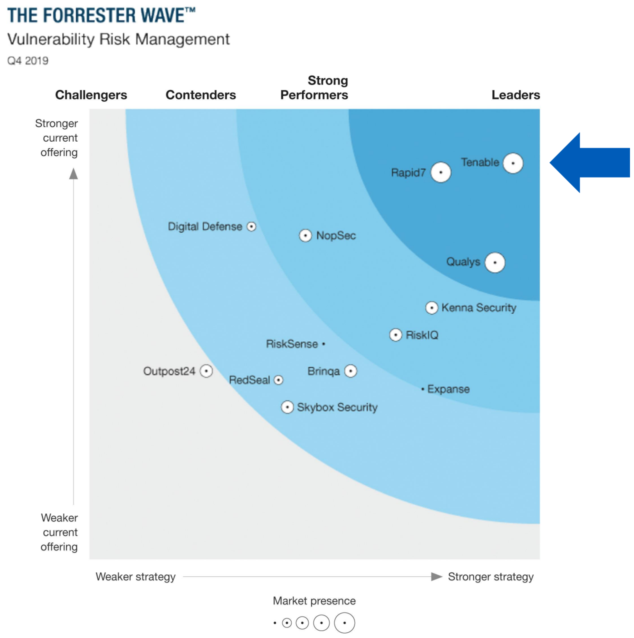
147/141 Zero-day vulnerabilities discovered in 2019 / 2020

1 Source: IDC, "Worldwide Device Vulnerability Management Market Shares 2019: Finding the Transitional Elements Between Device Assessment Scanning and Risk-Based Remediation" - May 2020.
2 Reported in A Principled Technologies report: "Comparing vulnerability and security configuration assessment coverage of leading VM vendors" - September, 2019.
3 Refer to https://www.tenable.com/security/research for published vulnerabilities and research advisories.

tenable

Tenable Named a Leader by Market Analysts and Recognized by Customers

Tenable is Top Ranked in both strategy and current offering categories



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

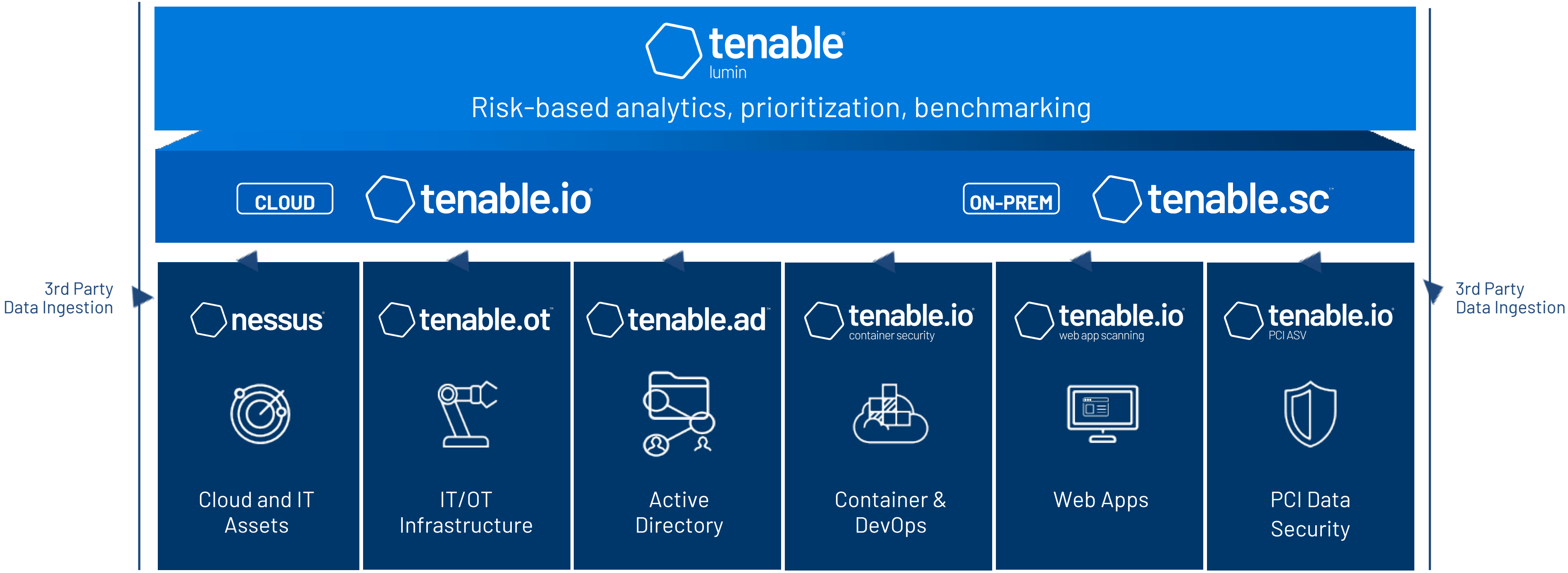
"We needed to switch to a new vulnerability management tool when BeyondTrust announced they were getting out of the v-m business, and even they recommend Tenable. I see why - they are the industry leader and deserve to be. I wish we'd switched a long time ago."

-Analyst Network and Infrastructure in the Transportation Industry

https://www.gartner.com/reviews/market/vulnerability-assessment/vendor/tenable/product/tenable-sc/review/view/1315226

tenable

One Platform Unifying Data Across the Attack Surface



tenable

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.

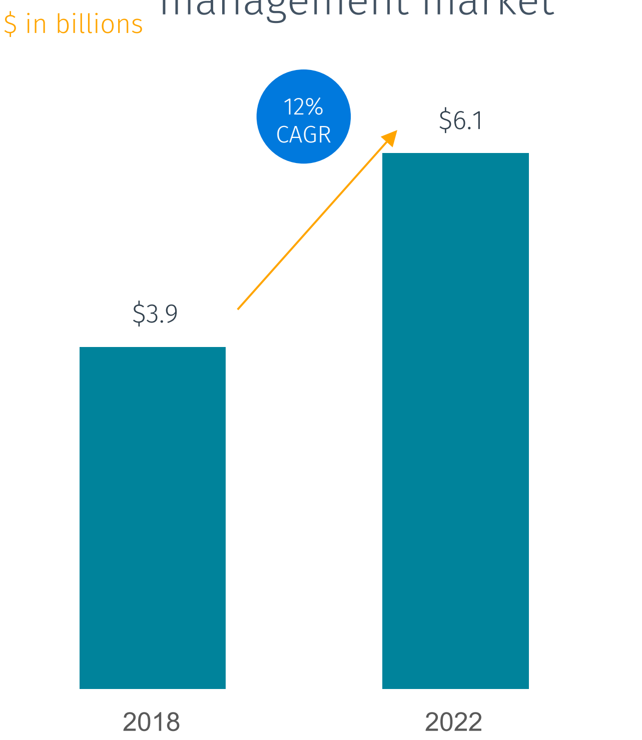
Leverage cloud native management tools for frictionless collection of state information

Continuous Visibility.

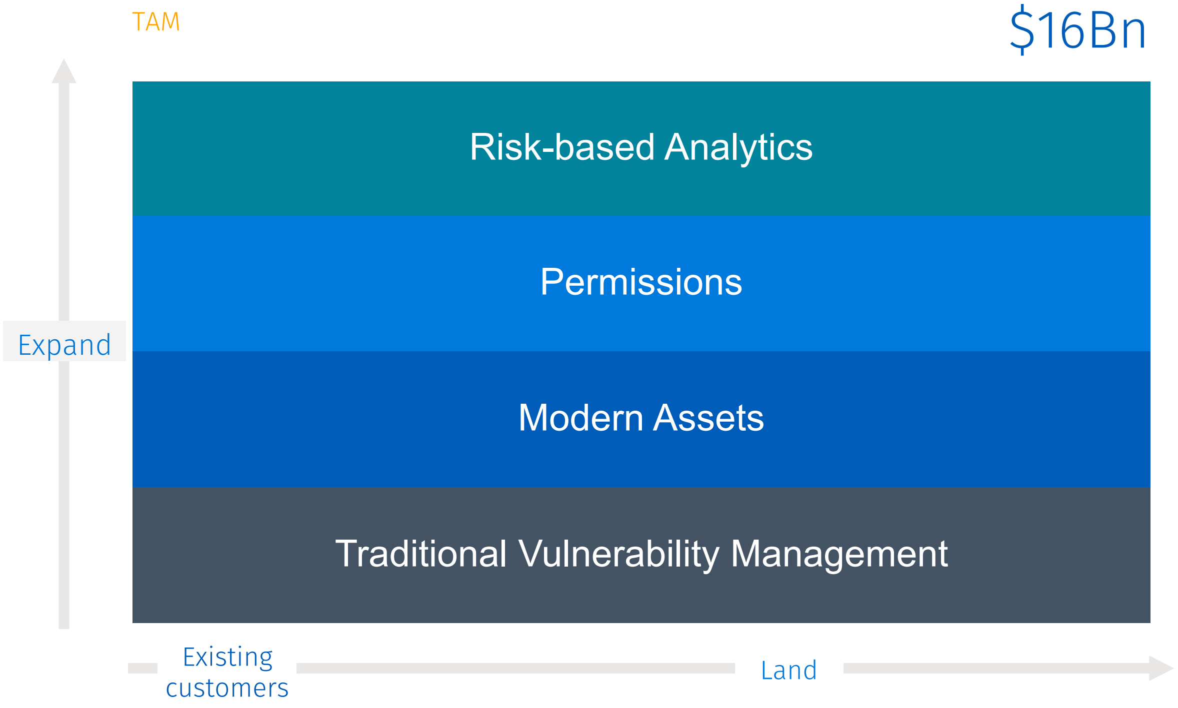
Continuously assess the cloud as new assets are discovered or vulnerabilities disclosed

Large and Underpenetrated TAM

Traditional vulnerability management market[1]



Bottoms-up analysis



[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* .

tenable

Large and Diverse Customer Base

30,000+ Customers	>30% of Global 2000	>50% of Fortune 500

Best of Breed Strategy Strengthens Technology Ecosystem

112 Integrations

74Technology Partners

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

Renaud Deraison
Co-Founder & CTO

Bridgett Paradise
Chief People 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

Financial Highlights

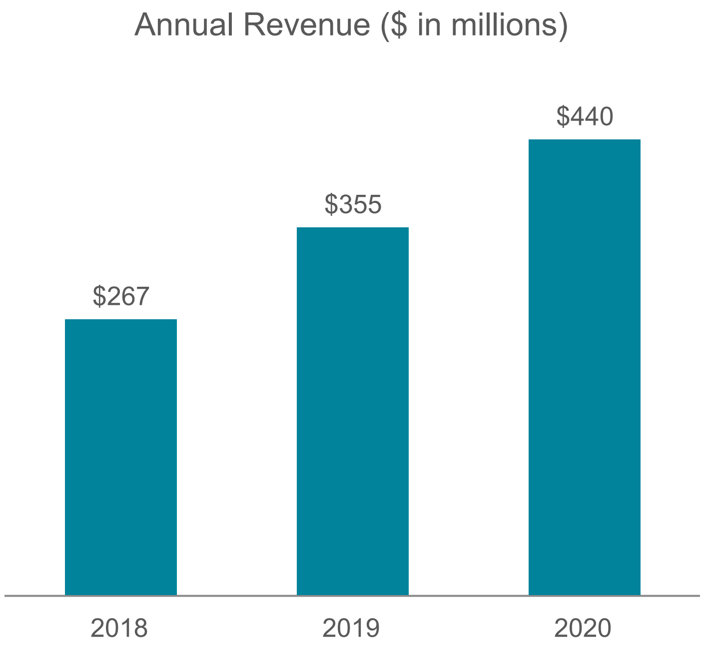
Rapid revenue growth via attractive, recurring model

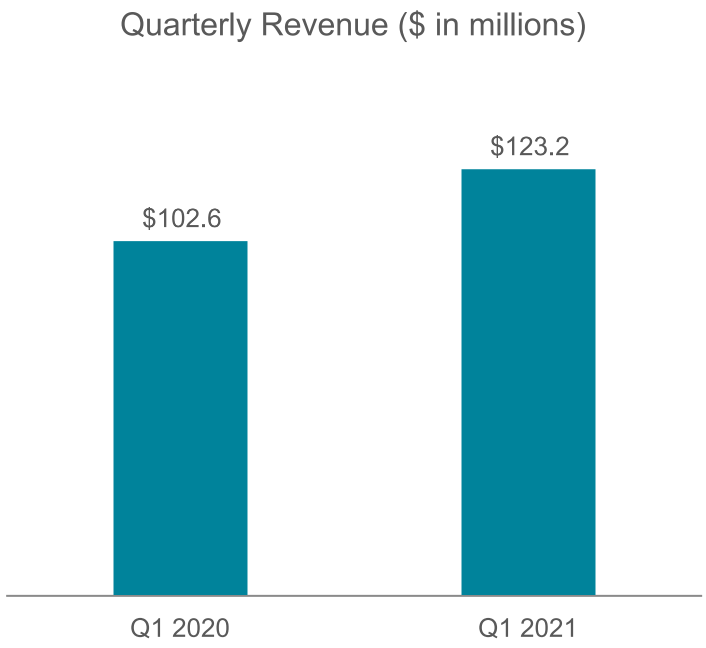
Land-and-expand model

Balanced and diversified model

Profitable, Capital efficient business

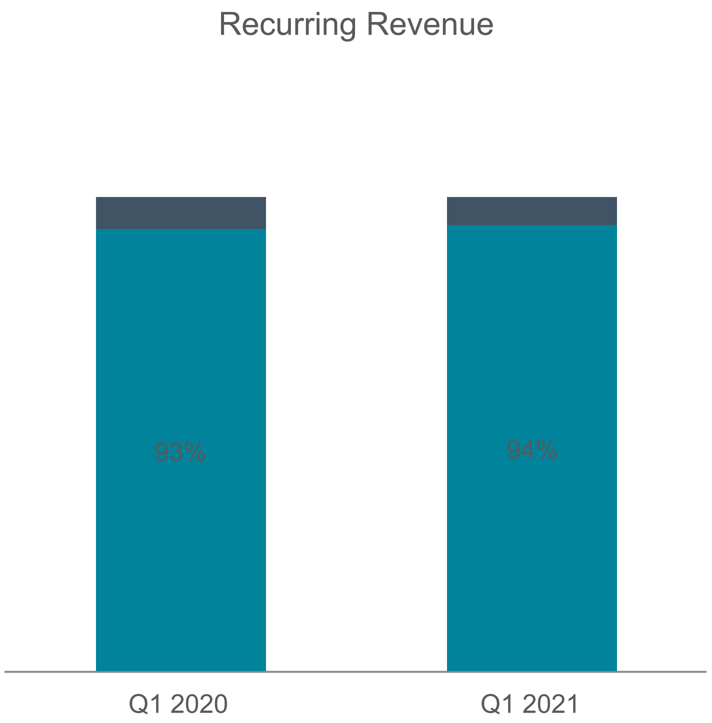
Rapid Growth at Scale

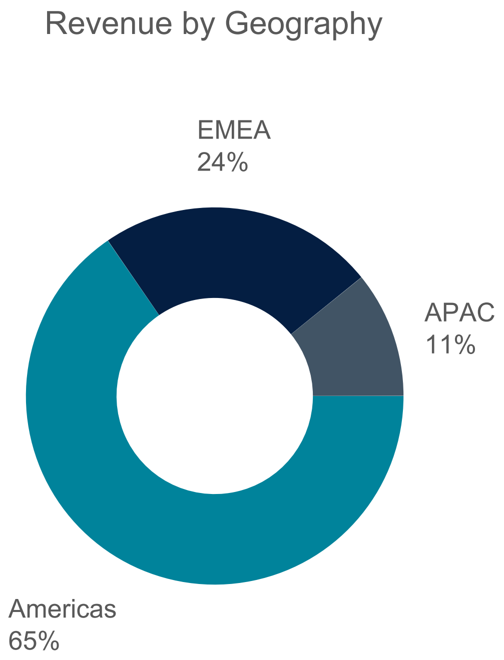




tenable

Attractive Composition of Revenue/Balanced Model

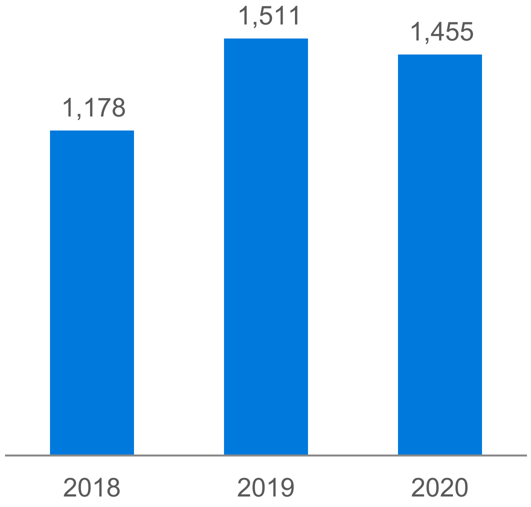




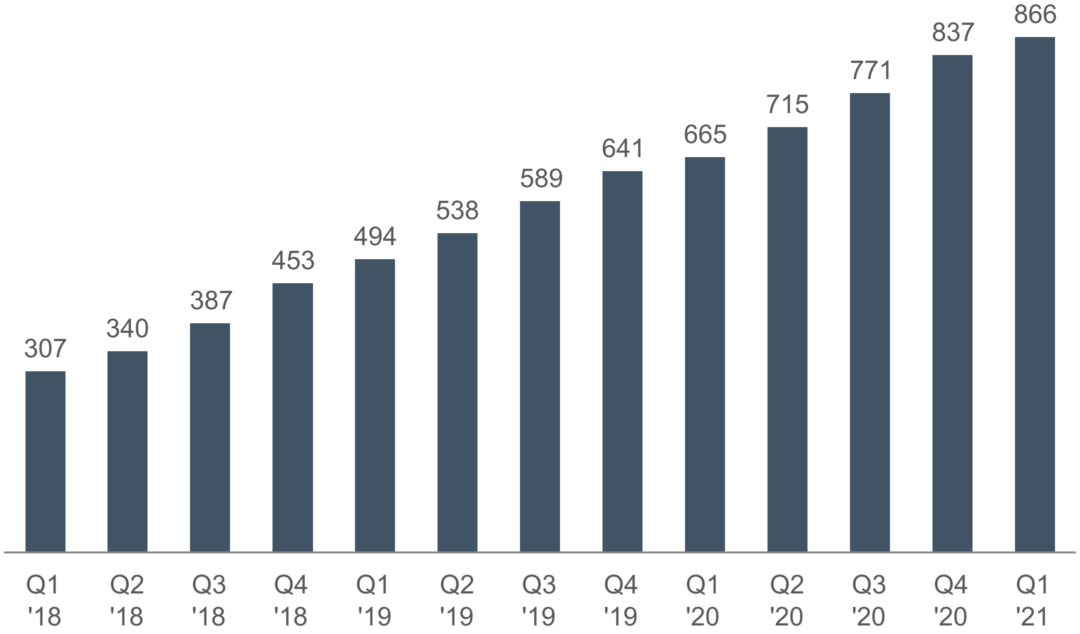
tenable

Landing Higher Value Customers

New logo enterprise platform customers(1)



LTM $100K+ ACV accounts(2)



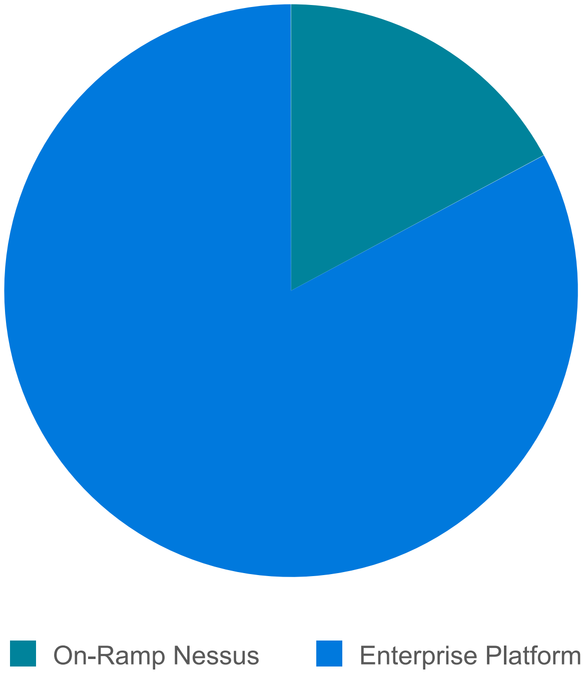
[1] Chart represents new enterprise platform customer acquisitions excluding upsells. Enterprise platform customer defined as a customer that has licensed Tenable.io, Tenable.sc or Tenable.ot for an annual amount of $5,000 or greater.
[2] Chart represents the number of customers with $100K and greater of annual contract value (ACV) for the last 12 months.

tenable

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

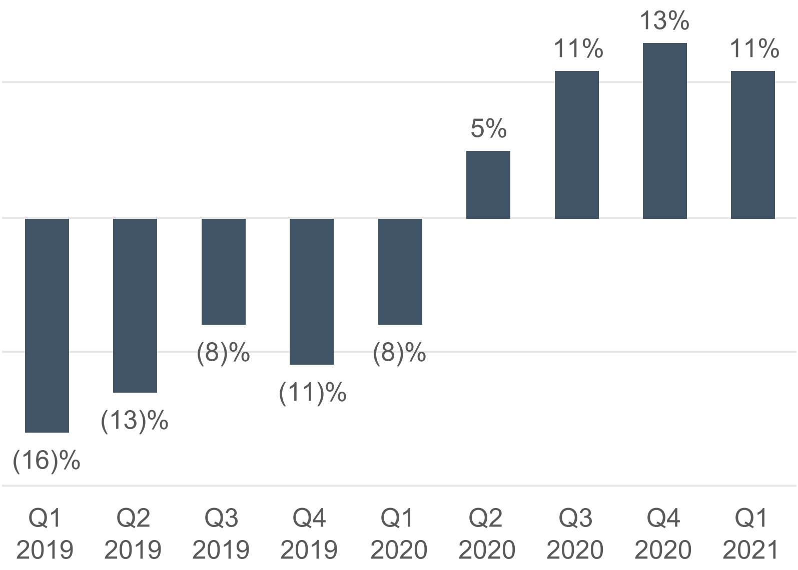


- **New logos**
- **Nessus upsells**
- **More assets and applications**

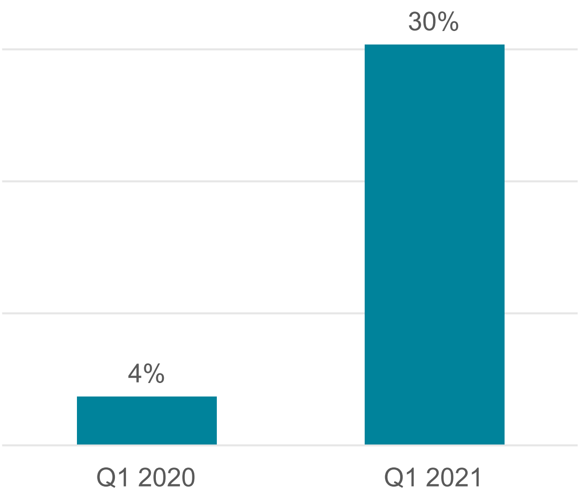
tenable

Improving Operating Leverage

Improving non-GAAP operating margins[1]



Improving 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

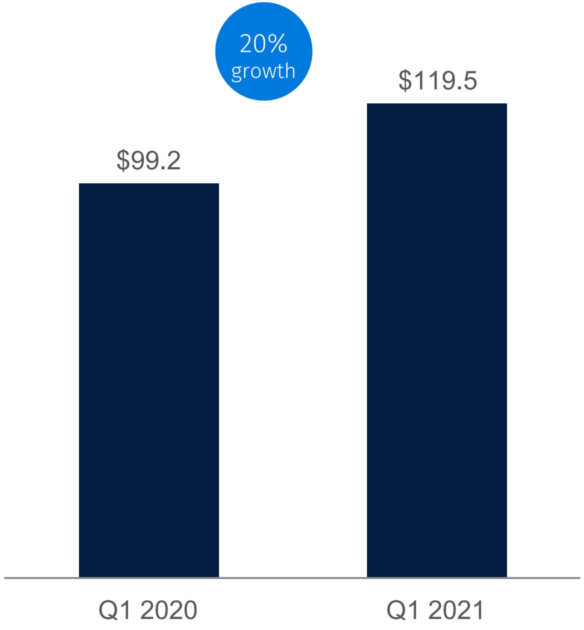
Strong Growth in Calculated Current Billings

Annual CCB[1]

$ in millions

Quarterly CCB

$ in millions



[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.

tenable

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.

Calculated Current Billings:	2018	2019	2020	Q1 2020	Q1 2021
Revenue	$ 267,360	$ 354,586	$ 440,221	$ 102,648	$ 123,189
Add: Deferred revenue (current), end of period	213,644	274,348	328,819	270,916	325,113
Less: Deferred revenue (current), beginning of period[(1)]	(154,898)	(214,069)	(274,348)	(274,348)	(328,819)
Calculated current billings	$ 326,106	$ 414,865	$ 494,692	$ 99,216	$ 119,483

[1] Deferred revenue (current), beginning of period for 2019 includes $0.4 million related to acquired deferred revenue.

tenable

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.

Non-GAAP Income (Loss) from Operations	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Loss from operations	$ (22,685)	$ (22,234)	$ (18,327)	$ (27,553)	$ (21,672)	$ (10,565)	$ (3,465)	$ (731)	$ (5,802)
Stock-based compensation	9,319	11,373	10,499	12,252	13,035	15,666	15,300	15,572	16,952
Acquisition-related expenses	—	—	—	3,970	339	—	—	—	2,158
Amortization of acquired intangible assets	151	151	125	193	579	578	579	578	579
Non-GAAP income (loss) from operations	$ (13,215)	$ (10,710)	$ (7,703)	$ (11,138)	$ (7,719)	$ 5,679	$ 12,414	$ 15,419	$ 13,887
Non-GAAP operating margin	(16)%	(13)%	(8)%	(11)%	(8)%	5 %	11 %	13 %	11 %

Non-GAAP Reconciliations (continued)

Non-GAAP Gross Profit	2019	2020	Q1 2020	Q1 2021
Gross Profit	$ 293,768	$ 362,667	$ 83,947	$ 101,116
Stock-based compensation [(1)]	2,817	3,158	747	937
Amortization of acquired intangible assets	620	2,314	579	579
Non-GAAP gross profit	$ 297,205	$ 368,139	$ 85,273	$ 102,632
Non-GAAP gross margin	84 %	84 %	83 %	83 %

Free Cash Flow	2019	2020	Q1 2020	Q1 2021
Net cash (used in) provided by operating activities	$ (10,744)	$ 64,232	$ 4,492	$ 38,625
Purchases of property and equipment	(20,674)	(20,277)	(614)	(1,061)
Free cash flow [(2)(3)]	$ (31,418)	$ 43,955	$ 3,878	$ 37,564
Free cash flow margin	(9)%	10 %	4 %	30 %

1 Cost of revenue portion of total Stock-based compensation

2 Our employee stock purchase plan impacted free cash flow by $0.9 million and $(0.9) million in 2020 and 2019 respectively. Proceeds from lease incentives were $14.2 million in 2020 and capital expenditures related to our new headquarters were $17.2 million and $11.4 million in 2020 and 2019, respectively. Cash payments associated with the Indegy acquisition were $0.7 million and $13.1 million in 2020 and 2019, respectively. Free cash flow for 2020 was reduced by approximately $17 million as a result of the accelerated timing of payments for cloud software subscriptions, insurance and rent.

3 Free cash flow included reductions related to employee stock purchase plan activity of $5.0 million and $3.7 million in the three months ended March 31, 2021 and 2020, respectively. The three months ended March 31, 2021 and 2020 included $1.7 million and $0.7 million, respectively, in acquisition-related payments. The three months ended March 31, 2021 and 2020 also included $0.2 million and $0.1 million, respectively, in capital expenditures for our new headquarters. The three months ended March 31, 2021 included a $2.8 million tax payment related to an intra-entity asset transfer. Free cash flow for the three months ended March 31, 2021 was benefited by approximately $5 million as a result of the accelerated timing of payments for insurance and professional fees in the three months ended December 31, 2020.

tenable