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.

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We help organizations confidently answer the question:

“How secure are we?”
### Market Leader with

- **30K+ Customers**
- **50%+ of Fortune 500**
- **30%+ of Global 2000**
- **#1 VM Market Share and VRM Leader**
- **94% Recurring Revenue**
- **83% Q1’21 Non-GAAP Gross Margin**
- **Positive Q1’21 Non-GAAP Operating Income and Free Cash Flow**

### Revenue ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th>Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$102.6</td>
<td>$123.2</td>
</tr>
</tbody>
</table>

**20% Growth**

### Free Cash Flow Margin

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>4%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>30%</td>
</tr>
</tbody>
</table>

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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
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

<table>
<thead>
<tr>
<th>Enterprise challenge</th>
<th>Tenable solution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Visibility</strong></td>
<td>Network and cloud monitoring of <em>all</em> IT assets</td>
</tr>
<tr>
<td>Live asset discovery and automated exposure assessment</td>
<td></td>
</tr>
<tr>
<td><strong>Prioritization</strong></td>
<td>150 data sources feed the Tenable analytics engine to prioritize vulnerabilities by likelihood, severity and difficulty</td>
</tr>
<tr>
<td>Remediation actions by order of risk</td>
<td></td>
</tr>
<tr>
<td><strong>Business Context</strong></td>
<td>Data and data science allows for objective scores, trends and benchmarks</td>
</tr>
<tr>
<td>Translate IT/OT VM and AD data into C-Suite digestible risk assessment</td>
<td></td>
</tr>
</tbody>
</table>
Best of Breed Strategy in Vulnerability Management

- **#1 in Device VM Market Share**
  27.6% Market share in Device VM

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

- **Leader In Zero-day Research**
  147/141 zero-day vulnerabilities discovered in 2019 / 2020

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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 Named a Leader by Market Analysts and Recognized by Customers

Tenable is Top Ranked in both strategy and current offering categories

“"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

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\(^{(1)}\)

$ in billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$3.9</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>$6.1</td>
<td>12%</td>
</tr>
</tbody>
</table>

Bottoms-up analysis

TAM

$16Bn

Risk-based Analytics

Permissions

Modern Assets

Traditional Vulnerability Management

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

112 Integrations

74 Technology 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

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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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$267</td>
</tr>
<tr>
<td>2019</td>
<td>$355</td>
</tr>
<tr>
<td>2020</td>
<td>$440</td>
</tr>
</tbody>
</table>

Quarterly Revenue ($ in millions)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>$102.6</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>$123.2</td>
</tr>
</tbody>
</table>
Attractive Composition of Revenue/Balanced Model

Recurring Revenue

Q1 2020: 93%
Q1 2021: 94%

Revenue by Geography

- Americas: 65%
- EMEA: 24%
- 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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,178</td>
<td>1,511</td>
<td>1,455</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>
<th>Q1 '21</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>
<td>866</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.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.
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
Improving Operating Leverage

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

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>(16)%</td>
<td>(13)%</td>
<td>(11)%</td>
<td>(8)%</td>
<td>5%</td>
<td>11%</td>
<td>13%</td>
<td>11%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>4%</td>
<td>30%</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\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>CCB in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$326.1</td>
</tr>
<tr>
<td>2019</td>
<td>$414.9</td>
</tr>
<tr>
<td>2020</td>
<td>$494.7</td>
</tr>
</tbody>
</table>

Quarterly CCB

<table>
<thead>
<tr>
<th>Quarter</th>
<th>CCB in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>$99.2</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>$119.5</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.
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>Q1 2020</th>
<th>Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$267,360</td>
<td>$354,586</td>
<td>$440,221</td>
<td>$102,648</td>
<td>$123,189</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>270,916</td>
<td>325,113</td>
</tr>
<tr>
<td>Less: Deferred revenue (current), beginning of period&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>(154,898)</td>
<td>(214,069)</td>
<td>(274,348)</td>
<td>(274,348)</td>
<td>(328,819)</td>
</tr>
<tr>
<td>Calculated current billings</td>
<td>$326,106</td>
<td>$414,865</td>
<td>$494,692</td>
<td>$99,216</td>
<td>$119,483</td>
</tr>
</tbody>
</table>

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<sup>(1)</sup> Deferred revenue (current), beginning of period for 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>
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<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>
<td>$(5,802)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>9,319</td>
<td>11,373</td>
<td>10,499</td>
<td>12,252</td>
<td>13,035</td>
<td>15,666</td>
<td>15,300</td>
<td>15,572</td>
<td>16,952</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3,970</td>
<td>339</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2,158</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>151</td>
<td>151</td>
<td>125</td>
<td>193</td>
<td>579</td>
<td>578</td>
<td>579</td>
<td>579</td>
<td>579</td>
</tr>
<tr>
<td>Non-GAAP income (loss) from operations</td>
<td>$(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>
<td>$13,887</td>
</tr>
<tr>
<td>Non-GAAP operating margin</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>
<td>11%</td>
</tr>
</tbody>
</table>
Non-GAAP Reconciliations (continued)

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

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

\(^1\) 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 Inedge acquisition were $0.7 million and $33.1 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 also included $0.2 million and $0.1 million, respectively, in acquisition-related payments. The three months ended March 31, 2021 and 2020 also 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.