Safe Harbor

This presentation includes forward-looking statements within the meaning of the federal securities laws. Forward-looking statements generally relate to future events or our future financial or operating performance. Forward-looking statements in this presentation include, but are not limited to, the following list:

- our business and financial performance and expectations for future periods, including the rate of growth of our business and market share gains;
- our ability to sell additional solutions to our customer base and the strength of demand for those solutions;
- our plans regarding the development of our technology and its expected timing;
- our expectations regarding the capabilities of our platform and solutions;
- the anticipated needs of our customers;
- our strategy, the scalability of our strategy, our ability to execute our strategy and our expectations regarding our market position;
- the expansion of our platform and our delivery of new solutions;
- the expansion of our partnerships and the related benefits of those partnerships; and
- our ability to effectively manage our costs.

Our expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks include those set forth in our filings with the Securities and Exchange Commission, including our latest Form 10-Q and 10-K. The forward-looking statements in this presentation are based on information available to us as of today, and we disclaim any obligation to update any forward-looking statements, except as required by law.

We also remind you that this presentation will include a discussion of GAAP and non-GAAP financial measures. The non-GAAP financial measures are not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. The GAAP financial measures, and a reconciliation of the non-GAAP financial measures discussed in this presentation to the most directly comparable GAAP financial measures are included in the appendix of this presentation.
Market and Investment Opportunity

The Power of the Qualys Cloud Platform

One stack to consolidate traditional enterprise IT/security/compliance solutions and secure the Digital Transformation
Investment Highlights

- Uniquely positioned to capitalize on stack consolidation and move to the cloud
- Multiple levers of recurring revenue growth
- Scalable business model and industry-leading profitability
- Industry-leading Cloud Security and Compliance Platform
Large Expanding Market Opportunity
Driven by Increasing Apps on Qualys’ Cloud Platform

Qualys’ current Total Addressable Market

CAGR
8%   IT Asset Management
14%  Cloud Security
6%   Endpoint Management (1)
8%   Web Security: SaaS (2)
16%  Network and Edge
10%  Security Policy and Compliance
13%  Vulnerability Assessment: App
15%  Vulnerability Assessment: Device

CY2016 CY2021E

$12.1B   $21.3B
$5.3B   $10.0B
$1.9B   $2.8B
$0.9B   $0.9B
$0.8B   $0.8B
$0.6B   $1.3B
$1.6B   $2.5B
$1.8B   $0.9B

12% CAGR

Source: IDC

(1) 2017 to 2021E period
(2) 2015 to 2020E period

Source: IDC
Blue Chip Global Customer Base

70% of the Forbes Global 50, 47% of Global 500, and 25% of Global 2000 standardized on Qualys

12,200+ Customers

Note: Customers include active users
Scalable Go-to-market Model

Market segmentation & key strategic partners

**Enterprise**
- Large enterprise (Over 5,000 employees)
  - New customers
  - Existing customers

**SME & SMB**
- Small / medium business (Up to 5,000 employees)
  - New customers
  - Existing customers

2018 Revenues

- **Direct**: 59%
- **Channel**: 41%

Strategic Partners:
- Accenture
- Deloitte
- IBM
- SecureWorks
- HCL
- Infosys
- Deutsche Telekom
- Wipro
- Computacenter
- AT&T
- NTT

**Qualys.**
Attractive Value Proposition for Partners

High-margin recurring revenue with no capex/maintenance costs

- MSSPs Telcos
  - verizon
  - NTT
  - SecureWorks
  - FUJITSU
  - orange
  - BT
  - Deutsche Telekom
- Outsourcing Providers
  - accenture
  - HCL
  - Mphasis
  - TATA
  - Wipro
  - Cognizant
- VAS Resellers
  - OPTIV
  - Computacenter
  - GuidePoint
  - Dimension Data
  - CONTROL | GAP
  - PRESIDIO
  - RKON
  - SIRIUS
  - ATOS
- Consultants
  - TEKMARK
  - LAC
  - PwC
  - Deloitte
  - sysnet
Global Presence

12,200+ Customers
130+ Countries
7 Shared Platforms
78 Private Clouds
48 Locations

Note: Customers include active users
Qualys Cloud Platform and Roadmap
Global Visibility Across Hybrid IT Environments Enables Superior Security

Scalable, extensible, self-updating & centrally managed

- **Active Scanners**
  - 3+ billion IP Scans/Audits a Year
  - 50,000+ Scanner appliances

- **Cloud Agents**
  - 17.9 million Cloud Agents across servers, endpoints, clouds & containers
  - 2+ trillion Security Events collected in real-time

3+ trillion data points
Indexed on Elastic Search Clusters, giving 2-second visibility
Qualys Cloud Platform
Unified approach to Detection, Prevention & Response

- Integrated Suite of Applications
  - AI
  - VM
  - CM
  - TP
  - FIM
  - PC
  - PCI
  - SAQ
  - IOC
  - WAS
  - WAF
  - SYN
- Analytics and Reporting Engines
  - Kafka
  - ORACLE
  - Ceph
  - Elastic
  - Cassandra
  - Redis
  - Flink
  - Microservices
- Distributed Sensors
  - Hardware
  - Virtual
  - Cloud
  - Agent
  - Passive
  - API
- Environments
  - On-Premises
  - Endpoints
  - Cloud
Cloud Platform Serves as a Scalable Distribution Channel

Scalable, Extensible, Micro-services, DevOps

Cloud Platform Serves as a Scalable Distribution Channel
Scalable, Extensible, Micro-services, DevOps

Scanner Service
Cloud Agent Service

Qualys Streaming Data Backbone

VM  PC  WAS  WAF  FIM

Reporting  Analytics  IOC  Indexing Service  Asset Tagging Service

Netty

Scanner Service
Cloud Agent Service

Oracle
Elastic
Cassandra
Redis
Kafka

Flink
Cassandra
Elastic
Ceph
Redis

Qualys.
Micro-Service Architecture

Qualys Cloud Platform
Sensors, Data Platform, Microservices, DevOps

Application Services / Shared Services / Stream & Batch Processing / Reporting / Analytics

Qualys Streaming Data Backbone

Cloud Agents, Passive Scanners, Scanners Appliances, Virtual Scanners, Internet Scanners
Cloud Platform Enables Vendor and Stack Consolidation

- **IT Security**
  - Rapid7
  - Tenable

- **Compliance Monitoring**
  - McAfee
  - NetIQ
  - Rapid7
  - Symantec
  - Trustwave

- **Web App Security**
  - Rapid7
  - Imperva
  - Veracode
  - IBM
  - F5

- **New Services**
  - Carbon Black
  - Flexera
  - RedLock
  - Venafi
  - BIG Fix

Client: Qualys
Increasing Number of Apps Delivered Through the Qualys Cloud Platform

GLOBAL IT ASSET MANAGEMENT
- AI Asset Inventory
- SYN CMDB Sync
- CNI Certificate Inventory

COMPLIANCE
- PC Policy Compliance
- SCA Security Configuration Assessment
- PCI PCI Compliance
- FIM File Integrity Monitoring
- SAG Security Assessment Questionnaire
- OCA Out-of-Band Configuration Assessment*

WEB APP SECURITY
- WAS Web App Scanning
- WAF Web App Firewall

IT SECURITY
- VM Vulnerability Management
- TP Threat Protection
- CM Continuous Monitoring
- PM Patch Management
- IOC Indication of Compromise

CLOUD/CONTAINER SECURITY
- CI Cloud Inventory*
- CSA Cloud Security Assessment
- CS Container Security

* Free Services
Additional Apps to Come in 2019

- **Passive Network Analysis**
  Continuous and unobtrusive detection of every IT asset and its activity on the network

- **Secure Access Control**
  Respond to threats automatically by controlling access to critical resources

- **Certificate Management**
  Automated renewing and management of digital certificates

- **Cloud Security Management**
  Remediation and management of cloud vulnerabilities

- **Secure Enterprise Mobility**
  Continuous visibility, security and compliance of enterprise mobile devices

- **Run-Time Container Security**
  Runtime defense and automated policy enforcement to protect against breaches and anomalies

Note: Target Beta time frame
Introducing New Expansion of the Qualys Cloud Platform

Data Lake Initiative

Advanced Correlation & Analytics

ML/AI Service
Patterns | Outlier | Predictive SoC

Orchestration & Automation
Integration | Playbooks | Response

UEBA
User & Entity Behavior Analytics

Threat Hunting
Search | Exploration | Behavior Graph

Security Analytics
Anomaly | Visualization | Dashboard

Advanced Correlation
Actionable Insights | Out-of-box Rules

Qualys Security Data Lake Platform
Data Ingestion | Normalization | Enrichment | Governance

Qualys Quick Connectors

Note: Target Beta time frame Q1 2020
Scalable Business Model
Adoption of New Solutions Apps Fuels Growth and Profitability

Quarterly revenues vs. customers

- **2 APPS**
  - VM, PCI

- **4 APPS**
  - VM, PC, PCI, WAS

- **19 APPS**
  - VM, PC, PCI, WAS, WAF, CM, FIM, SAQ, AI, TP, SYN, CRA, CI...

Quarterly revenues and customers vs. years (2008, 2013, 2018)
New Apps Enabled by Cloud Agents

(Units in millions)

<table>
<thead>
<tr>
<th>LTM Q2 2018</th>
<th>LTM Q3 2018</th>
<th>LTM Q4 2018</th>
<th>LTM Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.7</td>
<td>14.5</td>
<td>16.2</td>
<td>17.9</td>
</tr>
</tbody>
</table>
Strong and Consistent Organic Revenue Growth
Outperforming market and gaining share

($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Q1 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$164</td>
<td>$198</td>
<td>$231</td>
<td>$279</td>
<td>$65</td>
<td>$75</td>
</tr>
</tbody>
</table>

19% CAGR

16%
## Increasing Adjusted EBITDA & Free Cash Flow

($ in millions)

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Adjusted EBITDA</th>
<th>Adjusted EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$57</td>
<td>34%</td>
</tr>
<tr>
<td>2016</td>
<td>$68</td>
<td>34%</td>
</tr>
<tr>
<td>2017</td>
<td>$85</td>
<td>37%</td>
</tr>
<tr>
<td>2018</td>
<td>$112</td>
<td>40%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>$25</td>
<td>38%</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>$31</td>
<td>41%</td>
</tr>
<tr>
<td>2018 Q1</td>
<td>$25</td>
<td>28%</td>
</tr>
<tr>
<td>2019 Q1</td>
<td>$31</td>
<td>35%</td>
</tr>
</tbody>
</table>

Note: 2017 non-GAAP Free cash flow normalized for headquarters office facility costs (net)

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Free Cash Flow</th>
<th>Free Cash Flow Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$46</td>
<td>28%</td>
</tr>
<tr>
<td>2016</td>
<td>$45</td>
<td>23%</td>
</tr>
<tr>
<td>2017</td>
<td>$80</td>
<td>35%</td>
</tr>
<tr>
<td>2018</td>
<td>$101</td>
<td>36%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>$36</td>
<td>56%</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>$35</td>
<td>47%</td>
</tr>
</tbody>
</table>

Note: 2017 non-GAAP Free cash flow normalized for headquarters office facility costs (net)
Platform Adoption Accelerating

% of Enterprise customers with select number of solutions
Multiplier Effect

Enterprise customers with 4+ solutions spend over 5x that of 1-solution customers

($ in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Avg. LTM revenues per customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTM Q1 2016</td>
<td>$148, $170, $51</td>
</tr>
<tr>
<td>LTM Q1 2017</td>
<td>$172, $218, $51</td>
</tr>
<tr>
<td>LTM Q1 2018</td>
<td>$205, $279, $50</td>
</tr>
<tr>
<td>LTM Q1 2019</td>
<td>$216, $266, $52</td>
</tr>
</tbody>
</table>
Multi-Product Adoption Drives Increased Stickiness

Note: Dollar Retention Rate is the retention rate of prior year Enterprise ARR (excluding upsell and downsell) averaged over the last four quarters
Increasing Number of Large Customers

Note: Customer count is defined as customers with greater than $500K in annual revenue
Cloud Platform Enables Scalable Operational Model

High sales leverage

2015: $1.0M
2016: $1.1M
2017: $1.2M
2018: $1.2M

Revenue per S&M headcount

Leveraging low cost geos

2015: 36%
2016: 46%
2017: 58%
2018: 69%

% of Customer Support, Operations, and R&D headcount in India
Industry-leading Margins

2018 Adjusted EBITDA margin vs. select Security and SaaS peers

Source: Morgan Stanley
Industry-leading Performance

2018 Rule of 40 vs. select Security and SaaS peers

Source: Morgan Stanley
Unique Advantages of the Qualys’ Cloud Platform

Single-pane-of-glass-view across on-premises assets, endpoints, containers and cloud environments

No hardware to buy or manage

Nothing to install or manage, and all services are accessible in the cloud via web interface. Qualys operates and maintains everything.

Lower operating costs

With everything in the cloud, there are no capital expenditures, no extra human resources needed, and no infrastructure or software to buy and maintain.

Easy to deploy and maintain

Easily perform assessments on geographically distributed and segmented networks at the perimeter, behind the firewall, on dynamic cloud environments and endpoints.

Unprecedented scaling

Qualys Cloud Platform is a scalable, end-to-end solution for all aspects of IT security. Once deployed, seamlessly add new coverage, users and services as you need them.

Always Up-to-date

Qualys has the largest knowledge base of vulnerability signatures in the industry and performs over 3 billion IP scans per year. All security updates are made in real time.

Data stored securely

Vulnerability data is securely stored and processed in an n-tiered architecture of load-balanced servers. Our encrypted databases are physically and logically secure.

Available as a Public or on-premises Private Cloud

- **Full server rack**
  For governments, enterprises, and MSSPs

- **Virtual rack**
  For governments, enterprises, and MSSPs

- **Standalone appliance**
  For small businesses

- **FedRAMP authorized**
Appendix
# Increasing Number of Apps Delivered Through the Qualys Cloud Platform

## IT Security

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>VM</td>
<td>Vulnerability Management</td>
</tr>
<tr>
<td>TP</td>
<td>Threat Protection</td>
</tr>
<tr>
<td>CM</td>
<td>Continuous Monitoring</td>
</tr>
</tbody>
</table>

## Compliance Monitoring

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC</td>
<td>Policy Compliance</td>
</tr>
<tr>
<td>SCA</td>
<td>Security Configuration Assessment</td>
</tr>
<tr>
<td>PCI</td>
<td>PCI Compliance</td>
</tr>
<tr>
<td>FIM</td>
<td>File Integrity Monitoring</td>
</tr>
<tr>
<td>SAQ</td>
<td>Security Assessment Questionnaire</td>
</tr>
<tr>
<td>OCA</td>
<td>Out-of-Band Configuration Assessment</td>
</tr>
</tbody>
</table>

## Web Application Security

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>WAS</td>
<td>Web Application Scanning</td>
</tr>
<tr>
<td>WAP</td>
<td>Web Application Firewall</td>
</tr>
</tbody>
</table>

## Global IT Asset Management

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI</td>
<td>Asset Inventory</td>
</tr>
<tr>
<td>SYN</td>
<td>CMDB Sync</td>
</tr>
<tr>
<td>CRI</td>
<td>Certificate Inventory</td>
</tr>
</tbody>
</table>

## Cloud/Container Security

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CI</td>
<td>Cloud Inventory</td>
</tr>
<tr>
<td>CSA</td>
<td>Cloud Security Assessment</td>
</tr>
<tr>
<td>CS</td>
<td>Container Security</td>
</tr>
</tbody>
</table>

* Free Services
## Reconciliation of Adjusted EBITDA

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Q1 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$15.9</td>
<td>$19.2</td>
<td>$40.4</td>
<td>$57.3</td>
<td>$9.1</td>
<td>$13.3</td>
</tr>
<tr>
<td>Depreciation and amortization of property and equipment</td>
<td>14.0</td>
<td>16.6</td>
<td>19.8</td>
<td>25.2</td>
<td>6.4</td>
<td>6.4</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>0.4</td>
<td>0.4</td>
<td>0.8</td>
<td>3.7</td>
<td>0.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Interest expense</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>8.7</td>
<td>11.2</td>
<td>(1.1)</td>
<td>(1.8)</td>
<td>0.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Stock based compensation</td>
<td>17.5</td>
<td>20.1</td>
<td>27.0</td>
<td>30.1</td>
<td>8.9</td>
<td>8.4</td>
</tr>
<tr>
<td>Other (income) expenses, net</td>
<td>0.3</td>
<td>(0.3)</td>
<td>(2.1)</td>
<td>(5.3)</td>
<td>(1.3)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Acquisition-related expense</td>
<td>---</td>
<td>---</td>
<td>0.1</td>
<td>3.0</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>One-time tax related expense</td>
<td>---</td>
<td>0.7</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$56.7</td>
<td>$68.0</td>
<td>$84.9</td>
<td>$112.4</td>
<td>$24.6</td>
<td>$30.6</td>
</tr>
</tbody>
</table>
## Reconciliation of Non-GAAP Free Cash Flow

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Q1 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP Cash flows provided by operating activities</td>
<td>$66.0</td>
<td>$68.1</td>
<td>$107.6</td>
<td>$125.5</td>
<td>$43.0</td>
<td>$44.3</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(20.1)</td>
<td>(23.2)</td>
<td>(37.8)</td>
<td>(22.8)</td>
<td>(6.0)</td>
<td>(8.6)</td>
</tr>
<tr>
<td>Capitalized software development costs</td>
<td>(0.1)</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Headquarters office facilities costs (net)</td>
<td>---</td>
<td>---</td>
<td>10.5</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Principal payments under capital lease obligations</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>(1.6)</td>
<td>(0.7)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Non-GAAP Free cash flow</td>
<td>$45.8</td>
<td>$44.9</td>
<td>$80.3</td>
<td>$101.1</td>
<td>$36.3</td>
<td>$35.3</td>
</tr>
</tbody>
</table>

Note: 2017 non-GAAP Free cash flow normalized for headquarters office facility costs (net)