UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

asinington, D.C. 2034

FORM 8-K

CURRENT REPORT Pursuant to Section 13 or 15(d)

of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 7, 2024

QUALYS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation) 001-35662 (Commission File Number) 77-0534145 (IRS Employer Identification No.)

919 E. Hillsdale Boulevard, 4th Floor Foster City, California 94404 (Address of principal executive offices, including zip code)

(650) 801-6100

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

D Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

□ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common stock, \$0.001 par value per share | QLYS | The NASDAQ Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2 of this chapter).

Emerging growth company \Box

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 7, 2024, Qualys, Inc. ("Qualys") issued a press release announcing its financial results for the quarter ended March 31, 2024. In the press release, Qualys also announced that it will hold a conference call on May 7, 2024, to discuss its financial results for the quarter ended March 31, 2024. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information is intended to be furnished under Item 2.02 of Form 8-K, "Results of Operations and Financial Condition" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

- 99.1 Press release issued by Qualys, Inc. dated May 7, 2024
- 104 Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

QUALYS, INC.

By: /s/ Joo Mi Kim

Joo Mi Kim Chief Financial Officer

Date: May 7, 2024



Qualys Announces First Quarter 2024 Financial Results

Revenue Growth of 12% Year-Over-Year GAAP EPS: \$1.05; Non-GAAP EPS: \$1.45 Raises 2024 GAAP EPS Guidance to \$3.26-\$3.50 Raises 2024 Non-GAAP EPS Guidance to \$5.06-\$5.30

FOSTER CITY, Calif., – May 7, 2024 – <u>Qualys, Inc.</u> (NASDAQ: <u>QLYS</u>), a pioneer and leading provider of disruptive cloud-based IT, security and compliance solutions, today announced financial results for the first quarter ended March 31, 2024. For the quarter, the Company reported revenues of \$145.8 million, net income under United States Generally Accepted Accounting Principles ("U.S. GAAP") of \$39.7 million, non-GAAP net income of \$54.7 million, Adjusted EBITDA of \$69.0 million, GAAP net income per diluted share of \$1.05, and non-GAAP net income per diluted share of \$1.45.

"We delivered another quarter of healthy revenue growth and strong profitability," said Sumedh Thakar, president and CEO of Qualys. "By leveraging the advanced automation in the Qualys Enterprise TruRisk Platform, we offer customers and partners a highly differentiated and natively integrated solution to holistically measure, communicate, and ultimately work to eliminate cyber risk. Our continuous innovation to further strengthen our platform and TruRisk capabilities across on-prem, cloud, and multi-cloud environments enables a solution for modern security challenges at scale, further extends our leadership, and we believe strategically positions Qualys as the foundational risk management platform for the future and durable long-term growth."

First Quarter 2024 Financial Highlights

Revenues: Revenues for the first quarter of 2024 increased by 12% to \$145.8 million compared to \$130.7 million for the same quarter in 2023.

Gross Profit: GAAP gross profit for the first quarter of 2024 increased by 14% to \$118.6 million compared to \$103.7 million for the same quarter in 2023. GAAP gross margin was 81% for the first quarter of 2024 compared to 79% for the same quarter in 2023. Non-GAAP gross profit for the first quarter of 2024 increased by 14% to \$121.4 million compared to \$106.1 million for the same quarter in 2023. Non-GAAP gross margin was 83% for the first quarter of 2024 compared to 81% for the same quarter in 2023. Non-GAAP gross margin was 83% for the first quarter of 2024 compared to 81% for the same quarter in 2023.

Operating Income: GAAP operating income for the first quarter of 2024 increased by 27% to \$44.8 million compared to \$35.2 million for the same quarter in 2023. As a percentage of revenues, GAAP operating income was 31% for the first quarter of 2024 compared to 27% for the same quarter in 2023. Non-GAAP operating income for the first quarter of 2024 increased by 24% to \$64.6 million compared to \$52.0 million for the same quarter in 2023. As a percentage of revenues, non-GAAP operating income was 44% for the first quarter of 2024 compared to 40% for the same quarter in 2023.

Net Income: GAAP net income for the first quarter of 2024 increased by 37% to \$39.7 million, or \$1.05 per diluted share, compared to \$29.1 million, or \$0.77 per diluted share, for the same quarter in 2023. As a percentage of revenues, GAAP net income was 27% for the first quarter of 2024 compared to 22% for the same quarter in 2023. Non-GAAP net income for the first quarter of 2024 was \$54.7 million, or \$1.45 per diluted share, compared to \$41.2 million, or \$1.09 per diluted share, for the same quarter in 2023. As a percentage of revenues, non-GAAP net income was 38% for the first quarter of 2024 compared to 32% for the same quarter in 2023.

Adjusted EBITDA: Adjusted EBITDA (a non-GAAP financial measure) for the first quarter of 2024 increased by 18% to \$69.0 million compared to \$58.7 million for the same quarter in 2023. As a percentage of revenues, Adjusted EBITDA was 47% for the first quarter of 2024 compared to 45% for the same quarter in 2023.

Operating Cash Flow: Operating cash flow for the first quarter of 2024 increased by 28% to \$85.5 million compared to \$66.8 million for the same quarter in 2023. As a percentage of revenues, operating cash flow was 59% for the first quarter of 2024 compared to 51% for the same quarter in 2023.

First Quarter 2024 Business Highlights

- Unveiled TotalCloud 2.0 with TruRisk Insights bringing together cloud infrastructure, SaaS apps and externally exposed assets for a unified view of risk across multi-cloud environments.
- Expanded Qualys' partnership with Oracle to include VMDR and TotalCloud, which are both now integrated natively with Oracle Cloud Infrastructure (OCI), and available on the Oracle Cloud Marketplace.
- Orange Cyberdefense expanded its partnership with Qualys to strengthen its managed cybersecurity portfolio and deliver an end-to-end vulnerability intelligence service.
- Qualys' enhanced CyberSecurity Asset Management solution now detects unmanaged and untrusted devices in real time through passive discovery functionality within the Qualys Cloud Agent. This enhancement reinforces the solutions leadership in internal and external attack surface management.
- Qualys VMDR and TotalCloud were named finalists for the SC Awards Europe in categories of Best Vulnerability Management and Best Cloud Security solutions, highlighting their excellence and contributions to shaping the future of technology and cybersecurity in the UK and Europe.

Financial Performance Outlook

Based on information as of today, May 7, 2024, Qualys is issuing the following financial guidance for the second quarter and full year fiscal 2024. The Company emphasizes that the guidance is subject to various important cautionary factors referenced in the sections entitled "Legal Notice Regarding Forward-Looking Statements" and "Non-GAAP Financial Measures" below.

Second Quarter 2024 Guidance: Management expects revenues for the second quarter of 2024 to be in the range of \$147.5 million to \$149.5 million, representing 8% to 9% growth over the same quarter in 2023. GAAP net income per diluted share is expected to be in the range of \$0.82 to \$0.90, which assumes an effective income tax rate of 22%. Non-GAAP net income per diluted share is expected to be in the range of \$1.27 to \$1.35, which assumes a non-GAAP effective income tax rate of 21%. Second quarter 2024 net income per diluted share estimates are based on approximately 37.7 million weighted average diluted shares outstanding for the quarter.

Full Year 2024 Guidance: Management now expects revenues for the full year of 2024 to be in the range of \$601.5 million to \$608.5 million, representing 8% to 10% growth over 2023. This compares to the previous guidance range of \$600.0 million to \$610.0 million. GAAP net income per diluted share is expected to be in the range of \$3.26 to \$3.50, up from the previous guidance range of \$3.11 to \$3.43. This assumes an effective income tax rate of 22%. Non-GAAP net income per diluted share is expected to be in the range of \$5.06 to \$5.30, up from the previous guidance range of \$5.07. This assumes a non-GAAP effective income tax rate of 21%. Full year 2024 net income per diluted share estimates are based on approximately 37.7 million weighted average diluted shares outstanding.

Qualys has not reconciled non-GAAP net income per diluted share guidance to GAAP net income per diluted share guidance because Qualys does not provide guidance on the various reconciling cash and non-cash items between GAAP net income and non-GAAP net income (i.e., stock-based compensation, amortization of intangible assets from acquisitions and non-recurring items). The actual dollar amount of reconciling items in the second quarter and full year 2024 is likely to have a significant impact on the Company's GAAP net income per diluted share in the second quarter and full year 2024. A reconciliation of the non-GAAP net income per diluted share guidance to the GAAP net income per diluted share guidance is not available without unreasonable effort.

Investor Conference Call

Qualys will host a conference call and live webcast to discuss its first quarter financial results at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on Tuesday, May 7, 2024. To access the conference call by phone, please register <u>here</u>. A live webcast of the earnings conference call, investor presentation and prepared remarks can be accessed at <u>https://investor.qualys.com/events-presentations</u>. A replay of the conference call will be available through the same webcast link following the end of the call.

Investor Contact

Blair King Vice President, Investor Relations and Corporate Development (650) 538-2088 <u>ir@qualys.com</u>

About Qualys

Qualys, Inc. (NASDAQ: <u>QLYS</u>) is a pioneer and leading provider of disruptive cloud-based Security, Compliance and IT solutions with more than 10,000 subscription customers worldwide, including a majority of the Forbes Global 100 and Fortune 100. Qualys helps organizations streamline and consolidate their security and compliance solutions onto a single platform for greater agility, better business outcomes, and substantial cost savings.

The Qualys Enterprise TruRisk Platform leverages a single agent to continuously deliver critical security intelligence while enabling enterprises to automate the full spectrum of vulnerability detection, compliance, and protection for IT systems, workloads and web applications across on premises, endpoints, servers, public and private clouds, containers, and mobile devices. Founded in 1999 as one of the first SaaS security companies, Qualys has strategic partnerships and seamlessly integrates its vulnerability management capabilities into security offerings from cloud service providers, including Amazon Web Services, the Google Cloud Platform and Microsoft Azure, along with a number of leading managed service providers and global consulting organizations. For more information, please visit <u>www.qualys.com</u>.

Qualys, Qualys VMDR[®] and the Qualys logo are proprietary trademarks of Qualys, Inc. All other products or names may be trademarks of their respective companies.

Legal Notice Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally relate to future events or our future financial or operating performance. Forward-looking statements in this press release include, but are not limited to, quotations of management and statements related to: the benefits of our existing, new and upcoming products, features, integrations, acquisitions, collaborations and joint solutions, and their impact upon our long-term growth; our ability to advance our value proposition and competitive differentiation in the market; our ability to address demand trends; our ability to maintain and strengthen our category leadership; our ability to solve modern security challenges at scale; our strategies and ability to achieve and maintain durable profitable growth; our guidance for revenues, GAAP EPS and non-GAAP EPS for the second quarter and full year 2024; and our expectations for the number of weighted average diluted shares outstanding and the GAAP and non-GAAP effective income tax rate for the second quarter and full year 2024. 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 our ability to continue to develop platform capabilities and solutions; the ability of our platform and solutions to perform as intended; customer acceptance and purchase of our existing solutions and new solutions; real or perceived defects, errors or vulnerabilities in our products or services; our ability to retain existing customers and generate new customers; the budgeting cycles and seasonal buying patterns of our customers; general market, political, economic and business conditions in the United States as well as globally; our ability to manage costs as we increase our customer base and the number of our platform solutions; the market for cloud solutions for IT security and compliance not increasing at the rate we expect; competition from other products and services; fluctuations in currency exchange rates; unexpected fluctuations in our effective income tax rate on a GAAP and non-GAAP basis; our ability to effectively manage our rapid growth and our ability to anticipate future market needs and opportunities; and any unanticipated accounting charges. The forward-looking statements contained in this press release are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

The forward-looking statements in this press release are based on information available to Qualys as of the date hereof, and Qualys disclaims any obligation to update any forward-looking statements, except as required by law.

Non-GAAP Financial Measures

In addition to reporting financial results in accordance with GAAP, Qualys provides investors with certain non-GAAP financial measures, including non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP net income per diluted share, Adjusted EBITDA (defined as earnings before interest expense, interest income and other income (expense), net, income taxes, depreciation, amortization, and stock-based compensation) and non-GAAP free cash flows (defined as cash provided by operating activities less purchases of property and equipment, net of proceeds from disposal).

In computing non-GAAP financial measures, Qualys excludes the effects of stock-based compensation expense, amortization of intangible assets from acquisitions, non-recurring items and for non-GAAP net income, certain tax effects. Qualys believes that these non-GAAP financial measures help illustrate underlying trends in its business that could otherwise be masked by the effect of the income or expenses that are excluded in non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income per diluted share, Adjusted EBITDA and non-GAAP free cash flows.

Furthermore, Qualys uses some of these non-GAAP financial measures to establish budgets and operational goals for managing its business and evaluating its performance. Qualys believes that non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income per diluted share, Adjusted EBITDA and non-GAAP free cash flows provide additional tools for investors to use in comparing its recurring core business operating results over multiple periods with other companies in its industry.

Although Qualys does not focus on or use quarterly billings in managing or monitoring the performance of its business, Qualys provides calculated current billings (defined as total revenues recognized in a period plus the sequential change in current deferred revenue in the corresponding period) for the convenience of investors and analysts in building their own financial models.

In order to provide a more complete picture of recurring core operating business results, the Company's non-GAAP net income and non-GAAP net income per diluted share include adjustments for non-recurring income tax items and certain tax effects of non-GAAP adjustments to achieve the effective income tax rate on a non-GAAP basis. The Company's non-GAAP effective tax rate may differ from the GAAP effective income tax rate as a result of these income tax adjustments. The Company believes its estimated non-GAAP effective income tax rate of 21% in 2024 is a reasonable estimate under its current global operating structure and core business operations. The Company may adjust this rate during the year to take into account events or trends that it believes materially impact the estimated annual rate. The non-GAAP effective income tax rate could be subject to change for a number of reasons, including but not limited to, significant changes resulting from tax legislation, material changes in geographic mix of revenues and expenses and other significant events.

The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. A reconciliation of the non-GAAP financial measures discussed in this press release to the most directly comparable GAAP financial measures is included with the financial statements contained in this press release. Management uses both GAAP and non-GAAP information in evaluating and operating its business internally and as such has determined that it is important to provide this information to investors.

Qualys, Inc. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited) (in thousands, except per share data)

| | Three Months Ended March 31, | | |
|---|---------------------------------|----|---------|
| | 2024 | | 2023 |
| Revenues | \$ 145,805 | \$ | 130,683 |
| Cost of revenues ⁽¹⁾ | 27,198 | | 26,954 |
| Gross profit | 118,607 | | 103,729 |
| Operating expenses: | | | |
| Research and development ⁽¹⁾ | 27,530 | | 27,795 |
| Sales and marketing ⁽¹⁾ | 29,408 | | 25,628 |
| General and administrative ⁽¹⁾ | 16,908 | | 15,128 |
| Total operating expenses | 73,846 | | 68,551 |
| Income from operations | 44,761 | | 35,178 |
| Other income (expense), net: | | | |
| Interest income | 6,123 | | 2,397 |
| Other expense, net | (1,399) | | (216) |
| Total other income, net | 4,724 | | 2,181 |
| Income before income taxes | 49,485 | | 37,359 |
| Income tax provision | 9,754 | | 8,254 |
| Net income | \$ 39,731 | \$ | 29,105 |
| Net income per share: | | | |
| Basic | \$ 1.08 | \$ | 0.79 |
| Diluted | \$ 1.05 | \$ | 0.77 |
| Weighted average shares used in computing net income per share: | | | |
| Basic | 36,955 | | 37,068 |
| Diluted | 37,723 | | 37,669 |
| ⁽¹⁾ Includes stock-based compensation as follows: | | | |
| Cost of revenues | \$ 2,020 | \$ | 1,592 |
| Research and development | 5,303 | | 4,960 |
| Sales and marketing | 3,739 | | 2,454 |
| General and administrative | 7,969 | | 7,027 |
| Total stock-based compensation, net of amounts capitalized | \$ 19,031 | \$ | 16,033 |

Qualys, Inc. CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited) (in thousands)

| Restricted eash — 1,500 Short-term marketable securities 115,629 146,226 Prepaid expenses and other current assets 36,112 26,711 Total current assets 605,411 599,999 Long-term marketable securities 89,693 56,644 Property and equipment, net 30,0191 32,599 Operating leases - right of use asset 31,371 22,391 Deferred tax assets, net 66,555 62,761 Intangible assets, net 8,943 9,713 Goodwill 7,447 7,447 Noncurrent restricted cash 1,200 1,200 Other noncurrent assets 20,961 19,863 Total assets S 817,82 \$ 812,618 Liabilities and Stockholders' Equity 20,961 19,863 Current liabilities 332,128 333,267 Operating lease liabilities, current 332,128 333,267 Operating lease liabilities, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 27,784 16,885 | | March 3 2024 | 1, 1 | December 31, 2023 |
|--|--|-----------------|----------|----------------------|
| Cash and cash equivalents \$ 273,783 \$ 203,665 Restricted cash - 15,000 Short-tern marketable securities 179,887 221,893 Accounts receivable, net 115,629 1146,222 Prepaid expenses and other current assets 36,112 26,714 Total current assets 605,411 599,993 Ong-term marketable securities 88,633 56,644 Property and equipment, net 30,191 32,599 Operating leases - right of use asset 31,371 22,391 Deferred tax assets, net 66,565 62,761 Intangible assets, net 84,34 9,715 Goodwill 7,447 7,444 Noncurrent restricted eash 1,200 1,200 Other noncurrent assets 20,961 19,863 Total assets \$ 861,782 \$ 818,268 Accounts payable \$ 645 \$ 988 Accured liabilities 331,311 31,311 31,316 339,065 339,065 | Assets | | | |
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| Intagible assets, net 8,943 9,715 Goodwill 7,447 7,447 Noncurrent restricted cash 1,200 1,200 Other noncurrent assets 20,961 19,863 Total assets \$ 861,782 \$ 812,618 Liabilities and Stockholders' Equity Current liabilities: \$ 864,58 \$ 988 Accounts payable \$ 645 \$ 988 \$ 988 Accrued liabilities 48,246 43,096 Deferred revenues, current 332,128 333,267 Operating lease liabilities, current 31,311 31,671 Operating lease liabilities, noncurrent 31,311 31,671 Other noncurrent lia | Operating leases - right of use asset | 3 | 1,371 | 22,391 |
| Goodwill 7,447 7,447 Noncurrent restricted eash 1,200 1,200 Other noncurrent assets 20,961 19,863 Total assets \$ 861,782 \$ 812,618 Liabilities and Stockholders' Equity \$ 861,782 \$ 812,618 Current liabilities: \$ 861,782 \$ 812,618 Accounts payable \$ 645 \$ 988 Accrued liabilities 48,246 43,096 Deferred revenues, current 332,128 333,267 Operating lease liabilities, current 10,046 11,857 Total current liabilities 391,065 389,208 Deferred revenues, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 31,311 31,671 Operating lease liabilities 391,065 389,208 Other noncurrent liabilities 7,420 6,680 Total labilities 7,420 6,680 Total liabilities 457,580 444,444 Stockholders' equity: | Deferred tax assets, net | 6 | 6,565 | 62,761 |
| Noncurrent restricted cash 1,200 1,200 Other noncurrent assets 20,961 19,863 Total assets \$ 861,782 \$ 812,618 Liabilities and Stockholders' Equity \$ 645 \$ 988 Current liabilities: * 48,246 43,090 Deferred revenues, current 332,128 333,267 Operating lease liabilities, current 10,046 11,857 Total current liabilities 391,065 389,208 Deferred revenues, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 31,311 31,671 Operating lease liabilities 313,111 31,671 Operating lease liabilities, noncurrent 31,311 31,671 Operating lease liabilities 31,311 31,671 Operating lease liabilities 7,420 6,680 Total current liabilities 7,420 6,680 Total isolities 7,420 6,680 Total liabilities 37 37 Additional paid-in capital 610,923 597,921 Accumulated other com | Intangible assets, net | | 8,943 | 9,715 |
| Other noncurrent assets 20,961 19,863 Total assets \$ 861,782 \$ 812,618 Liabilities and Stockholders' Equity 8 Current liabilities: Accounts payable \$ 645 \$ 988 Accrued liabilities 48,246 43,096 Deferred revenues, current 332,128 333,267 Operating lease liabilities, current 10,046 11,857 Total current liabilities 10,046 11,857 Total current liabilities, noncurrent 391,065 389,208 Deferred revenues, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 27,784 16,885 Other noncurrent liabilities 7,420 6,680 Total liabilities 7,420 6,680 Total liabilities 37 37 Additional paid-in capital 610,923 597,921 Accumulated other comprehensive loss (1,007) (1,704 Accumulated other comprehensive loss (1,007) (1,704 Accumulated deficit (| Goodwill | | 7,447 | 7,447 |
| Total assets \$ 861,782 \$ 812,618 Liabilities and Stockholders' Equity | Noncurrent restricted cash | | 1,200 | 1,200 |
| Liabilities and Stockholders' EquityCurrent liabilities:Accounts payable\$ 645 \$ 988Accrued liabilities48,246Deferred revenues, current332,128Operating lease liabilities, current10,046Total current liabilities391,065Deferred revenues, noncurrent31,311Operating lease liabilities, noncurrent31,311Operating lease liabilities, noncurrent31,311Operating lease liabilities, noncurrent31,311Operating lease liabilities7,420Other noncurrent liabilities457,580Other noncurrent liabilities457,580Other noncurrent liabilities37Additional paid-in capital610,923Accumulated other comprehensive loss(1,007)Itional stockholders' equity(205,751)Total stockholders' equity2368,174 | Other noncurrent assets | 2 | 0,961 | 19,863 |
| Current liabilities: \$ 645 \$ 988 Accounts payable 48,246 43,096 Deferred revenues, current 332,128 333,267 Operating lease liabilities, current 10,046 11,857 Total current liabilities 391,065 389,208 Deferred revenues, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 27,784 16,885 Other noncurrent liabilities 7,420 6,680 Total liabilities 457,580 444,444 Stockholders' equity: 37 37 Additional paid-in capital 610,923 597,921 Accumulated other comprehensive loss (1,007) (1,704 Accumulated deficit (205,751) (228,080 Total stockholders' equity 308,174 368,174 | Total assets | \$ 86 | 1,782 \$ | 812,618 |
| Current liabilities: \$ 645 \$ 988 Accounts payable 48,246 43,096 Deferred revenues, current 332,128 333,267 Operating lease liabilities, current 10,046 11,857 Total current liabilities 391,065 389,208 Deferred revenues, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 27,784 16,885 Other noncurrent liabilities 7,420 6,680 Total liabilities 457,580 444,444 Stockholders' equity: 37 37 Additional paid-in capital 610,923 597,921 Accumulated other comprehensive loss (1,007) (1,704 Accumulated deficit (205,751) (228,080 Total stockholders' equity 308,174 368,174 | Liabilities and Stockholders' Equity | | | |
| Accrued liabilities 48,246 43,096 Deferred revenues, current 332,128 333,267 Operating lease liabilities, current 10,046 11,857 Total current liabilities 391,065 389,208 Deferred revenues, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 27,784 16,885 Other noncurrent liabilities 7,420 6,680 Total liabilities 457,580 444,444 Stockholders' equity: 37 37 Additional paid-in capital 610,923 597,921 Accumulated other comprehensive loss (1,007) (1,704 Accumulated deficit (205,751) (228,080 Total stockholders' equity 308,174 368,174 | | | | |
| Deferred revenues, current 332,128 333,267 Operating lease liabilities, current 10,046 11,857 Total current liabilities 391,065 389,208 Deferred revenues, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 27,784 16,885 Other noncurrent liabilities 7,420 6,680 Total liabilities 447,580 444,444 Stockholders' equity: 7 37 Common stock 37 37 Additional paid-in capital 610,923 597,921 Accumulated other comprehensive loss (1,007) (1,704 Accumulated deficit (205,751) (228,080 Total stockholders' equity 404,202 368,174 | Accounts payable | \$ | 645 \$ | 988 |
| Operating lease liabilities, current 10,046 11,857 Total current liabilities 391,065 389,208 Deferred revenues, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 27,784 16,885 Other noncurrent liabilities 7,420 6,680 Total liabilities 457,580 444,444 Stockholders' equity: 37 37 Common stock 37 37 Additional paid-in capital 610,923 597,921 Accumulated other comprehensive loss (1,007) (1,704 Accumulated deficit (205,751) (228,080 Total stockholders' equity 308,174 | Accrued liabilities | 4 | 8,246 | 43,096 |
| Total current liabilities 391,065 389,208 Deferred revenues, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 27,784 16,885 Other noncurrent liabilities 7,420 6,680 Total liabilities 7,420 6,680 Total liabilities 37 37 Additional paid-in capital 610,923 597,921 Accumulated other comprehensive loss (1,007) (1,704 Accumulated deficit (205,751) (228,080 Total stockholders' equity 308,174 308,174 | Deferred revenues, current | 33 | 2,128 | 333,267 |
| Deferred revenues, noncurrent 31,311 31,671 Operating lease liabilities, noncurrent 27,784 16,885 Other noncurrent liabilities 7,420 6,680 Total liabilities 457,580 444,444 Stockholders' equity: 37 37 Additional paid-in capital 610,923 597,921 Accumulated other comprehensive loss (1,007) (1,704 Accumulated deficit (205,751) (228,080) Total stockholders' equity 404,202 368,174 | Operating lease liabilities, current | 1 | 0,046 | 11,857 |
| Operating lease liabilities, noncurrent27,78416,885Other noncurrent liabilities7,4206,680Total liabilities457,580444,444Stockholders' equity:3737Common stock3737Additional paid-in capital610,923597,921Accumulated other comprehensive loss(1,007)(1,704Accumulated deficit(205,751)(228,080Total stockholders' equity404,202368,174 | Total current liabilities | 39 | 1,065 | 389,208 |
| Other noncurrent liabilities 7,420 6,680 Total liabilities 457,580 444,444 Stockholders' equity: 0 37 37 Additional paid-in capital 610,923 597,921 37 Accumulated other comprehensive loss (1,007) (1,704 Accumulated deficit (205,751) (228,080) Total stockholders' equity 404,202 368,174 | Deferred revenues, noncurrent | 3 | 1,311 | 31,671 |
| Total liabilities457,580444,444Stockholders' equity:457,580444,444Common stock3737Additional paid-in capital610,923597,921Accumulated other comprehensive loss(1,007)(1,704Accumulated deficit(205,751)(228,080)Total stockholders' equity404,202368,174 | Operating lease liabilities, noncurrent | 2 | 7,784 | 16,885 |
| Stockholders' equity:111,111Common stock37Additional paid-in capital610,923Accumulated other comprehensive loss(1,007)Accumulated deficit(205,751)Total stockholders' equity404,202368,174 | Other noncurrent liabilities | | 7,420 | 6,680 |
| Stockholders' equity:Common stock37Additional paid-in capital610,923Accumulated other comprehensive loss(1,007)Accumulated deficit(205,751)Total stockholders' equity404,202368,174 | Total liabilities | 45 | 7,580 | 444,444 |
| Additional paid-in capital610,923597,921Accumulated other comprehensive loss(1,007)(1,704Accumulated deficit(205,751)(228,080Total stockholders' equity404,202368,174 | Stockholders' equity: | | | |
| Accumulated other comprehensive loss(1,007)(1,704Accumulated deficit(205,751)(228,080Total stockholders' equity404,202368,174 | Common stock | | 37 | 37 |
| Accumulated deficit (205,751) (228,080) Total stockholders' equity 404,202 368,174 | Additional paid-in capital | 61 | 0,923 | 597,921 |
| Accumulated deficit (205,751) (228,080) Total stockholders' equity 404,202 368,174 | Accumulated other comprehensive loss | (| 1,007) | (1,704) |
| Total stockholders' equity 404,202 368,174 | Accumulated deficit | | | (228,080) |
| | Total stockholders' equity | | | 368,174 |
| | Total liabilities and stockholders' equity | \$ 86 | 1,782 \$ | 812,618 |

Qualys, Inc. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited) (in thousands)

| | Three Months Ended March 31, | | |
|---|---------------------------------|------------|--|
| | 2024 | 2023 | |
| Cash flow from operating activities: | | | |
| Net income | \$ 39,731 \$ | \$ 29,105 | |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization expense | 5,239 | 7,444 | |
| Provision for credit losses | 193 | 119 | |
| Stock-based compensation, net of amounts capitalized | 19,031 | 16,033 | |
| Accretion of discount on marketable securities, net | (1,915) | (259) | |
| Deferred income taxes | (4,111) | (4,241) | |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable | 30,404 | 19,890 | |
| Prepaid expenses and other assets | (10,126) | (1,289) | |
| Accounts payable | (335) | (1,215) | |
| Accrued liabilities and other noncurrent liabilities | 8,892 | (2) | |
| Deferred revenues | (1,498) | 1,228 | |
| Net cash provided by operating activities | 85,505 | 66,813 | |
| Cash flow from investing activities: | | | |
| Purchases of marketable securities | (61,340) | (46,010) | |
| Sales and maturities of marketable securities | 71,463 | 69,709 | |
| Purchases of property and equipment | (2,051) | (4,037) | |
| Net cash provided by investing activities | 8,072 | 19,662 | |
| Cash flow from financing activities: | | | |
| Repurchase of common stock | (18,029) | (66,551) | |
| Proceeds from exercise of stock options | 2,770 | 2,328 | |
| Payments for taxes related to net share settlement of equity awards | (11,808) | (5,105) | |
| Proceeds from issuance of common stock through employee stock purchase plan | 3,608 | 2,988 | |
| Payment of acquisition-related holdback | (1,500) | _ | |
| Net cash used in financing activities | (24,959) | (66,340) | |
| Net increase in cash, cash equivalents and restricted cash | 68,618 | 20,135 | |
| Cash, cash equivalents and restricted cash at beginning of period | 206,365 | 176,419 | |
| Cash, cash equivalents and restricted cash at end of period | \$ 274,983 | \$ 196,554 | |

Qualys, Inc. RECONCILIATION OF NON-GAAP DISCLOSURES ADJUSTED EBITDA (unaudited) (in thousands, except percentages)

| | Three Months Ended March 31, | | |
|---|---------------------------------|---------|--|
| | 2024 | 2023 | |
| Net income | \$ 39,731 \$ | 29,105 | |
| Net income as a percentage of revenues | 27 % | 22 % | |
| Depreciation and amortization of property and equipment | 4,467 | 6,672 | |
| Amortization of intangible assets | 772 | 772 | |
| Income tax provision | 9,754 | 8,254 | |
| Stock-based compensation | 19,031 | 16,033 | |
| Total other income, net | (4,724) | (2,181) | |
| Adjusted EBITDA | \$ 69,031 \$ | 58,655 | |
| Adjusted EBITDA as a percentage of revenues | 47 % | 45 % | |

Qualys, Inc. RECONCILIATION OF NON-GAAP DISCLOSURES (unaudited) (in thousands, except per share data)

| Bit March 31, Dial 2024 2023 GAAP Cost of revenues \$ 2/198 \$ 26.954 Less: Anorization of intagible assets (247) (747) (747) Non-GAAP Cost of revenues \$ 24.431 \$ 24.615 GAAP Cost of revenues \$ 24.431 \$ 24.615 GAAP Cost profit \$ 118.607 \$ 103.729 Plus: Stock-based compensation 2.020 1.592 1.592 Plus: Amorization of intagible assets 747 747 Non-GAAP Cost profit \$ 21.374 \$ 106.068 GAAP Cost pace (compensation (5.303) (4.900) Less: Stock-based compensation (5.303) (4.900) Less: Stock-based compensation (2.51) (2.55) (2.51) (2.55) GAAP Cost profit \$ 2.202 2.28.10 (2.55) (2.54) GAAP Contraitation of intagible assets (2.5) (2.54) (2.56) (2.57) Non-GAAP Sales and marketing \$ 1.903 | (in thousands, except per share data | a) | Three Months Ended | | |
|--|---------------------------------------|---------|--------------------|--------|--------|
| GAAP Cost of revenues \$ 27,198 \$ 26,954 Less: Stock-based compensation (747) (747) Non-GAAP Cost of revenues \$ 24,431 \$ 24,615 GAAP Cost of revenues \$ 24,431 \$ 24,615 GAAP Cost of revenues \$ 24,431 \$ 24,615 Non-GAAP Corses Profit \$ 112,1374 \$ 106,068 GAAP Research and development \$ 27,530 \$ 27,530 \$ 27,530 \$ 27,530 \$ 27,530 \$ 27,530 \$ 22,202 \$ 22,202 \$ 22,202 \$ 22,202 \$ 22,202 \$ 22,202 \$ 22,810 \$ 3,569 \$ 23,174 \$ 10,60,608 \$ 5,5628 \$ 23,174 \$ 10,60,608 \$ 25,629 \$ 23,174 \$ 10,60,608 \$ 5,2628 \$ 23,174 \$ 10,60,608 \$ 15,128 \$ 5,66,801 \$ 5,66,801 \$ 5,128 \$ 5,66,801 <td< th=""><th></th><th></th><th></th><th>h 31</th><th>,</th></td<> | | | | h 31 | , |
| Less: Stock-based compensation (1,202) (1,502) Non-GAAP Cost of revenues \$ 24,431 \$ 24,451 GAAP Gross profit \$ 118,607 \$ 103,729 Plus: Stock-based compensation 2,020 1.592 Plus: Stock-based compensation \$ 20,1374 \$ 106,068 GAAP Research and development \$ 27,595 \$ 22,220 \$ 22,220 Less: Stock-based compensation (6,530) \$ 22,220 \$ 22,220 Non-GAAP Research and development \$ 22,202 \$ 22,220 \$ 22,210 Less: Stock-based compensation (6,530) (4,900) Less: Stock-based compensation (3,739) (2,454) Non-GAAP Sales and marketing \$ 22,202 \$ 22,810 GAAP Sales and marketing \$ 25,669 \$ 23,174 GAAP Central and administrative \$ 16,908 \$ 15,128 Less: Stock-based compensation (7,027) (7,027) Non-GAAP Central and administrative \$ 8,8939 \$ 8,101 GAAP Operating expenses \$ 5,6810 \$ 5,6810 \$ 5,178 Pues: Stock-based compensation (17,011) (14,441) Less: Stock-based compensation \$ 10,931< | GAAP Cost of revenues | \$ | - | \$ | |
| 1 ess: Amorization of intangible assets (747) (747) Non-GAAP Cost of revenues \$ 244.31 \$ 246.15 GAAP Costs profit \$ 118.607 \$ 103.729 Plus: Stock-based compensation 2.020 1.502 Plus: Amorization of intangible assets 747 747 Non-GAAP Cross Profit \$ 121.374 \$ 106.068 GAAP Research and development \$ 27.530 \$ 27.750 Less: Stock-based compensation (5.303) (4.960) Less: Stock-based compensation (25) (25) Non-GAAP Cost and marketing \$ 22.002 \$ 22.202 \$ 22.202 Non-GAAP Sales and marketing \$ 25.669 \$ 23.174 \$ 106.068 GAAP General and administrative \$ 16.908 \$ 15.128 \$ 15.128 Uess: Stock-based compensation (7.969) (7.027) \$ 77.20 GAAP Operating expenses \$ 73.846 \$ 66.551 \$ 66.810 \$ 54.085 Less: Stock-based compensation (17.011) (14.441) \$ 16.908 \$ 54.085 GAAP Operating expenses \$ 56.810 \$ 54.085 \$ 54.085 \$ 54.085 Non-GAAP Income from opera | | ψ | | ψ | |
| Non-GAAP Cost of revenues \$ 24.431 \$ 24.613 \$ 24.613 \$ 24.613 \$ 103,729 Plus: Cho-based compensation 2,020 1,592 Plus: Amortization of intangible assets 747 747 Non-GAAP Gross Profit \$ 121,374 \$ 106,068 \$ 27,730 \$ 27,795 Less: Stock-based compensation (5,03) (4,960) \$ 22,202 \$ 22,202 \$ 22,202 \$ 22,202 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,203 \$ 22,203 \$ 22,203 \$ 22,203 \$ 22,203 \$ 22,204 \$ 24,431 \$ 32,735 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,202 \$ 22,203 \$ 22,203 \$ 22,203 \$ 22,203 \$ 22,21,213 \$ 22,202 \$ 22 | • | | | | |
| GAAP Gross profit \$ 118,607 \$ 103,729 Plus: Stock-based compensation 2,020 1,592 1,593 1,64,643 1,513 1,64,643 1,513 1,64,643 1,513 1,64,643 1,513 1,64,643 1,512 1 | | \$ | · · · · · | \$ | |
| Plus: Stock-based compensation 2,020 1,592 Plus: Amortization of intangible assets 747 747 Non-GAAP Cross Profit \$ 121,374 \$ 106,068 GAAP Research and development \$ 27,530 \$ 27,795 Less: Stock-based compensation (5,303) (4,960) Less: Amortization of intangible assets (25) (25) Non-GAAP Research and development \$ 22,202 \$ 22,810 GAAP Sales and marketing \$ 29,408 \$ 22,608 Less: Stock-based compensation (3,739) (2,454) Non-GAAP Chech-based compensation (7,027) \$ 15,928 Non-GAAP Chech-based compensation (7,027) \$ 16,908 \$ 15,128 Less: Stock-based compensation (7,027) \$ 16,908 \$ 16,908 \$ 16,908 GAAP Operating expenses \$ 6,8391 \$ 6,8551 \$ 16,908 \$ 16,908 \$ 16,908 Less: Stock-based compensation (17,011) (14,441) Less: Amortization of intangible assets 2(25) (25) Non-GAAP Income from operations \$ 44,761 \$ 53,178 \$ 94,9731 \$ 29,008 Plus: Stock-based compensation 19,031 <td></td> <td></td> <td></td> <td></td> <td>,</td> | | | | | , |
| Plus: Amortization of intangible assets 747 747 Non-GAAP Gross Profit \$ 121,374 \$ 106,068 GAAP Research and development \$ 27,530 \$ 27,750 Less: Stock-based compensation (5,303) (4,960) Less: Amortization of intangible assets (25) (25) On-GAAP Research and development \$ 22,202 \$ 22,202 \$ 22,202 \$ 22,810 GAAP Research and development \$ 22,669 \$ 22,123 \$ (2,454) Non-GAAP Sales and marketing \$ 25,669 \$ 22,117 \$ (7,07) GAAP Constration of intangible assets (7,969) (7,027) Non-GAAP General and administrative \$ 8,939 \$ 8,101 Cass: Amortization of intangible assets (17,011) (14,441) Less: Stock-based compensation (17,011) (14,441) Less: Amortization of intangible assets (25) (25) Non-GAAP Operating expenses \$ 56,810 \$ 54,085 GAAP Income from operations \$ 54,646 \$ 51,128 Plus: Amortization of intangible assets (72) (72) On-GAAP Income from operations \$ 64,6465 \$ 51,983 | | ψ | | ψ | |
| Non-GAAP Gross Profit \$ 121,374 \$ 106,068 GAAP Research and development \$ 27,530 \$ 27,795 Less: Stock-based compensation (5,03) (4,960) (25) (26) (23,174) (5) (6) (23,174) (5) (6) (23,174) (5) (6) (23,174) (5) (25) (25) (25) (25) (7) (7) (7) (7) (7) (7) (7) (7) (7) (7) (7) (7) (7) (7) (7) (7) (7) <td></td> <td></td> <td></td> <td></td> <td></td> | | | | | |
| GAAP Research and development \$ 27,530 \$ 27,795 Less: Stock-based compensation (5,303) (4,960) GAAP Research and development \$ 22,202 \$ 22,210 Some Compensation (25) (25) GAAP Sales and marketing \$ 29,408 \$ 25,629 Less: Stock-based compensation (3,739) (2,454) Non-GAAP Sales and marketing \$ 16,908 \$ 15,128 Less: Stock-based compensation (7,969) (7,029) Non-GAAP General and administrative \$ 8,939 \$ 8,910 GAAP Operating expenses \$ 73,846 \$ 668,551 Less: Stock-based compensation (17,011) (14,441) Less: Stock-based compensation (25) (25) Non-GAAP Operating expenses \$ 56,810 \$ 54,085 SCAP Deperating expenses \$ 56,810 \$ 54,085 GAAP Net income from operations \$ 44,761 \$ 35,178 Plus: Stock-based compensation 19,031 16,033 Plus: Amortization of intangible assets 772 772 Stock-based compensation 19,031 16,033 Plus: Amortization of intangible assets < | | \$ | | \$ | |
| Less: Stock-based compensation (5,303) (4,960) Less: Amortization of intangible assets (25) (22) GAAP Sales and marketing \$ 22,202 \$ 22,202 GAAP Sales and marketing \$ 22,609 \$ 22,509 Less: Stock-based compensation (3,739) (2,454) GAAP General and administrative \$ 16,908 \$ 15,128 Less: Stock-based compensation (7,969) (7,027) Non-GAAP General and administrative \$ 8,939 \$ 8,101 GAAP Operating expenses \$ 73,846 \$ 66,851 Less: Stock-based compensation (17,011) (14,441) Less: Amortization of intangible assets (25) (225) Non-GAAP Operating expenses \$ 56,810 \$ 54,085 GAAP Net income \$ 39,731 \$ 29,105 SOAP AP ti income \$ 34,761 \$ 51,983 GAAP Net income \$ 54,738 \$ 41,717 GAAP Net income \$ 54,738 \$ 41,714 GAAP Net income per share: \$ 10,931 16,033 Plus: Amortization of intangible assets 772 772 <td></td> <td></td> <td></td> <td></td> <td></td> | | | | | |
| Less: Amortization of intangible assets(25)(25)Non-GAAP Research and development\$22,202\$22,810GAAP Sales and marketing\$29,408\$25,628Less: Stock-based compensation(3,739)(2,454)Non-GAAP Sales and marketing\$25,669\$23,174GAAP General and administrative\$16,908\$15,128Less: Stock-based compensation(7,027)(7,027)(7,027)Non-GAAP General and administrative\$88,939\$\$Less: Stock-based compensation(17,011)(14,441)Less: Stock-based compensation(17,011)(14,441)Less: Amortization of intangible assets(25)(25)(25)Non-GAAP Operating expenses\$554,085\$54,085GAAP Income from operations\$44,761\$\$51,788Plus: Stock-based compensation19,03116,033Plus: Amortization of intangible assets772772Non-GAAP Income from operations\$64,564\$\$51,980Plus: Stock-based compensation19,03116,033Plus: Amortization of intangible assets772772Non-GAAP Income from operations\$64,564\$\$51,980Plus: Mortization of intangible assets772772772Plus: Stock-based compensation19,03116,033Plus: Amortization of intangible assets772772Plus: Mortization of intangible assets772 <td></td> <td>ψ</td> <td></td> <td>Ψ</td> <td></td> | | ψ | | Ψ | |
| Non-GAAP Research and development \$ 22,202 \$ 22,810 GAAP Sales and marketing \$ 29,408 \$ 25,629 Less: Stock-based compensation (3,739) (2,454) Non-GAAP Sales and marketing \$ 25,669 \$ 23,174 GAAP General and administrative \$ 16,908 \$ 15,128 Less: Stock-based compensation (7,969) (7,027) (7,027) On-GAAP General and administrative \$ 8,939 \$ 8,101 GAAP Operating expenses \$ 73,846 \$ 68,551 Less: Stock-based compensation (17,011) (14,441) (14,441) Less: Amortization of intangible assets (25) (25) (25) Non-GAAP Operating expenses \$ 5,56,810 \$ 5,44,85 GAAP Income from operations \$ 44,761 \$ 35,178 Plus: Stock-based compensation 19,031 16,033 16,033 Iters: Amortization of intangible assets 772 772 772 <tr< td=""><td></td><td></td><td></td><td></td><td></td></tr<> | | | | | |
| GAAP Sales and marketing \$ 29,408 \$ 25,628 Less: Stock-based compensation (3,739) (2,454) Son-GAAP Sales and marketing \$ 25,669 \$ 23,174 GAAP General and administrative \$ 16,908 \$ 15,128 Less: Stock-based compensation (7,969) (7,027) Non-GAAP General and administrative \$ 8,939 \$ 8,101 GAAP Operating expenses \$ 73,846 \$ 68,551 Less: Stock-based compensation (17,011) (14,441) Less: Amortization of intangible assets (25) (25) Non-GAAP Operating expenses \$ 56,810 \$ 54,085 GAAP Income from operations \$ 44,761 \$ 35,178 Plus: Stock-based compensation 19,031 16,033 Plus: Stock-based compensation 19,031 16,033 Plus: Mortization of intangible assets 772 772 On-GAAP Income from operations \$ 64,564 \$ 51,983 GAAP Net income \$ 54,738 \$ 41,174 GAAP Net income \$ 54,738 \$ 41,174 GAAP Net income per share: \$ 1.005 | - | \$ | | \$ | |
| Less: Stock-based compensation (3,73) (2,454) Non-GAAP Sales and marketing \$ 25,669 \$ 23,174 GAAP General and administrative \$ 16,908 \$ 15,128 Less: Stock-based compensation (7,7969) (7,027) Non-GAAP General and administrative \$ 8,939 \$ 8,101 GAAP Operating expenses \$ 73,846 \$ 68,551 Less: Stock-based compensation (17,011) (14,441) Less: Stock-based compensation (17,011) (14,441) Less: Stock-based compensation (25) (25) Non-GAAP Operating expenses \$ 56,810 \$ 54,085 GAAP Income from operations \$ 44,761 \$ 35,178 Plus: Stock-based compensation 19,031 16,033 Its: Stock-based compensation 19,031 16,033 Plus: Stock-based compensation \$ 39,731 \$ 29,105 Plus: Stock-based compensation \$ 19,031 16,033 GAAP Income from operations \$ 44,761 \$ 31,9731 GAAP Net income \$ 39,731 \$ 29,105 Plus: Stock-based compensation 19, | · · · · · · · · · · · · · · · · · · · | | | | |
| Non-GAAP Sales and marketing \$ 25,669 \$ 23,174 GAAP General and administrative \$ 16,908 \$ 15,128 Less: Stock-based compensation (7,969) (7,027) (7,027) On-GAAP General and administrative \$ 8,939 \$ 8,101 GAAP Operating expenses \$ 73,846 \$ 66,851 Less: Stock-based compensation (17,011) (14,441) Less: Amortization of intangible assets (25) (25) Non-GAAP Operating expenses \$ 56,810 \$ 54,085 On-GAAP Operating expenses \$ 56,810 \$ 54,085 Plus: Stock-based compensation 19,031 16,033 116,033 Plus: Amortization of intangible assets 772 772 772 Non-GAAP Income from operations \$ 64,564 \$ 51,983 GAAP Net income \$ 39,731 \$ 29,105 10,031 16,033 Plus: Amortization of intangible assets 772 772 772 772 | | ψ | | ψ | |
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| Less: Stock-based compensation (7,969) (7,027) Non-GAAP General and administrative \$ 8,939 \$ 8,939 \$ 8,101 GAAP Operating expenses \$ 73,846 \$ 68,551 Less: Stock-based compensation (17,011) (14,441) Less: Amortization of intangible assets (25) (25) (25) (25) Non-GAAP Operating expenses \$ 56,810 \$ 54,085 \$ 44,761 \$ 35,178 Plus: Stock-based compensation 19,031 16,033 19,031 16,033 Plus: Stock-based compensation \$ 64,564 \$ 51,983 \$ 29,105 Plus: Stock-based compensation 19,031 16,033 Plus: Stock-based compensation \$ 19,031 16,033 Plus: Stock-based compensation \$ 44,761 \$ 51,983 GAAP Net income \$ 39,731 \$ 29,105 Plus: Amortization of intangible assets 772 772 Non-GAAP Net income \$ 54,738 \$ 41,174 GAAP Net income \$ 1.08 \$ 0.79 Diluted \$ 1.05 \$ 0.77 Non-GAAP Net income per share: <td></td> <td></td> <td></td> <td></td> <td></td> | | | | | |
| Non-GAAP General and administrative \$ 8,939 \$ 8,101 GAAP Operating expenses \$ 73,846 \$ 68,551 Less: Stock-based compensation (17,011) (14,441) Less: Amortization of intangible assets (25) (25) Non-GAAP Operating expenses \$ 56,810 \$ 54,085 GAAP Income from operations \$ 44,761 \$ 35,178 Plus: Stock-based compensation 19,031 16,033 116,033 Plus: Stock-based compensation \$ 64,564 \$ 51,983 GAAP Income from operations \$ 64,564 \$ 51,983 GAAP Net income \$ 90,31 16,033 \$ 29,105 Plus: Stock-based compensation 19,031 16,033 \$ 29,105 \$ 51,983 \$ 41,714 GAAP Net income \$ 90,31 16,033 \$ 29,105 \$ 0,931 16,033 Diluted \$ 54,738 \$ 11,72 < | | ψ | , | ψ | |
| GAAP Operating expenses \$ 73,846 \$ 68,551 Less: Stock-based compensation (17,011) (14,441) Less: Amortization of intangible assets (25) (25) Non-GAAP Operating expenses \$ 56,810 \$ 54,085 GAAP Income from operations \$ 44,761 \$ 35,178 Plus: Stock-based compensation 19,031 16,033 Plus: Amortization of intangible assets 772 772 Non-GAAP Income from operations \$ 64,564 \$ 51,983 GAAP Net income \$ 39,731 \$ 29,105 Plus: Stock-based compensation 19,031 16,033 Plus: Amortization of intangible assets 772 772 Non-GAAP Income from operations \$ 64,564 \$ 51,983 GAAP Net income \$ 90,731 \$ 29,105 Plus: Stock-based compensation 19,031 16,033 Non-GAAP Net income \$ 54,738 \$ 41,174 GAAP Net income \$ 1.08 \$ 0.79 Basic \$ 1.08 \$ 0.79 Diluted \$ 1.05 \$ 0.77 Basic \$ 1.48 \$ 1.11 Diluted \$ 1.48 | | 8 | | \$ | |
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| Less: Amortization of intangible assets(25)(25)Non-GAAP Operating expenses\$ | | ψ | | φ | |
| Non-GAAP Operating expenses\$ $56,810$ \$ $54,085$ GAAP Income from operations\$ $44,761$ \$ $35,178$ Plus: Stock-based compensation19,03116,033Plus: Amortization of intangible assets 772 772 Non-GAAP Income from operations\$ $64,564$ \$GAAP Net income\$ $39,731$ \$Plus: Stock-based compensation19,03116,033Plus: Stock-based compensation19,03116,033Plus: Stock-based compensation19,03116,033Plus: Amortization of intangible assets 772 772 Clus: Tax adjustment(4,796)(4,736)Non-GAAP Net income\$ $54,738$ \$Basic\$1.08\$0.79Diluted\$1.05\$0.77Weighted average shares used in GAAP and non-GAAP net income per share: $36,955$ $37,068$ Basic\$1.48\$1.09Weighted average shares used in GAAP and non-GAAP net income per share: $36,955$ $37,068$ | | | | | |
| GAAP Income from operations\$ $44,761$ \$ $35,178$ Plus: Stock-based compensation19,03116,033Plus: Amortization of intangible assets772772Non-GAAP Income from operations\$64,564\$GAAP Net income\$39,731\$Plus: Stock-based compensation19,03116,033Plus: Stock-based compensation19,03116,033Plus: Stock-based compensation19,03116,033Plus: Amortization of intangible assets772772Less: Tax adjustment(4,796)(4,736)Non-GAAP Net income\$\$\$Basic\$1.08\$Diluted\$1.05\$Non-GAAP Net income per share:\$1.48Basic\$1.48\$Diluted\$1.45\$Weighted average shares used in GAAP and non-GAAP net income per share:36,95537,068Basic36,95537,068\$ | - | \$ | | \$ | |
| Plus: Stock-based compensation19,03116,033Plus: Amortization of intangible assets772772Non-GAAP Income from operations $$ 64,564$ $$ 51,983$ GAAP Net income $$ 39,731$ $$ 29,105$ Plus: Stock-based compensation19,03116,033Plus: Amortization of intangible assets772772Less: Tax adjustment $(4,796)$ $(4,736)$ Non-GAAP Net income $$ 54,738$ $$ 41,174$ GAAP Net income $$ 54,738$ $$ 0.79$ Diluted $$ 1.05$ $$ 0.77$ Non-GAAP Net income per share: $$ 1.08$ $$ 0.79$ Diluted $$ 1.48$ $$ 1.11$ Diluted $$ 1.45$ $$ 1.09$ Weighted average shares used in GAAP and non-GAAP net income per share: $$ 36,955$ $$37,068$ Basic $$ 36,955$ $$ 37,068$ | | | | | |
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| Plus: Stock-based compensation 19,031 16,033 Plus: Amortization of intangible assets 772 772 Less: Tax adjustment (4,796) (4,736) Non-GAAP Net income \$ 54,738 \$ 41,174 GAAP Net income per share: \$ 1.08 \$ 0.79 Diluted \$ 1.05 \$ 0.77 Non-GAAP Net income per share: \$ 1.05 \$ 0.77 Diluted \$ 1.05 \$ 0.77 Weighted average shares used in GAAP and non-GAAP net income per share: \$ 1.45 \$ 1.09 Weighted average shares used in GAAP and non-GAAP net income per share: \$ 36,955 37,068 | | \$ | | | · · · |
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| Less: Tax adjustment $(4,796)$ $(4,736)$ Non-GAAP Net income\$ 54,738\$ 41,174GAAP Net income per share:\$ 1.08\$ 0.79Basic\$ 1.05\$ 0.77Diluted\$ 1.05\$ 0.77Non-GAAP Net income per share:\$ 1.48\$ 1.11Basic\$ 1.48\$ 1.09Weighted average shares used in GAAP and non-GAAP net income per share:36,95537,068 | | | | | |
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| Non-GAAP Net income per share: \$ 1.48 \$ 1.11 Basic \$ 1.45 \$ 1.09 Diluted \$ 1.45 \$ 1.09 Weighted average shares used in GAAP and non-GAAP net income per share: 36,955 37,068 | | | | | |
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| Diluted \$ 1.45 \$ 1.09 Weighted average shares used in GAAP and non-GAAP net income per share: 36,955 37,068 Basic 36,955 37,068 | | ¢ | 1 49 | ¢ | 1 11 |
| Weighted average shares used in GAAP and non-GAAP net income per share: 36,955 37,068 Basic 36,955 37,068 | | J | | φ Φ | |
| Basic 36,955 37,068 | | \$ | 1.45 | \$ | 1.09 |
| | | | | | |
| Diluted 37,723 37,669 | Basic | | | | |
| | Diluted | | 37,723 | | 37,669 |

Qualys, Inc. RECONCILIATION OF NON-GAAP DISCLOSURES FREE CASH FLOWS (unaudited) (in thousands)

| Three Months Ended March 31, | | |
|---------------------------------|---|--|
| 2024 | | 2023 |
| \$ 85,505 | \$ | 66,813 |
| | | |
| (2,051) | | (4,037) |
| \$ 83,454 | \$ | 62,776 |
| \$ \$ | Marc 2024 \$ 85,505 (2,051) | March 31. 2024 \$ 85,505 (2,051) |

Qualys, Inc. RECONCILIATION OF NON-GAAP DISCLOSURES CALCULATED CURRENT BILLINGS (unaudited) (in thousands, except percentages)

| | Three Months Ended March 31, | | |
|---|---------------------------------|----|-----------|
| | 2024 | | 2023 |
| GAAP Revenue | \$ 145,805 | \$ | 130,683 |
| GAAP Revenue growth compared to same quarter of prior year | 12 % |) | 15 % |
| Plus: Current deferred revenue at March 31 | 332,128 | | 296,516 |
| Less: Current deferred revenue at December 31 | (333,267) | | (293,728) |
| Non-GAAP Calculated current billings | \$ 144,666 | \$ | 133,471 |
| Calculated current billings growth compared to same quarter of prior year | 8 % |) | 9 % |