



NEWS RELEASE

Change In Product Categories And ARR Update

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SAN JOSE, Calif., Oct. 20, 2021 /PRNewswire/ -- As discussed at our Investor Day on September 15, 2021, Cisco will report its product and service revenue in the following categories effective Q1 FY 2022:

- Secure, Agile Networks
- Hybrid Work
- End-to-End Security
- Internet for the Future
- Optimized Application Experiences
- Other Products
- Services

This change will better align our product categories with our strategic priorities. It will only impact how we report revenue by product category. Our reportable segments will continue to be based on our geographies which consist of the Americas, EMEA, and APJC. These revised product categories will be used in our Q1 FY 2022 conference call scheduled for Wednesday, November 17, 2021.

In addition, on Investor Day, we presented Annual Recurring Revenue ("ARR") on a gross basis. Effective Q1 FY 2022, ARR will be presented net of rebates to customers and partners as well as certain other revenue adjustments. ARR represents the annualized revenue run-rate of active subscriptions, term licenses, and maintenance contracts at the end of a reporting period, net of rebates to customers and partners as well as certain other revenue adjustments. This includes both revenue recognized ratably as well as upfront on an annualized basis.

The reclassified and previously reported product category revenue by quarter for fiscal 2019 through fiscal 2021, updated and previously reported ARR for fiscal 2019 through fiscal 2021, as well as other information is available on Cisco's Investor Relations website at <https://investor.cisco.com/investor-relations/financial-information/Financial-Results/default.aspx>

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