



NEWS RELEASE

Cisco Announces Intent to Acquire Duo Security

2018-08-02

Acquisition Will Help Accelerate Cisco's Intent-Based Networking Strategy, Allowing Customers to Securely Connect Users to Any Application on Any Network

SAN JOSE, Calif., Aug. 02, 2018 (GLOBE NEWSWIRE) -- Cisco (NASDAQ:CSCO) today announced its intent to acquire privately-held Duo Security, headquartered in Ann Arbor, Mich. Duo Security is the leading provider of unified access security and multi-factor authentication delivered through the cloud. Duo Security's solution verifies the identity of users and the health of their devices before granting them access to applications – helping prevent cybersecurity breaches. Integration of Cisco's network, device and cloud security platforms with Duo Security's zero-trust authentication and access products will enable Cisco customers to easily and securely connect users to any application on any networked device.

From left to right: Duo Security co-founder and CEO Dug Song; Cisco security business SVP Gee Rittenhouse; and Duo Security co-founder and CTO Jon Oberheide.

Under the terms of the agreement, Cisco will pay \$2.35 billion in cash and assumed equity awards for Duo Security's outstanding shares, warrants and equity incentives on a fully-diluted basis.

"In today's multicloud world, the modern workforce is connecting to critical business applications both on- and off-premise," said David Goeckeler, executive vice president and general manager of Cisco's networking and security business. "IT teams are responsible for protecting hundreds of different

perimeters that span anywhere a user makes an access decision. Duo's zero-trust authentication and access products integrated with our network, device and cloud security platforms will enable our customers to address the complexity and challenges that stem from multi-and hybrid-cloud environments."

Business-critical data and applications today are accessed by customers, partners and employees from a multitude of locations and networks, both secure and open, using company-issued and personal devices. Attackers know that one of the most effective ways to access enterprise systems is through compromising user passwords or devices. According to the 2017 Verizon Data Breach Report, the majority of hacking related breaches involve stolen or weak passwords. Acknowledging this, Cisco and Duo Security are closely aligned in the approach of designing infrastructure for the extended enterprise where users, devices and applications are the center of the modern security architecture.

The acquisition of Duo Security will:

- **Extend intent-based networking into multicloud environments.** Cisco currently provides on-premises network access control via its Identity Services Engine (ISE) product. Duo's software as a service-based (SaaS) model will be integrated with Cisco ISE to extend ISE to provide cloud-delivered application access control.
- **Simplify policy for cloud security.** By verifying user and device trust, Duo will add trusted identity awareness into Cisco's Secure Internet Gateway, Cloud Access Security Broker, Enterprise Mobility Management, and several other cloud-delivered products.
- **Expands endpoint visibility coverage.** Cisco's in-depth visibility of over 180 million managed devices will be augmented by Duo's broad visibility of mobile and unmanaged devices.

"Our partnership is the product of the rapid evolution of the IT landscape alongside a modernizing workforce, which has completely changed how organizations must think about security," said Dug Song, Duo Security's co-founder and chief executive officer. "Cisco created the modern IT infrastructure, and together we will rapidly accelerate our mission of securing access for all users, with any device, connecting to any application, on any network. By joining forces with the world's largest networking and enterprise security company, we have a unique opportunity to drive change at a massive scale, and reshape the industry."

The acquisition is expected to close during the first quarter of Cisco's fiscal year 2019, subject to customary closing conditions and required regulatory approvals. Duo Security, which will continue to be led by Song, will join Cisco's Networking and Security business led by EVP and GM David Goeckeler.

For more information about Cisco's intent to acquire Duo Security, read the following blogs from:

- [David Goeckeler](#), EVP and GM, Cisco
- [Rob Salvagno](#), Vice President Corporate Development, Cisco
- [Dug Song](#), Co-founder and CEO, Duo Security

Investor and Media Call

Cisco will host a joint investor, media and industry analyst call on Thursday, August 2, at 6:00 a.m. PDT/9:00 a.m. EDT to discuss the proposed transaction. The call will feature Rob Salvagno, vice president of corporate development at Cisco; David Goeckeler, executive vice president and general manager of Cisco's networking and security business; and Duo Security CEO Dug Song. To join the webcast, visit <https://investor.cisco.com>. Toll-free dial-in number is 800-779-1185; or 1-312-470-7366; Passcode: 3862813. Conference call replay will be available approximately one hour after the conclusion of the event through Friday August 10, toll-free at 800-925-0258 or 203-369-3861 (no passcode required). The replay will be available on the Cisco Investor Relations website at

<http://investor.cisco.com>, no password required.

About Cisco

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About Duo Security

Duo Security helps defend organizations against data breaches by making security easy and effective. Duo Beyond, the company's category defining zero-trust security platform, enables organizations to provide trusted access to all of their critical applications, for any user, from anywhere, and with any device. The company is a trusted partner to more than 12,000 customers globally, including Dresser-Rand, Etsy, Facebook, K-Swiss, Random House, Yelp, Zillow, Paramount Pictures, and more. Founded in Michigan, Duo has offices in Ann Arbor and Detroit, as well as growing hubs in Austin, Texas; San Mateo, California; and London, UK. Visit Duo.com to find out more.

Forward-Looking Statements

This press release may be deemed to contain forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding the acquisition enabling Cisco customers to securely connect users to any application on any networked device, Duo's unified access security and multi-factor authentication helping Cisco accelerate priority areas across its networking and security portfolio, the expected benefits to Cisco and its customers from completing the acquisition, and plans regarding Duo personnel. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results due a variety of factors, including, among other things, that conditions to the closing of the transaction may not be satisfied, the potential impact on the business of Duo due to the uncertainty about the acquisition, the retention of employees of Duo and the ability of Cisco to successfully integrate Duo and to achieve expected benefits, business and economic conditions and growth trends in the networking industry, customer markets and various geographic regions, global economic conditions and uncertainties in the geopolitical environment and other risk factors set forth in Cisco's most recent reports on Form 10-K and Form 10-Q. Any forward-looking statements in this release are based on limited information currently available to Cisco, which is subject to change, and Cisco will not necessarily update the information.

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A photo accompanying this announcement is available at
<http://www.globenewswire.com/NewsRoom/AttachmentNg/bf5eafd1-ee22-4df6-ab01-4eeaeaec4b03>

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