

## **Youdao, Inc. Announces Pricing of Initial Public Offering**

HANGZHOU, China, Oct. 25, 2019 /PRNewswire/ -- Youdao, Inc. ("Youdao" or the "Company") (NYSE: DAO), a leading intelligent learning company in China, today announced that it has priced its initial public offering (the "IPO") of 5,600,000 American depositary shares ("ADSs"), at US\$17.00 per ADS. The aggregate offering size of the IPO and the concurrent private placement described below is approximately US\$220.2 million (inclusive of approximately US\$95.2 million of ADSs sold in the IPO), assuming the underwriters do not exercise their over-allotment option to purchase any additional ADSs, and approximately US\$234.5 million (inclusive of approximately US\$109.5 million of ADSs sold in the IPO), assuming the underwriters exercise their over-allotment option in full. Each ADS represents one Class A ordinary share of the Company. The ADSs are expected to begin trading on the New York Stock Exchange today under the ticker symbol "DAO." The IPO is expected to close on October 29, 2019, subject to customary closing conditions.

The Company has granted the underwriters an option, exercisable for 30 days from the date of the final prospectus, to purchase up to an aggregate of 840,000 additional ADSs to cover over-allotments.

Citigroup Global Markets Inc., Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC are acting as the joint bookrunners of the offering and representatives of the underwriters. China International Capital Corporation Hong Kong Securities Limited, Tiger Brokers (NZ) Limited and HSBC Securities (USA) Inc. are also acting as the joint bookrunners of the offering.

Concurrently with and subject to the completion of the IPO, certain investment funds managed by Orbis Investment Management Limited have agreed to purchase from the Company a total of 7,352,941 Class A ordinary shares at an aggregate investment amount of US\$125 million, in a private placement transaction pursuant to exemptions from registration with the U.S. Securities and Exchange Commission (the "SEC") under Regulation S of the Securities Act of 1933, as amended. The concurrent private placement is expected to close immediately after the closing of the IPO, subject to customary closing conditions.

*A registration statement related to these securities has been filed with, and declared effective by, the SEC. This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.*

*This offering is being made only by means of a prospectus forming part of the effective registration statement. A copy of the final prospectus relating to the offering may be obtained, when available, by contacting the following underwriters: (1) Citigroup Global Markets Inc., Address: Broadridge, 1155 Long Island Avenue, Bays 4-9, Edgewood, New York, NY 11717, United States, by telephone at +1-800-831-9146; (2) Morgan Stanley & Co. LLC, Attention: Prospectus Department, at Room 214, 180 Varick Street, New York, NY 10014, United States, by telephone at +1-866-718-1649; (3) Credit Suisse Securities (USA) LLC, Attention: Prospectus Department, at 3rd Floor, Eleven Madison Avenue, New York, NY 10010, United States, by telephone at +1-800-221-1037; (4) China International Capital Corporation Hong Kong Securities Limited, Address: 29th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong, by telephone at +852-2872-2000; (5) Tiger Brokers (NZ) Limited, Address: Level 4, 142 Broadway, Newmarket, Auckland, New Zealand 1023, by telephone at +64-9-393-8128; and (6) HSBC Securities (USA) Inc., Attention: Prospectus Department, at 452 Fifth Avenue, New York, NY 10018, United States, by telephone at +1-212-525-0272.*

### **About Youdao, Inc.**

Youdao, Inc. (NYSE: DAO) is a leading intelligent learning company in China dedicated to developing and using technologies to provide learning content, applications and solutions to users of all ages. Building on the popularity of its online knowledge tools such as Youdao Dictionary, Youdao Cloudnote and Youdao Translation, Youdao now offers online courses covering a wide spectrum of age groups, subject matter, learning goals and areas of interest. In addition, Youdao has developed a variety of interactive learning apps and smart learning devices. Youdao was founded in 2006 as part of NetEase, Inc. (NASDAQ: NTES), a leading internet technology company in China.

For more information, please visit: <http://ir.youdao.com>.

### **Safe Harbor Statement**

This press release contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, and a number of factors could cause actual results

to differ materially from those contained in any forward-looking statement. In some cases, forward-looking statements can be identified by words or phrases such as "may", "will," "expect," "anticipate," "target," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. Further information regarding these and other risks, uncertainties or factors is included in the Company's filings with the SEC. All information provided in this press release is as of the date of this press release, and the Company does not undertake any duty to update such information, except as required under applicable law.

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<http://ir.youdao.com/2019-10-25-Youdao-Inc-Announces-Pricing-of-Initial-Public-Offering>