



Codemasters and NetEase to Develop New Mobile Game

Codemasters (AIM: CDM), the award winning British video game developer and publisher specialising in high quality racing games, today announces that it has entered into a joint development agreement (the "Agreement") with NetEase, Inc. (NASDAQ: NTESS) ("NetEase"), one of China's leading internet and online game services providers, to develop a new mobile game (the "Game") for the global market.

Under the terms of the Agreement, NetEase shall commit an internal mobile development team, apply its proven knowledge of mobile game design, and take on all operational and publishing activities globally with regard to the Game. Codemasters shall provide assistance with its proprietary technology, resources and existing game assets.

Pursuant to the Agreement, Codemasters will receive a minimum of \$8 million USD in revenue over the next three years, commencing with an expected \$4 million USD within the current financial year ending 31 March 2019. Codemasters' total lifetime revenue from this Agreement shall be dependent upon sales performance as profit generated by the game, following recoupment by NetEase of the aforementioned \$8 million USD, shall be shared between the parties. Based on these terms, Codemasters' Board of Directors now expects its Adjusted EBITDA1 for the year ending 31 March 2019 to be ahead of expectations.

Frank Sagnier, Chief Executive of Codemasters commented, "We are thrilled to partner with NetEase for the development of this new mobile game. Global mobile expansion is a key part of our strategy. We believe that a partnership with a world leading developer and publisher such as NetEase will accelerate our growth, particularly in China's world leading mobile game market."

According to Newzoo.com, China's expansive mobile game market was worth an estimated USD\$23 billion in 2018.

"We are pleased to gain the benefit of Codemasters' rich experience and highly evolved technology. With these attributes, alongside NetEase's world class development team and design capabilities, as well as our extensive publishing know-how, we hope to bring an exciting mobile game to market to thrill players around the globe." said Ethan Wang, VP of NetEase Inc.

This Agreement is separate and in addition to the strategic PC publishing partnership between Codemasters and NetEase, which was announced on 7 November 2018.

Notes:

1 Adjusted EBITDA is a non-GAAP measure used by the Company, which is defined as profit before finance costs on borrowings, tax, capitalisation of development costs, depreciation, amortisation and non-recurring items.

This announcement is released by Codemasters Group Holdings plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

For the purposes of MAR and Articles 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Rashid Varachia, Chief Financial Officer.

Enquiries:

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ABOUT CODEMASTERS:

Codemasters (AIM:CDM) is an award winning British video gamedeveloper and publisher with over 30 years of heritage. The company specialises in high quality racing games including DiRT, GRID, ONRUSH and the BAFTA award-winning official F1® series of videogames. Codemasters' LEI number is: 213800NOITSDQVNP5W91

ABOUT NETEASE:

NetEase, Inc. (NASDAQ: NTES) is a leading internet technology company in China dedicated to providing online services centered around content, community, communication and commerce. NetEase develops and operates some of China's most popular PC-client and mobile games, and partners with Blizzard Entertainment, Mojang AB (a Microsoft subsidiary) and other global game developers to operate some of the most popular international online games in China. NetEase also operates Kaola.com and Yanxuan, two e-commerce platforms that cater to the rising middle-class consumer market in China. In addition, NetEase offers advertising, e-mail and other services. For more information, please visit: <http://ir.netease.com/>.