



111, Inc. Featured at 38th Annual JP Morgan Healthcare Conference

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CEO Junling Liu shares 111, Inc.'s experience driving change in China's healthcare and pharmaceutical industry

SHANGHAI, Jan. 17, 2020 /PRNewswire/ -- Junling Liu, co-founder, Chairman, and Chief Executive Officer of 111, Inc. (NASDAQ: YI) a leading integrated online and offline healthcare platform, gave an address entitled "*Driving Transformation in China's Healthcare and Pharmaceutical Industry*" at the 38th Annual JP Morgan Healthcare Conference (the "Conference").

The JP Morgan Healthcare Conference, from January 14-18, 2020, in San Francisco, is regarded as one of the world's most important forums on the global healthcare sector from an investment perspective, sharing insights on emerging industry and investment trends. This year, participants joined from more than 450 public and private companies, with 9,000 attendees including industry leaders, investors and analysts.

At the conference, Chairman Liu represented China's online pharmaceutical and healthcare industry. His presentation focused on the evolving landscape and huge growth potential of China's online pharmaceutical and healthcare industry, supported by new national health sector reforms.

Chairman Liu said: "Healthcare is one of the largest and fastest growing industries in China, and is at a historical turning point. China's population is aging rapidly. By 2020, more than 245 million people will be over 60. Chronic diseases associated with aging are also rising. In 2019, there were more than 300 million patients with chronic diseases. At the same time, incomes are rising steeply, with sustained economic growth leading to higher disposable incomes. The national average for disposable income per capita was reported as US\$4,000 in 2018, with urban disposable income per capita as high as US\$5,858. These and other factors are leading to growth expectations in the healthcare industry at an annual rate of 12% over the next five years."^{[1].}^{[2].}^{[3].}^[4]

Since 2019, China has launched a number of policies aimed at boosting the online pharmaceuticals and healthcare industry. These include the *Centralized Drug Procurement Policy*, initially introduced in 11 pilot cities (the "4+7" Policy) which will expand to more provinces and regions. China has also included online medical services in its basic medical insurance, and the new *Drug Administration Law* allows online sales of prescription drugs under certain conditions.

Meanwhile, the industry still faces various pain points, including high fragmentation, low operational efficiency, and lack of transparency. 111's new omni-channel e-commerce platform strategy has been designated to help pharmaceutical companies commercialize the innovative drugs that will dominate the future healthcare market as the "4+7" policy expands geographically. By leveraging its proprietary integrated online and offline healthcare platform, 111 will deliver value adding to pharmaceutical manufacturers and enable them to expand coverage beyond their current distribution channels - i.e., major hospitals in 1st and 2nd tier cities, large pharmacy chains and medical representatives, to include additional pharmacies, clinics, private hospitals, community hospitals, hospitals in 3rd to 6th tier cities and patients.

111 has also introduced a new life-cycle patient management solution, which provides the patients with consultation, medication guidance, chronic disease management and online prescription drugs refills, in an effort to improve medication adherence rates.

Chairman Liu added: "We are confident that within the next three years, 111 will cover over 400,000 pharmacies, clinics and hospitals, serve over 100 million patients directly and indirectly, and establish strategic partnerships with more than 1,000 leading pharmaceutical companies. Against the backdrop of a favorable policy environment, in the latest version of our T2B2C strategy we are building an omni-channel e-commerce platform. Going forward, 111 will remain committed to its mission of 'Technology for Better Healthcare', leveraging our innovative business model and technological expertise to upgrade and transform the industry value chain. We will work to create a more efficient and transparent healthcare ecosystem serving the demands of the domestic Chinese market."

[1] Health China Action 2019-2030;

[2] Health Management Blue Paper 2018: China's Health Management and Health Industry Development Report

[3] National data from the National Bureau of Statistics of China

[4] China Pharmaceutical Market Development Outlook and Investment Opportunities Analysis Report 2018-2023 by the Chinese Academy of Industry Economy Research

Safe Harbor Statement

This press release contains forward-looking statements. These statements constitute "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "target," "confident" and similar statements. Among other things, the Business Outlook and quotations from management in this announcement, as well as 111's strategic and operational plans, contain forward-looking statements. 111 may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Such statements are based upon management's current expectations and current market and operating conditions and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company's control. Forward-looking statements involve inherent risks, uncertainties and other factors that could cause actual results to differ materially from those contained in any such statements. Potential risks and uncertainties include, but are not limited to, uncertainties as to the Company's ability to comply with extensive and evolving regulatory requirements, its ability to compete effectively in the evolving PRC general health and wellness market, its ability to manage the growth of its business and expansion plans, its ability to achieve or maintain profitability in the future, its ability to control the risks associated with its pharmaceutical retail and wholesale businesses, and the Company's ability to meet the standards necessary to maintain listing of its ADSs on the Nasdaq Global Market, including its ability to cure any

non-compliance with Nasdaq's continued listing criteria. Further information regarding these and other risks, uncertainties or factors is included in the Company's filings with the U.S. Securities and Exchange Commission. All information provided in this press release is as of the date of this press release, and 111 does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under applicable law.

About 111, Inc.

111, Inc. (NASDAQ: YI) ("111" or the "Company") is a leading integrated online and offline healthcare platform in China. The Company provides hundreds of millions of consumers with better access to pharmaceutical products and healthcare services directly through its online retail pharmacy and indirectly through its offline pharmacy network. 111 also offers online healthcare services through its internet hospital, 1 Clinic, which provides consumers with cost-effective and convenient online consultation and electronic prescription services. In addition to providing direct services to consumers through its online retail pharmacy, 111 also enables offline pharmacies to better serve their customers. The Company's online wholesale pharmacy, 1 Drug Mall, serves as a one-stop shop for pharmacies to source a vast selection of pharmaceutical products. The Company's new retail platform, by integrating the front and back ends of the pharmaceutical supply chain, has formed a smart supply chain, which transforms the flow of pharmaceutical products to pharmacies and modernizes how they serve their customers.

For more information on 111, please visit <http://ir.111.com.cn>.

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