

111 Inc. Hosts 2019 Online Pharmaceuticals and Healthcare Summit Building an Omni-Channel Commerce Platform for an Era of Drug Innovation

SHANGHAI, Dec. 19, 2019 /PRNewswire/ -- 111, Inc. (NASDAQ: YI) ("111" or the "Company"), a leading integrated online and offline healthcare platform, convened the China Online Pharmaceuticals and Healthcare Summit 2019 (the "Summit") together with its annual general suppliers' meeting in Shanghai on December 11. The event, themed, "Technology Empowerment and Mutually Beneficial Cooperation", focused on the implications for the industry as China scales up its centralized drug procurement policy from the initial "4+7" pilot cities (the "4+7" Policy) expanding to more provinces and regions, as well as ways to empower the pharmaceutical industry with Internet technology in both R&D and distribution.

During the Summit, 111 unveiled its latest T2B2C strategy, an omni-channel e-commerce platform, and program to help pharmaceutical companies better cope with China's expanded "4+7" Policy to mitigate the impact of lower drug prices mandated by the policy, and to roll out a consumer-focused brand-name drug benefit plan.

The Summit attracted 600 participants from China and abroad, including executives from leading pharmaceutical companies, pharmaceutical retailers, investment firms and healthcare industry associations, and senior government officials. The Summit recorded the highest attendance by senior management of any healthcare event in China since the expansion of the "4+7" Policy beyond the original eleven pilot cities, and delivered in-depth discussion of issues such as the impact of the "4+7" Policy, and Internet-powered drug companies, among others.

111.com unwraps new omni-channel e-commerce platform to target post "4+7" Policy market

During their keynote speeches, Dr. Gang Yu, Co-founder and Executive Chairman of 111, and Mr. Junling Liu, Co-Founder, Chairman and CEO of 111 announced the company's new omni-channel e-commerce platform strategy for drug retail and distribution. Dr. Gang Yu said China's expansion of its pilot program of drug procurement for public hospitals to more provinces and regions across the country in 2019 is a key part of revolutionary reforms to the healthcare sector. 111 will continue to leverage its innovative business model and technological expertise to become the omni-channel partner of choice for pharmaceutical manufacturers and the "go-to" healthcare and medical services platform for patients across the country.

111 has comprehensively upgraded its T2B2C strategy one year after its debut, adding the new "Hawkeye" system to improve the efficiency of 111's sales force as well as a life-cycle patient management system with CRM (customer relationship management) and a full range of patient management functions, in addition to empowering pharmaceutical companies, pharmacies, patients and insurance companies. The system uses precision marketing content to enhance patient stickiness and refill and medication adherence rates for prescribed drugs.

As the "4+7" Policy is rolled out, the market is expected to be dominated by innovative drugs in the future. In line with this trend, 111 also announced a new omni-channel e-commerce platform strategy to help pharmaceutical companies commercialize innovative drugs. By leveraging its own integrated online-offline healthcare platform, 111 will help pharmaceutical manufacturers expand coverage to include more pharmacies, clinics, private hospitals, and community hospitals outside tier 1 and 2 cities' major hospitals and large drug store chains, as well as hospitals and patients in tier 3-6 cities, and provide complementary, value-added services to pharmaceutical manufacturers. The new suite of services includes Shizhen, a first-of-its-kind decentralized educational platform for medical representatives to provide content aimed at educating users about drugs. 111 has already successfully recruited 1,000 medical representatives for the platform.

In addition, 111 rolled out a brand-name drug benefit plan aimed at empowering patients, improving medication adherence rates and promoting brand-name drugs to a wider market through the systemization of physician consultation, on-line refill and medication guidance and pharmacist services.

Create a patient-centric ecosystem that will help pharmaceutical manufacturers with the transition to an expanded national drug procurement system

The Summit featured keynote speeches delivered by prominent industry leaders, including Dr. Leon Chen, founding partner and CEO of 6 Dimensions Capital, a leading investment firm focused on the life sciences industry and Mr. Kun Wu, Pfizer PBG China Country Lead. The expansion of the "4+7 Policy" has led to tightened control over the hospital procurement market while opening the door to the online marketplace for

pharmaceutical manufacturers.

The first roundtable session was themed "4+7 Policy Expansion: New Challenges and New Opportunities for Pharmaceutical Manufacturers, Sales Channels and Patients". During the session, Mr. Junling Liu moderated a panel with distinguished pharmaceutical leaders, including Ms. Yanhui Feng, President of Eisai China Region, Mr. Chun Xia, General Manager of Commercial & Emerging Business from Sanofi (China) Investment Co., Ltd Shanghai Branch, Mr. Anfeng Guo, Vice President of the Immuno-Oncology Lung Business Unit of Bristol-Myers Squibb (China) Investment Co., Ltd. and Mr. Huibo Xin, Head of the Generic Pharmaceuticals Division of Sandoz (CHINA) Pharmaceutical Co.,Ltd.

In discussing 111's omni-channel e-commerce platform strategy. Ms. Yanhui Feng noted that Internet will accelerate the go-to-market process for innovative drugs. She said that third-party platforms like 111 are well-positioned to facilitate drug commercialization, increase market acceptance and improve customer experience. Mr. Anfeng Guo commented that 111's approach will provide greater accessibility to innovative drugs, improve medication adherence, and provide more efficient medical services in tier 3 and 4 cities.

The second roundtable session focused on "Favorable Policies: Using the Internet to Transform the Pharmaceutical Industry". Ms. Kai Zhang, CEO and General Manager of Manulife-Sinochem Life Insurance Co.,Ltd, Ms. Jinhui Li, China Oncology and Rare Disease Category Lead, PBG and Mr. Meng Zhang, Vice President of Tencent HealthCare joined the discussion hosted by Mr. Yang Chen, CFO of 111.

Ms. Kai Zhang said the Internet can serve to improve the quality, range, and efficiency of medical services, and that insurers, pharmaceutical manufacturers, and healthcare providers can all easily connect to the patient-centric ecosystem that 111 is building.

Ms. Zhang also pointed out that, in addition to providing the basic medical and healthcare services for their clients, insurers can also leverage 111's massive chronic disease data base to develop innovative products and improve risk control.

With the world's largest and fastest-aging population, China is expected to see its healthcare and pharmaceutical market grow to RMB10 trillion in 2020. Currently, China's medical and healthcare spending as a percentage of GDP is just over 6%, while developed countries such as Europe and the United States spend over 10% of GDP on healthcare.

China's healthcare and pharmaceutical industries enjoy tremendous growth opportunity. As the country's leading online healthcare platform, 111 is helping pharmaceutical companies explore distribution channels outside hospitals and increase market penetration in lower tier cities by leveraging its strong technical capabilities, highly efficient supply chain management system, nationwide distribution network and integrated online and offline channels. As of the third quarter 2019, 111 had signed direct sourcing partnerships with 150 leading pharmaceutical manufacturers, and served as the priority partner for a wide range of pharmaceutical companies building distribution channels outside hospitals.

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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