

111, Inc. Enters Into Strategic Partnership with Bestyoo to Upgrade Online Healthcare Service Model

SHANGHAI, Jan. 13, 2020 [PRNewswire](#)/ -- 111, Inc. (NASDAQ: YI) ("111" or the "Company"), a leading integrated online and offline healthcare platform, announced that it has entered into a strategic partnership with Bestyoo, a prescription information sharing solutions provider in China. 111 will work with Bestyoo's third-party online prescription information transferring and sharing platform (the "Platform") to provide its users with prescription-based online drug purchase and home delivery services. Bestyoo and 111 will also jointly provide online consultation services to patients. This strategic partnership is expected to create a more standardized and feasible process for prescription information sharing and online sales of prescription drugs, bringing easy-to-access healthcare services to more patients in China.

As a leading domestic "Internet + Medicine" high-tech company in China, Bestyoo is committed to the development, promotion and application of prescription services. Bestyoo currently has one Gansu Provincial-level and six prefecture- and municipal-level platforms connecting more than 300 hospitals and covering 100 million patients.

111 Explores Ways to Standardize Online Prescription Drug Sales

111 and Bestyoo will launch their pilot Platform in Gansu Province, where China's first provincial-level "e-prescription information-sharing platform" was jointly developed by Bestyoo and the provincial health commission authority. The partnership is expected to facilitate online hospitals and online retail pharmacies in stimulating the standardization of drug prescriptions, sales review and drug delivery.

Local patients are now able to access their "e-prescription" through Bestyoo and select channels for drug purchase and follow-up consultations. 111's integrated systems will also avail patient prescription drug delivery services.

Following the implementation of the new *Drug Administration Law* on December 1, 2019, online prescriptions are now permitted under certain conditions. How healthcare e-commerce companies operate and serve patients under these new rules are a focal point.

Guanglei Ma, General Manager of Bestyoo commented, "Authentication and standardization are a condition precedent to sustaining a robust online prescription drug market. As part of the basic procedure for prescription drug sales, both offline and online pharmacies need to ensure the prescriptions they are receiving are authentic. Bestyoo's Platform connects to the prescription review platforms of local health commission authorities and hospital healthcare information systems (HIS). This creates a standard prescription library that provides secure prescription authentication and establishes a solid base from which we can further grow our online prescription services."

Tong Liu, SVP of Government Relations of 111 commented that, as a market leader, 111 has always placed an emphasis on strict regulatory compliance throughout its operations and the Company aims to be an industry trendsetter during this transformative phase. From a regulatory standpoint, online supervision is efficient and traceable, and information exchange and sharing will further promote standardization and the transfer of prescription information out of hospital systems. Liu points out that Bestyoo offers clear operational advantages and that its "third party", "ease-of-supervision" and "high feasibility" features all ensure the validity, authenticity and traceability of prescriptions. He believes that this strategic partnership will set the standard for compliance for online sale of prescription drugs, and provide a valuable reference point for regulators and industry players as they explore other ways to promote the standardization process of online prescription drug sales.

Leveraging the Internet to Provide Better Healthcare Services

The migration of prescriptions out of the hospital system is now a prevailing trend. Industry experts expect this migration to accelerate over the next 5 years.

Pengcheng Zhu, Co-COO of 111 commented that the "online prescription information transferring and sharing platform + medical e-commerce" model leverages the Internet and is an effective way to improve the efficiency and quality and coverage of medical and health services. The strategic partnership with Bestyoo enables 111 to accelerate its preparations to capitalize on the new non-hospital prescription drugs trend. The partnership has resulted in the IT-transformation of the "hospital/non-hospital" system, and the creation of patient-centric and integrated "doctor + drug" experience, facilitating drug purchasing and follow-up consultations. It will also not only help to increase the availability of medicines, especially for patients with chronic diseases that require refills in remote areas, but also educate patients on compliance and thus promotes better overall health. Zhu noted that in view of the increasing incidences of chronic diseases in China, faced with a rapidly aging population, this partnership will have a particularly important social impact.

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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