

111 Inc. Announces Its Co-founders' Strategic Share Purchase and Highlights Continued Growth and Innovation

SHANGHAI, Sept. 13, 2024 [/PRNewswire/](#) -- 111, Inc. ("111" or the "Company") (NASDAQ: YI), a leading tech-enabled healthcare platform company committed to reshaping the value chain of healthcare industry by digitally empowering the upstream and downstream in China, today was informed by co-founders of the Company, Dr. Gang Yu and Mr. Junling Liu, that they have started purchasing shares from time to time from their personal funds during the trading window and intend continue to purchase additional shares. The purchases will be executed on the open market at prevailing market prices, and the co-founders have sole discretion as to how much ADSs they will purchase. The co-founders currently beneficially own 42.7% of the total issued share capital of the Company.

Alongside this announcement, 111 has continued to demonstrate strong financial performance, driven by its continuous innovation to strengthen its value. In August, the Company reported operational profitability for the second consecutive quarter, driven by increased operational efficiency that mitigated macroeconomic challenges. For the second quarter of 2024, 111's income from operations reached RMB3.3 million (US\$0.5 million), compared to a loss from operations of RMB41.4 million in the same quarter of 2023. Non-GAAP income from operations was RMB8.5 million (US\$1.2 million), up from non-GAAP loss from operations of RMB17.2 million in the same quarter of 2023. The Company also reported positive operating cash flow for the second consecutive quarter, reinforcing its financial stability. For more information about 111's financial performance for the second quarter of 2024 and a reconciliation of the non-GAAP financial measures to the most comparable U.S. GAAP measures, see the Company's earnings release for the second quarter ended June 30, 2024 published on August 29, 2024. Furthermore, 111's recent acquisition of four new patents, bringing its total to 28, enhances its competitive advantages in operational efficiency as well as support for long-term growth prospects. These technological advancements are critical in driving the digital transformation of the pharmaceutical industry, a core component of 111's strategic vision to reshape the healthcare value chain. The co-founders expressed their strong belief in the Company's potential, stating, "I am confident that the current market price of our ADSs does not accurately reflect the intrinsic value of our core businesses. I believe in the Company's vision of transforming healthcare through technology and innovation and am confident in the Company's continued future growth and development. I believe the stock price should better represent both the achievements we've made and the future opportunities we aim to capitalize on."

The specific timing and amount of the purchases of the Company's shares by the co-founders may be made from time to time and it will be determined by the market and other conditions, securities law limitations and other applicable rules and regulations, including Rule 10b-5-1 and Rule 10b-18 of the Securities Exchange Act of 1934, as amended, to the extent applicable.

Forward-Looking Statements

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. 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 tech-enabled healthcare platform company committed to reshaping the value chain of healthcare industry by digitally empowering the upstream and downstream in China. The Company provides consumers with better access to pharmaceutical products and healthcare services directly through its online retail

pharmacy, 1 Pharmacy, and indirectly through its offline virtual pharmacy network. The Company also offers online healthcare services through its internet hospital, 1 Clinic, which provides consumers with cost-effective and convenient online consultation, electronic prescription service, and patient management service. In addition, the Company's online platform, 1 Medicine, serves as a one-stop shop for pharmacies to source a vast selection of pharmaceutical products. With the largest virtual pharmacy network in China, 111 enables offline pharmacies to better serve their customers with cloud-based services. 111 also provides an omni-channel drug commercialization platform to its strategic partners, which includes services such as digital marketing, patient education, data analytics, and pricing monitoring.

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

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