

## 111 Inc. Expands National Supply Chain Network with New Fulfillment Centers across South and Central China

SHANGHAI, Oct. 10, 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 announced that new fulfillment centers in South and Central China began operations in Guangzhou, Guangdong Province, and Wuhan, Hubei Province, respectively. These strategic expansions mark a significant step forward in enhancing its national supply chain network, increasing efficiency and speed to better meet growing market demand.

The two new centers expand the scale and capabilities of 111's existing operations in the South and Central China regions. With innovation and technological upgrades, the centers enable faster and more efficient operations. The additional fulfillment centers bring the total number in 111 operations to 13 across China, ensuring a more robust and agile warehousing and distribution network nationwide.

By utilizing a newly designed operational model, these centers will significantly reduce operating costs while expanding warehousing capacity with higher cost efficiency. This will also improve the efficiency of operations and deliveries in the South and Central China markets, with most deliveries now being fulfilled within 24 hours. With a stronger national supply chain network, 111 is well positioned to deliver to over 300 major cities nationwide within 24 hours and cover the entire nation within 72 hours.

Additionally, 111's nationwide logistics network, "Kunpeng," continues to improve operational efficiency by streamlining connections between fulfillment centers through its digitalized long-haul and last-mile distribution models. As a result, delivery costs have been slashed by 15%, and delivery damage rates have been cut by 55%. These improvements address key industry challenges, such as slow delivery times, high damage rates and inefficient quality control processes, while providing seamless logistics services to partners across the supply chain.

111's continuous technological innovation empowers its smart supply chain management systems as core drivers of success. These systems, among the most complex in 111's digital suite, support the Company's nationwide supply chain operations and include over 30 self-developed technologies ranging from procurement and inventory management to distribution and pricing.

The innovative supply chain and logistics network, combined with smart management systems, underpins 111's nationwide virtual pharmacy network, a key outcome from its industrial internet strategy. This virtual network currently serves approximately 470,000 pharmacies and boasts partnerships with over 500 global pharmaceutical companies and 4,500 distributors, underscoring the Company's growing influence in the healthcare and pharmaceutical industries.

Mr. Junling Liu, Co-Founder, Chairman, and Chief Executive Officer of 111, commented, "The opening of our new fulfillment centers in South and Central China is critical in strengthening our supply chain and delivering exceptional service to our customers. By integrating cutting-edge technology and operational innovation, we are now able to further enhance our delivery speed, reduce costs, and improve overall efficiency. These centers not only reinforce our market presence in key regions but also support our vision of becoming the go-to platform for pharmaceutical products with the best selection as well as prices across China. As we continue to scale up, we remain focused on driving operational excellence and creating long-term value for our partners, customers, and shareholders."

### 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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