

## 111, Inc. to Collaborate with Lilly in Creating New Solutions for Pharmaceutical Distribution

SHANGHAI, China, Jan. 28, 2019 (GLOBE NEWSWIRE) -- 111, Inc. (NASDAQ: YI) ("111" or the "Company"), a leading integrated online and offline healthcare platform, today announced it has signed a strategic cooperation memorandum of understanding with Eli Lilly and Company (NYSE: LLY) ("Lilly"), a global healthcare leader, to roll out a "fourth sales channel" solution for pharmaceutical companies by focusing on big data, e-prescriptions, doctor services, and patient education. Both parties will also jointly-develop innovative online medical insurance and pharmacy benefit management ("PBM") models.

According to the strategic cooperation memorandum of understanding, Lilly will leverage 111's cloud-based solutions for use in its online diagnosis, e-prescription, warehousing and distribution, patient services and support programs as well as optimize sample processing and distribution of new products to improve the customer experience. 111 will serve as Lilly's designated e-prescription platform in order to be in full compliance with regulations for prescription drug distribution through retail pharmacies and work to expand new retail channels such as private hospitals and pharmacies through its online B2B model.

On January 17<sup>th</sup>, 2019, China's General Office of the State Council officially issued the Pilot Program for the Centralized Purchasing and Use of Drugs by State Organizations ("the Program"), which became the primary procurement model for public hospitals and medical institutions nationwide. The Program's regulations mean that pharmaceutical companies will face a series of challenges including lower prices and restrictions on traditional distribution channels. The traditional market for end-users is suffering tremendously as a result of the reforms which has resulted in pharmaceutical companies developing new distribution strategies and channels. At present, there are three sales channels across mainland China: public hospitals, retail pharmacies, and primary care physicians. Working with 111 will allow Lilly to develop distribution channels outside these traditional channels rapidly.

Dr. Gang Yu, Co-Founder and Executive Chairman of 111, commented, "111's partnership with Lilly is highly significant and a great representation of our renowned reputation and capabilities in the market. As a leading enabler in the pharmaceutical ecosystem, 111 helps pharmaceutical companies to explore and develop new distribution channels outside of traditional hospitals and new retail strategies for both the pharmaceutical and healthcare industries. 111 will leverage its deep experience in smart supply chain management, cloud-based solutions, big-data analytics and professional medical capabilities to help pharmaceutical companies directly reach end customers by integrating online and offline channels."

Mr. Julio Gay-Ger, President and General Manager, Lilly China, stated, "111 is among the top in the industry in terms of the development and exploration of pharmaceutical new retail. Together we will fully leverage our respective competitive advantages in the healthcare and pharmaceuticals sector to improve distribution resources and technological innovation which will greatly improve drug accessibility and benefit the vast majority of Chinese patients."

According to the data from "2018 China Pharmaceutical Market Development Blue Paper", the growth of traditional pharmaceutical distribution channels is slowing. However, B2B and B2C channels made significant progress, and with the opening of government policies and the increase in support, the market share of online pharmaceutical companies will be more prominent in the future.

### About Eli Lilly and Company

Lilly is a global healthcare leader that unites caring with discovery to create medicines that make life better for people around the world. We were founded more than a century ago by a man committed to creating high-quality medicines that meet real needs, and today we remain true to that mission in all our work. Across the globe, Lilly employees work to discover and bring life-changing medicines to those who need them, improve the understanding and management of disease, and give back to communities through philanthropy and volunteerism.

To learn more about Lilly, please visit us at [www.lilly.com](http://www.lilly.com) and <http://newsroom.lilly.com/social-channels>.

### 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 [ir.111.com.cn](http://ir.111.com.cn)

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