

**Ping An Healthcare and Technology
Company Limited
2021 Annual Results**

March 2022



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**Industry
Overview**

**Performance
Highlights**

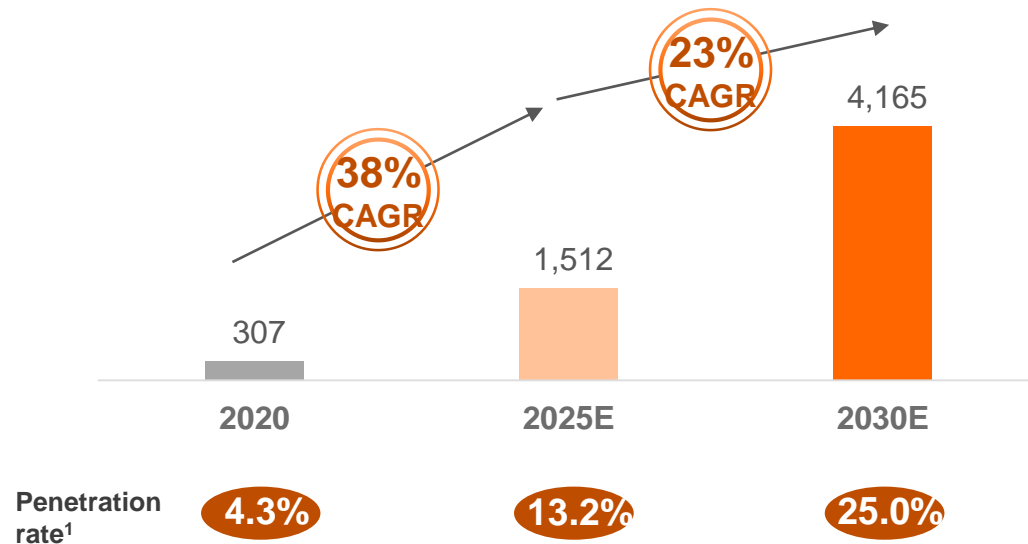
**Strategy 2.0
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Enormous Opportunity: Rapid and Sound Development of the Digital Health Industry

Rapid growth of China's digital health industry

(in RMB billion)



- Over **90%** of the respondents would like to choose online inquiry, online registration and online drug purchase in the coming year
- Over **80%** of the respondents would like to use remote medical consultation in the coming year

Policies driving sound development

Continued policy support

- According to the *14th Five-Year Plan for the Development of the Digital Economy* issued by the State Council, digital health will be **fostered as a new business form of digital economy**
- The National Development and Reform Commission (NDRC) joined forces with other departments to formulate the *Implementation Plan for Promoting New Types of Consumption*, **advocating the development of "Internet + Healthcare"**

Reinforced regulations and compliance

- The China's National Health Commission (NHC) worked together with the National Healthcare Security Administration (NHSA) to release the *Administrative Measures for Long-term Prescriptions (Trial)*, **highlighting the application of Internet technology to the administration of long-term prescriptions** from multiple aspects
- The NHC promulgated the *Opinions on Online Diagnosis and Treatment (Draft for Comment)*, toughening requirements for the industry in respect of **regulatory responsibilities as well as regulation of medical institutions, personnel, business, quality and safety**
- The market expects that **regulatory measures for online drug sales** will also be adopted

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Performance Highlights

1

Customer acquisition and retention



- Steady growth in cumulative registered users, paying users, and cumulative consultations
- Tiered products for different types of users
- Improvement in user stickiness

2

Service capabilities



- Family doctor memberships
- Compliance and quality control

3

Commercialization



- Multiple means to monetization
- Competitive moat

4

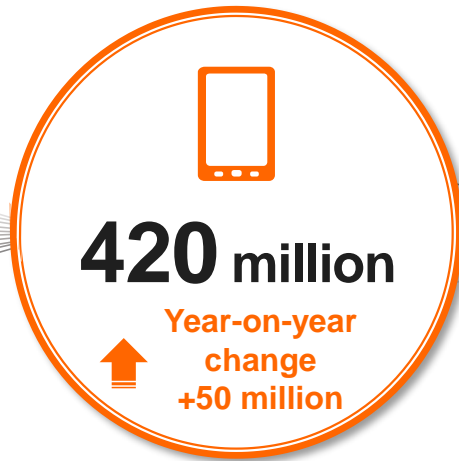
Ecosystem empowerment



- Customers
- Products
- Technologies

1

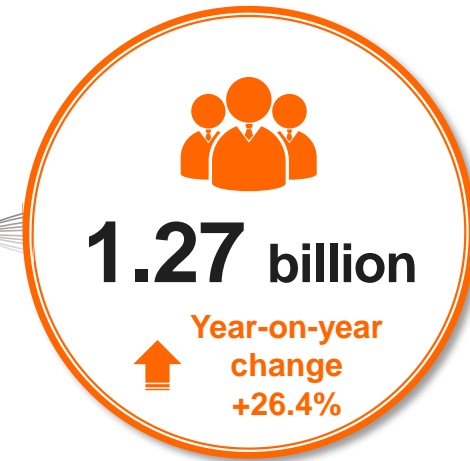
Customer Acquisition and Retention: Steady Growth in Cumulative Registered Users, Paying Users and Cumulative Consultations



Cumulative registered users¹



LTM Paying users²



Cumulative consultations³

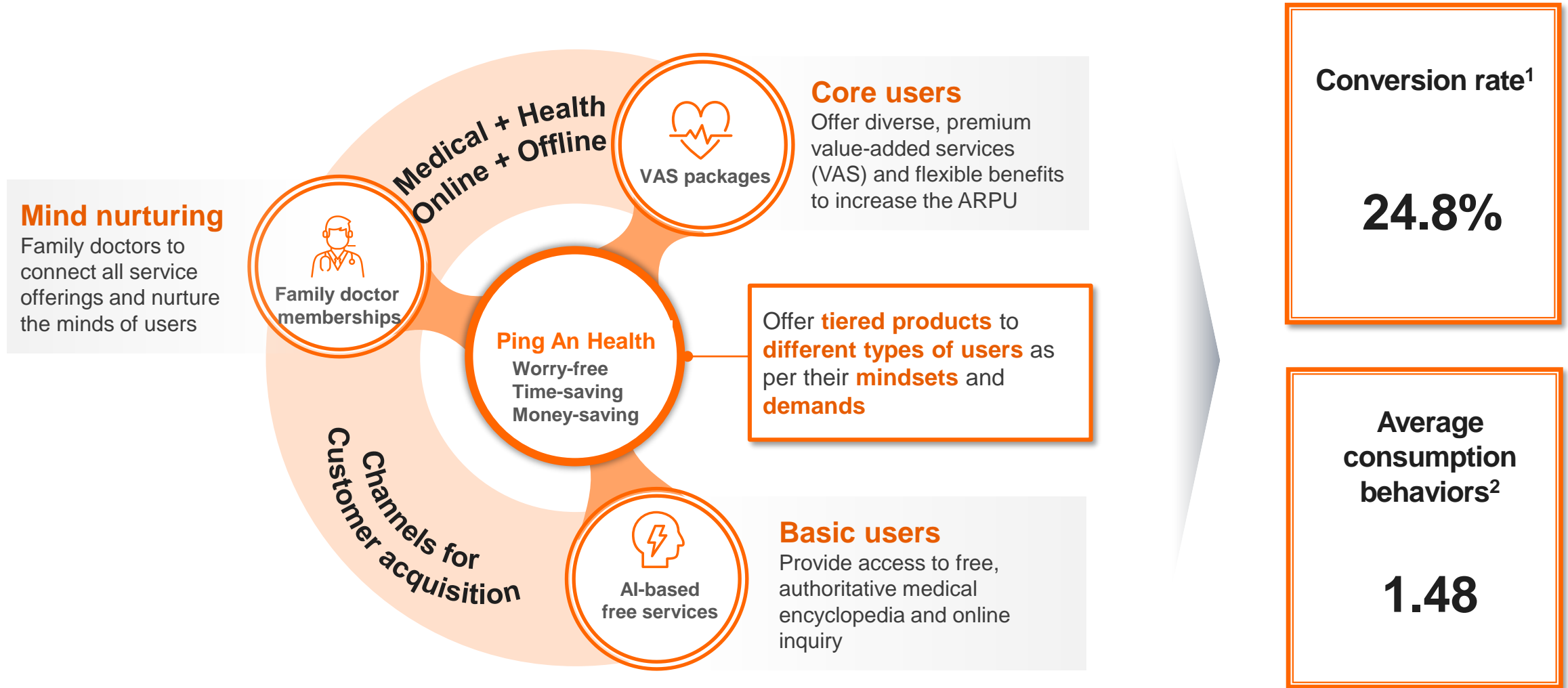
Note: * LTM Data as of 31 December 2021 versus LTM data as of 30 June 2021

1. As of 31 December 2021, 46.2% of cumulative registered users were from the plug-in of Ping An Group.

2. LTM paying users refer to those who purchased our products or services on our platform through mobile apps, plug-ins, WAP or other channels at least once in the 12 months from 1 January 2021 to 31 December 2021.

3. All cumulative consultations of the Company as of 31 December 2021.

Customer Acquisition and Retention: Keeping Improving User Stickiness by Offering Tiered Products to Different Types of Users

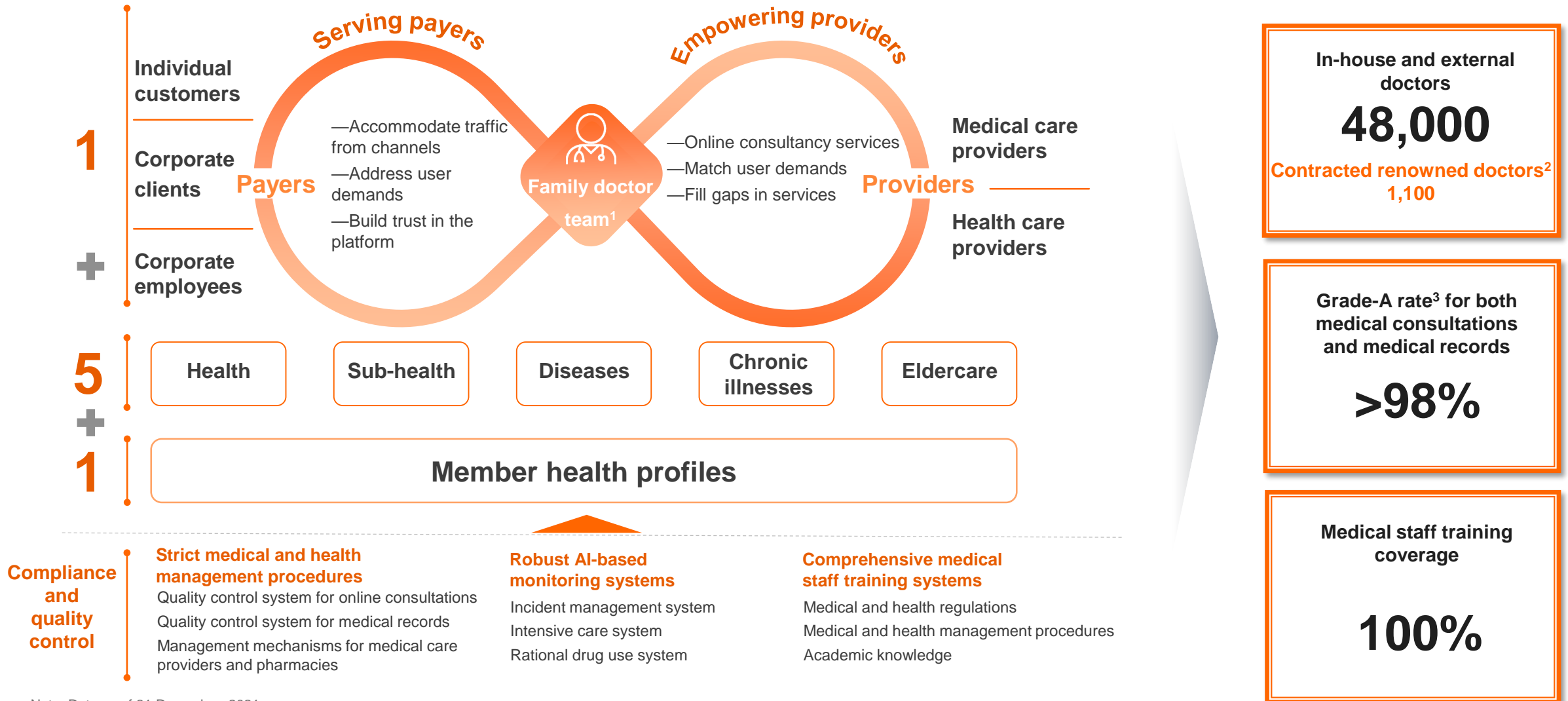


Note: Data as of 31 December 2021

1. Conversion rate of paying users refers to the number of paying users/ the number of active users in the current month of December 2021.

2. Three types of behaviors refer to medical consultation, online shopping, and purchase/ fulfillment of health services.

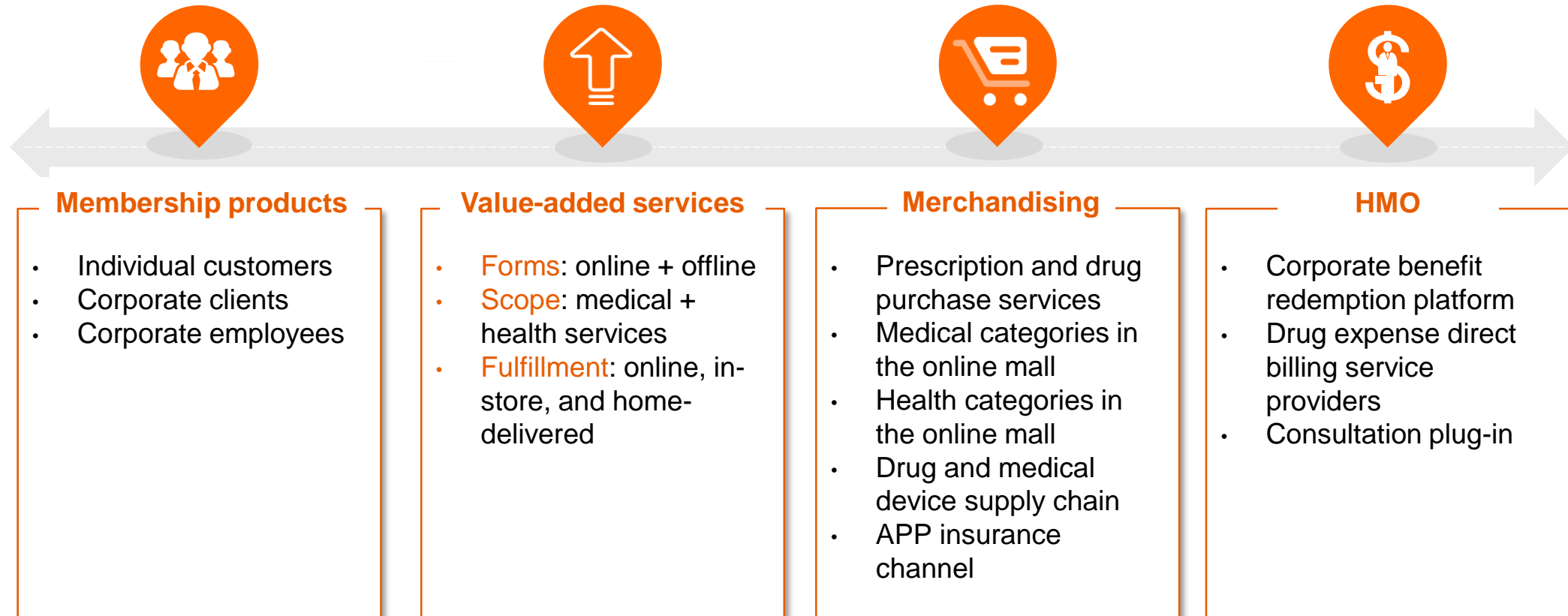
Service Capabilities: Upgrading Services with Family Doctor Memberships and Compliance and Quality Control Initiatives



Note: Data as of 31 December, 2021

- Family doctor team refers to Ping An Health's AI-based medical assistance system, in-house and external doctors as well as health management specialists, nutritionists, and counseling psychologists.
- Renowned doctors include the CAS (Chinese Academy of Sciences) and CAE (Chinese Academy of Engineering) academicians, members of CAMS (Chinese Academy of Medical Sciences) Academic Divisions, and academic leaders of Top 10 Specialties on the ranking list issued by Hospital Management Institute of Fudan University. TCM renowned doctors include CAS and CAE academicians or master TCM doctors, 100 National Famous TCM Doctors, Qi & Huang Scholars, academic leaders of China's TCM Schools, or academic leaders of key specialties.
- The proportion of Grade-A patient medical records per unit of time to total medical records over the same period.

Commercialization: Building a Competitive Moat through Multiple Means to Monetization



Ping An Group healthcare ecosystem
Family doctor memberships

Healthcare Ecosystem: Ping An Group Empowering Customers, Products, and Technology

Customers



225 million retail financial customers
70 million employees of large/medium-sized enterprises channeled through Ping An Group¹

Products



Closer integration with financial services of Ping An Group, with a **project coordination mechanisms** established
 Create **heartwarming financial services**

Technology



Remote diagnosis and treatment covering **2,000+** diseases
99%+ AI-enabled triage accuracy, and **95%+** AI-assisted diagnosis accuracy
 Five medical databases being the **largest** in the world²



Note: Data as of 31 December 2021

1. Enterprises with the headcount and registered capital of at least 500 and RMB500 million respectively.

2. Medical products database, disease database, prescriptive medicine database, personal healthcare database, and medical resource database.

Source: Q3 2021 Report of Ping An

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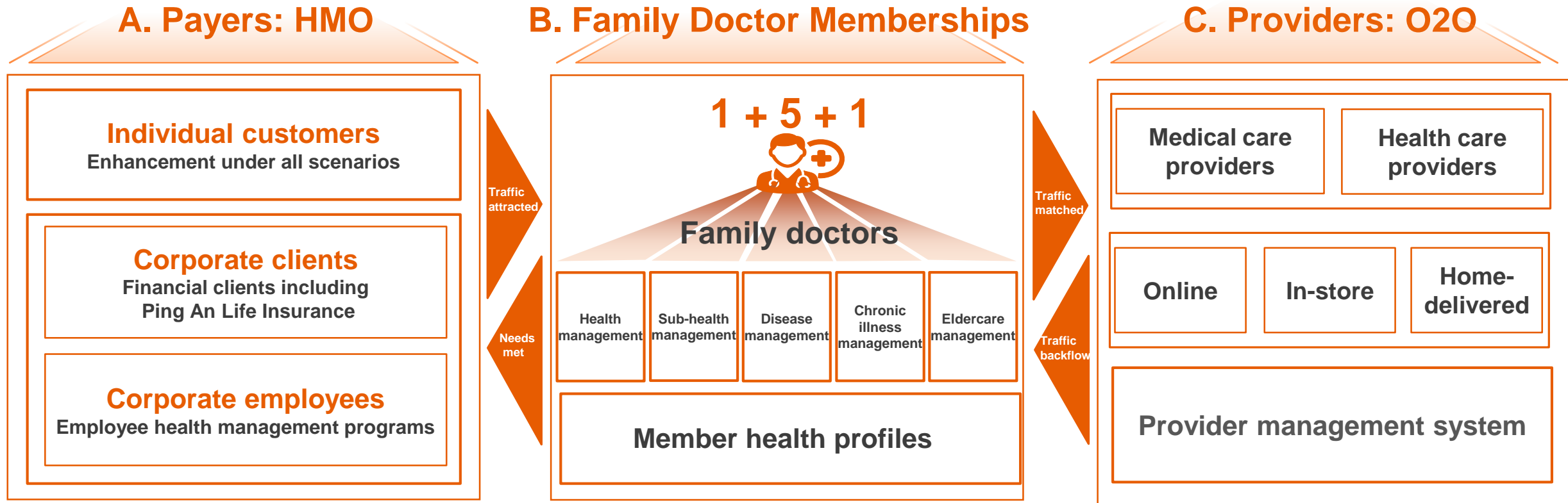
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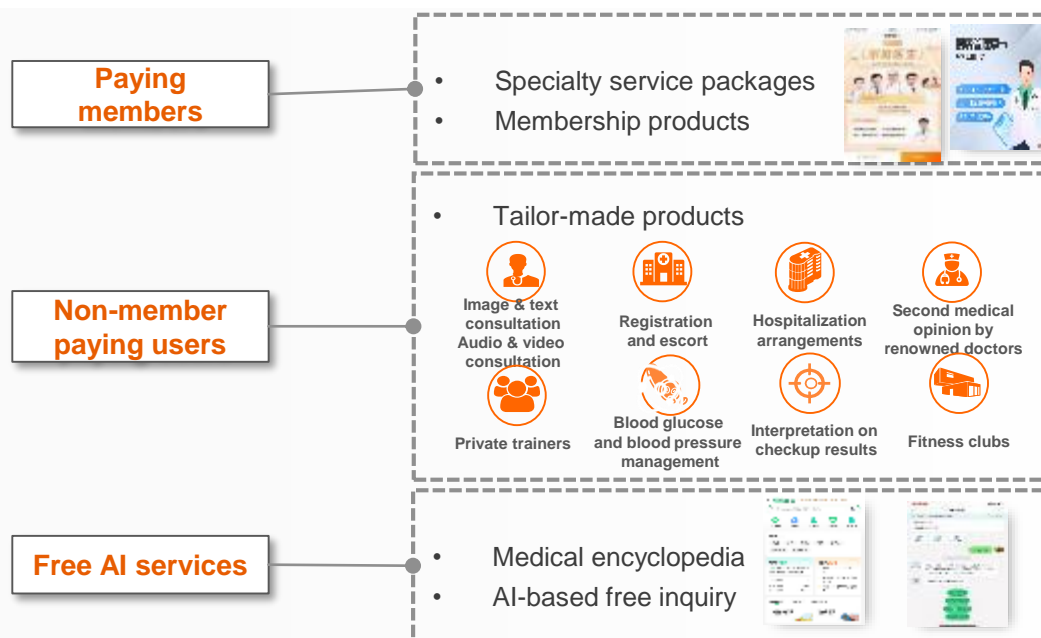
Strategy 2.0 Continuum: HMO + Family Doctor Memberships + O2O

Value proposition: worry-free, time-saving, and money-saving



HMO - Individual Customers: Focusing on User Quality

Full application of charged medical consultations



Upgrade in service experience

- Improve post-treatment patient management
- Highlight medical services



Cut in user acquisition costs

- Avoid costly, non-targeted user acquisition
- Refine operation of the existing users



Paying rate¹

23.1%

↑ +19.1 pps

VAS paying rate²

22.2%

↑ +12.9 pps

Five-star review rate

97.2%

↑ +1.4 pps

Note: Data as of 31 December 2021. The comparative data is based on daily average data before and after adding membership-based services.

1. Paying rate: the proportion of paid consultations to total consultations.

2. VAS paying rate: the number of purchases of value-added services (VAS) such as drugs, products, or service packages to the number of paid consultations.

HMO - Corporate Clients: Accelerating Service Coverage among Financial Customers of Ping An Group

Diverse products to cover 225 million retail financial customers of Ping An Group

Ping An Life Insurance	Zhen Xiang Run	Cover critical illness insurance policyholders by incorporating a basic product package into their policies
	Consultation plug-in	Provide plug-in consultation services for users of Ping An Life Insurance
Ping An Health Insurance	E Sheng Bao Outpatient Package	Create a closed-loop medical care system
Ping An Property & Casualty Insurance	Online consultation services and drug coupons	Provide one-stop services of online consultations and drug coupons
Ping An Bank Ping An Puhui		Empower "heartwarming finance"

For Ping An Health

Growth in paying users



Increase of APRU

For Ping An Group

Recruitment



Customer acquisition

Upselling



Conversion

Example: Ping An Zhen Xiang Run

Zun Xiang Run Plus

Health management services

Zun Xiang Run

Real-time audio & video consultation benefits

Le Xiang Run

Profile management for critical illnesses

Medical and health benefits incorporated into the policies

HMO - Corporate Employees: One-stop Health Management Programs that are Systematic, Professional and with Brilliant Resources

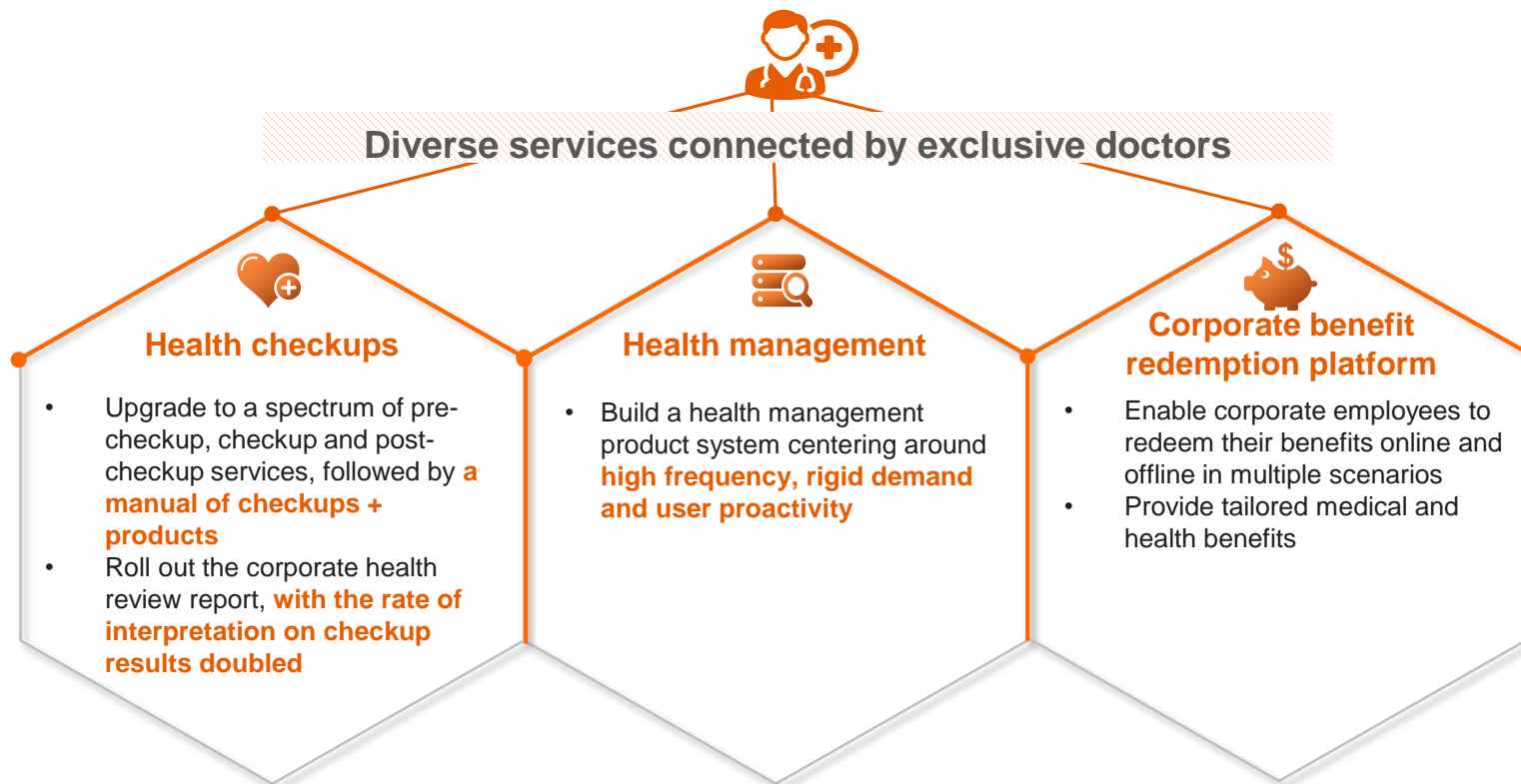


Growing recognition: High-quality medical and health services serve as the best avenue to enhance employees' health and satisfaction

Global experience: over **90%** of personal health management expenditures are covered by enterprises and commercial insurers in the U.S.

Paying capacity: **5%** of wages disburseable on supplementary medical insurance, **14%** of wages disburseable on employee benefits, and **2%** of wages disburseable on labor union funds

Key pain points: lack of systems, less efficient and few resources



Total number of corporate clients served¹

>520

Number of corporate employees and customers covered

>1 million

Potential market of corporate employees²

310 million

70 million channeled through Ping An Group

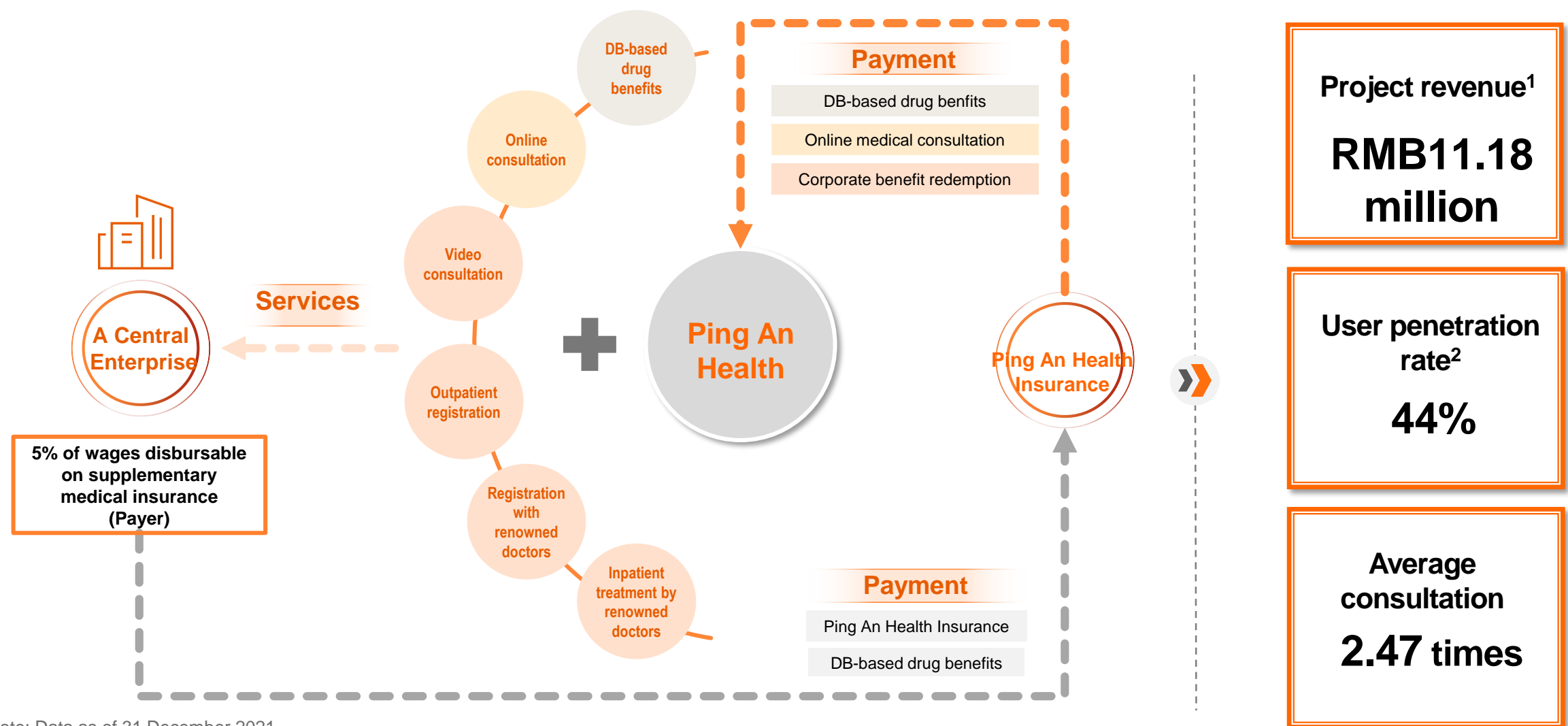
Note: Data as of 31 December 2021

1. Payment amount more than RMB20,000.

2. The number of employees in Central Enterprises, State-owned Enterprises, and Private Enterprises (excluding Private Enterprises in Rural China and all Individually Owned Enterprises).

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HMO - Corporate Employees - Case: HMO Direct Billing (DB) Service for a Central Enterprise



Note: Data as of 31 December 2021

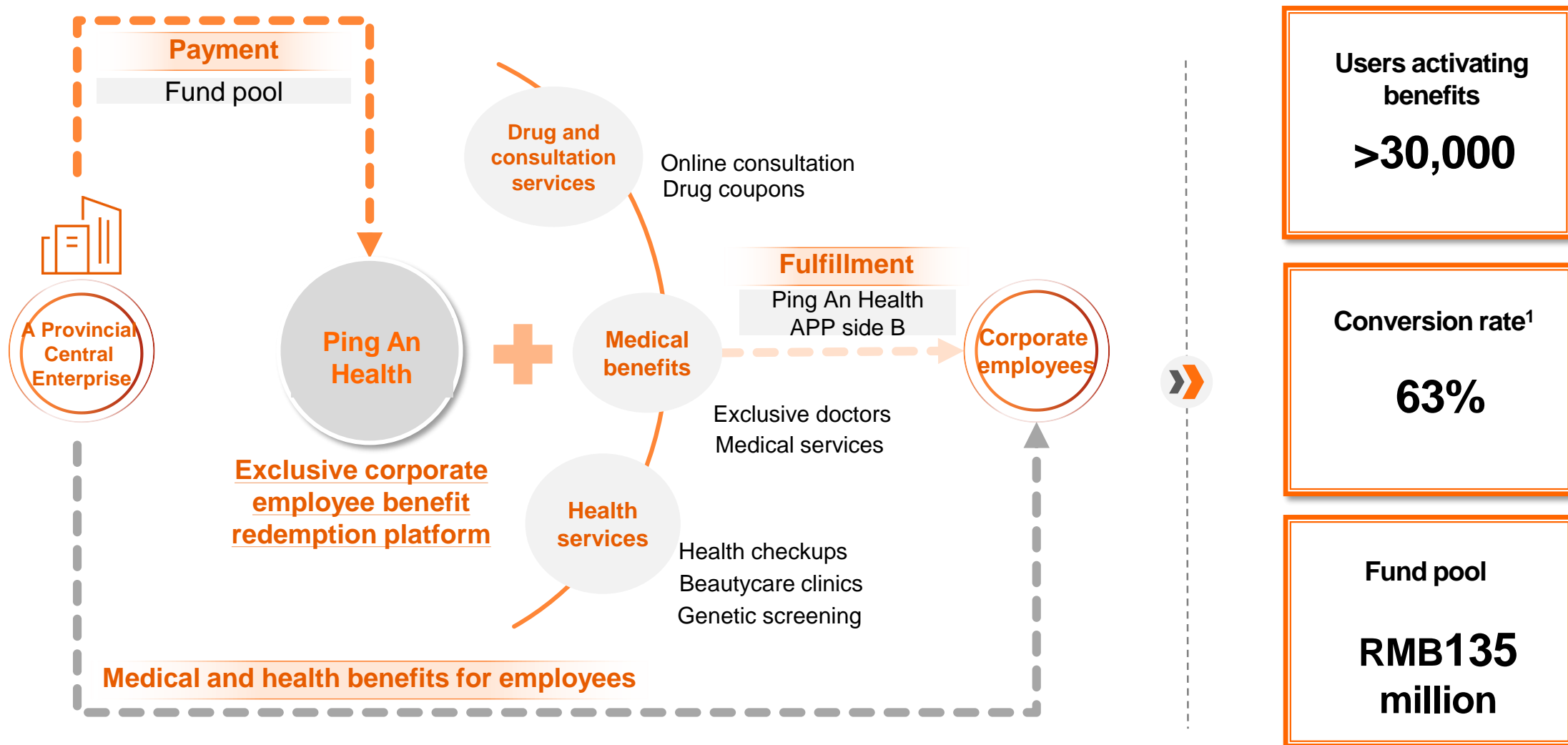
* For outpatient registration, registration with renowned doctors, and inpatient treatment by renowned doctors, Ping An Health is to help make arrangements, and offline medical care providers are to render specific medical services.

1. It includes revenue from DB-based drug benefits, the corporate benefit redemption platform, and online medical consultation.

2. User penetration rate refers to the number of those who purchased drugs or used services online / the total number of those who received benefits.

A

HMO - Corporate Employees - Case: Corporate Employee Benefit Redemption Platform for a Provincial Central Enterprise

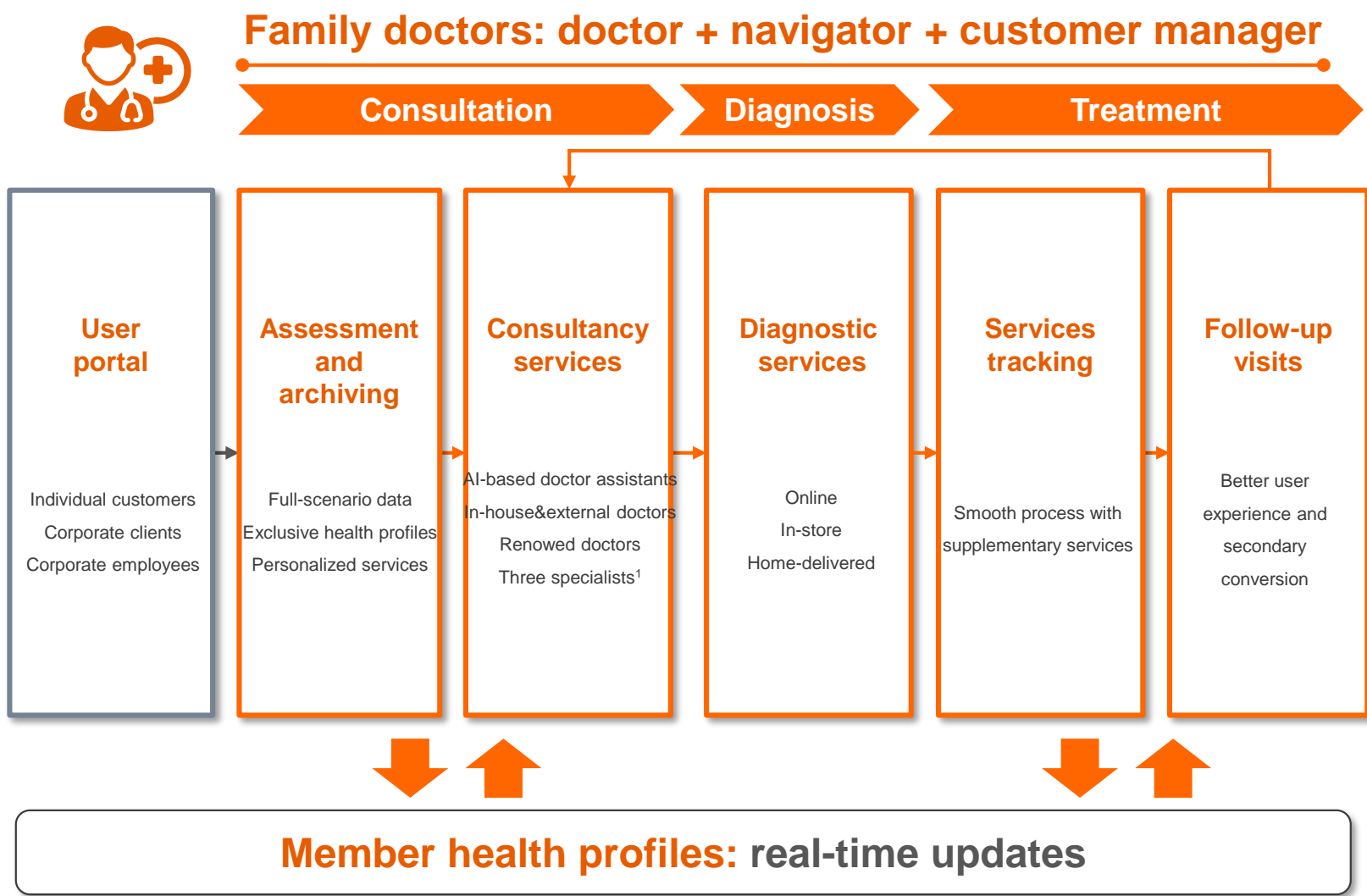


Note: Data as of 31 December 2021

*Ping An Health facilitates the medical services, health checkups, medical beauty and genetic screening services, which are provided by offline providers

1. Conversion rate refers to the number of service users / the total number of employees

Family Doctor Memberships: Access to Exclusive Medical and Health Services



60-second response of family doctors

99%

60-second response of three specialists¹

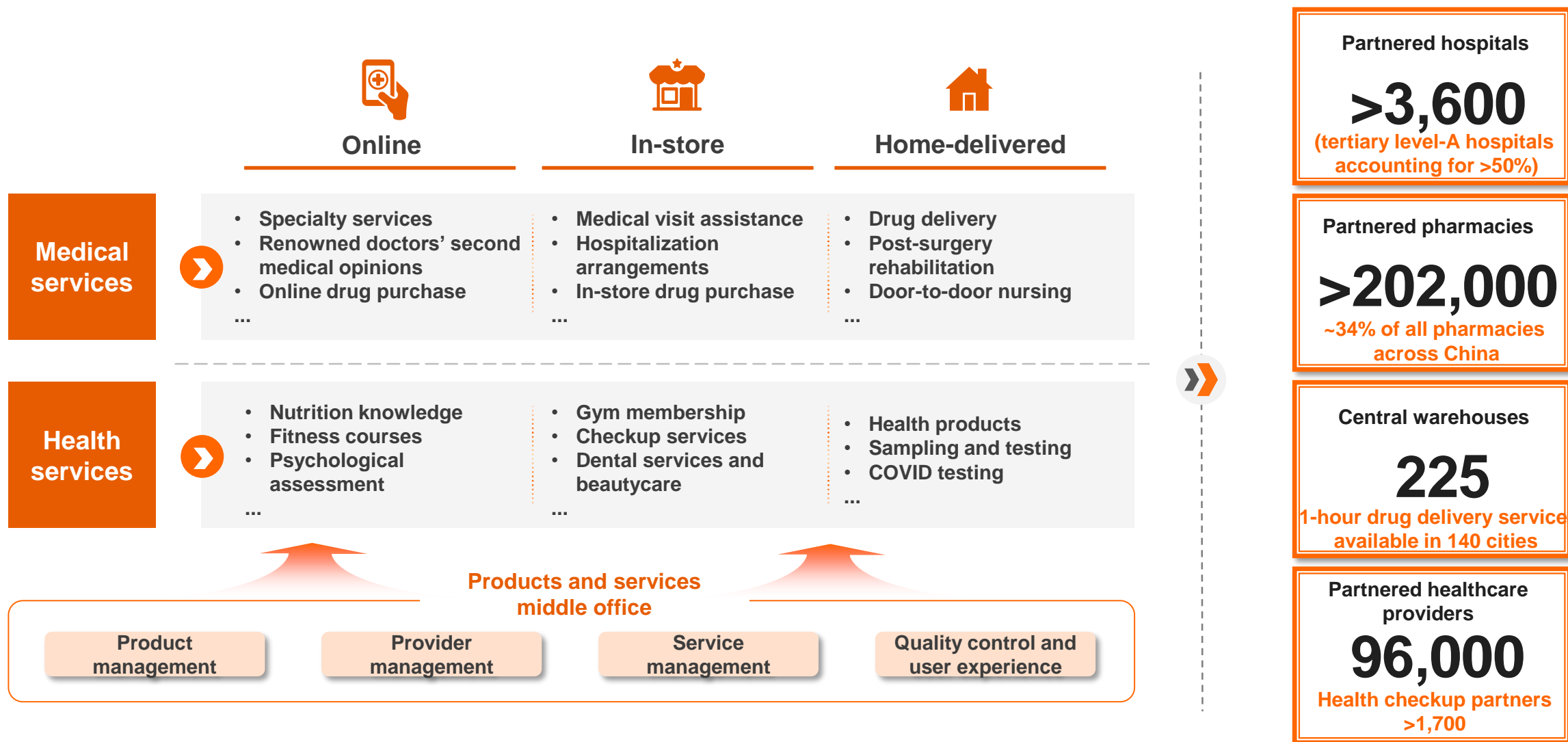
95%

Health profile tags

>2,000

Note: Data as of 31 December, 2021
1. Three specialists refer to health management specialists, counseling psychologists and nutritionists.

Providers-O2O: Continuing to Upgrade the O2O Services System



Note: Data as of 31 December, 2021

1. Including medical beauty clinics, traditional Chinese medicine clinics, and dental clinics.

Corporate Social Responsibility: MSCI ESG Rating Upgraded to A



Emphasize data security and privacy protection

- Annual review of ISO 27001
- ISO 27701 certification

Leverage technological means to extend the coverage of premium medical resources

- Play a part in Ping An Group's "Ping An Health Protection Initiative"
- Help improve the basic healthcare service in needy regions by donating quantities of medical supplies and services

Spread medical knowledge

- Support the 2021 First Science Popularization Contest for Doctors
- Encourage heartwarming healthcare and healthy lifestyles

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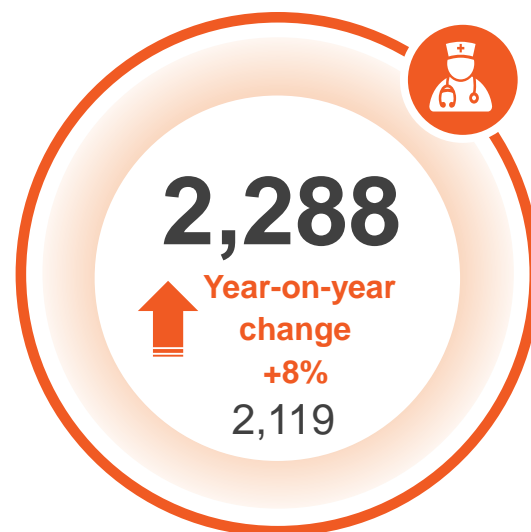
**Financial
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Steady Growth in Revenue from Core Medical Services

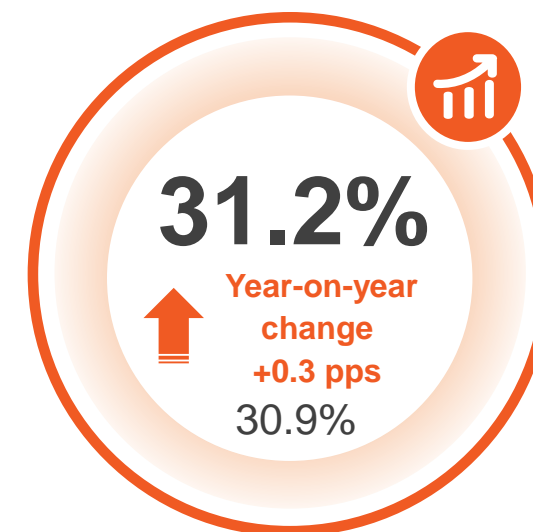
(in RMB million)



Total revenue



Medical service revenue



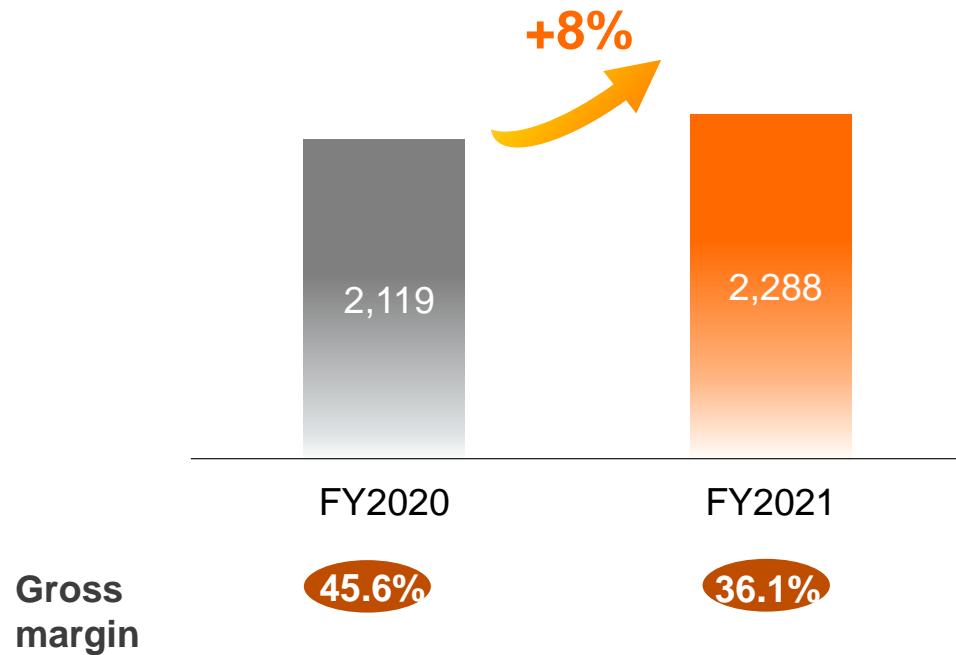
Medical service revenue as a percentage of total revenue



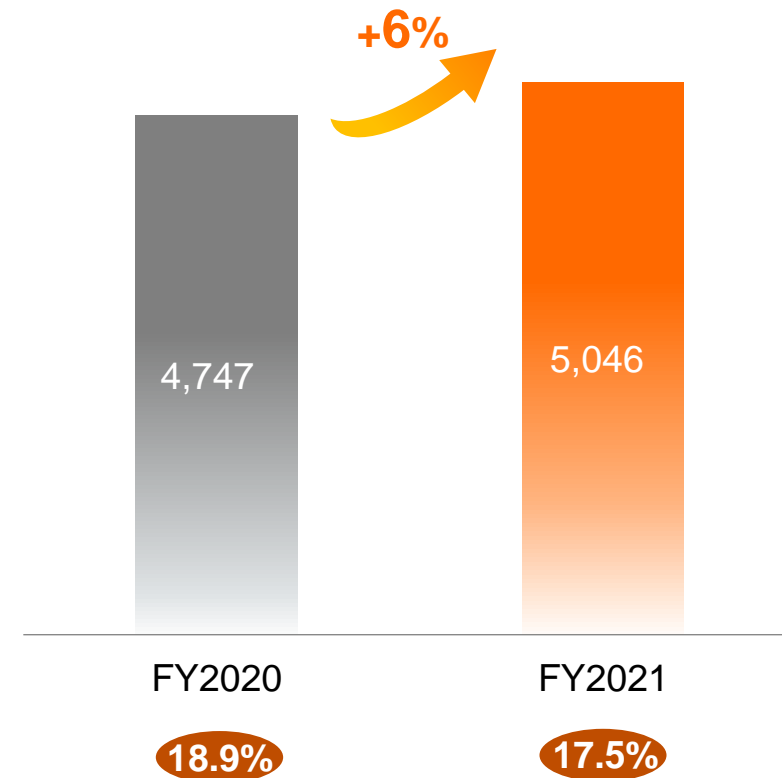
Continuing Business Growth with Steady Improvement in Quality

(in RMB million)

Medical Service



Health Service

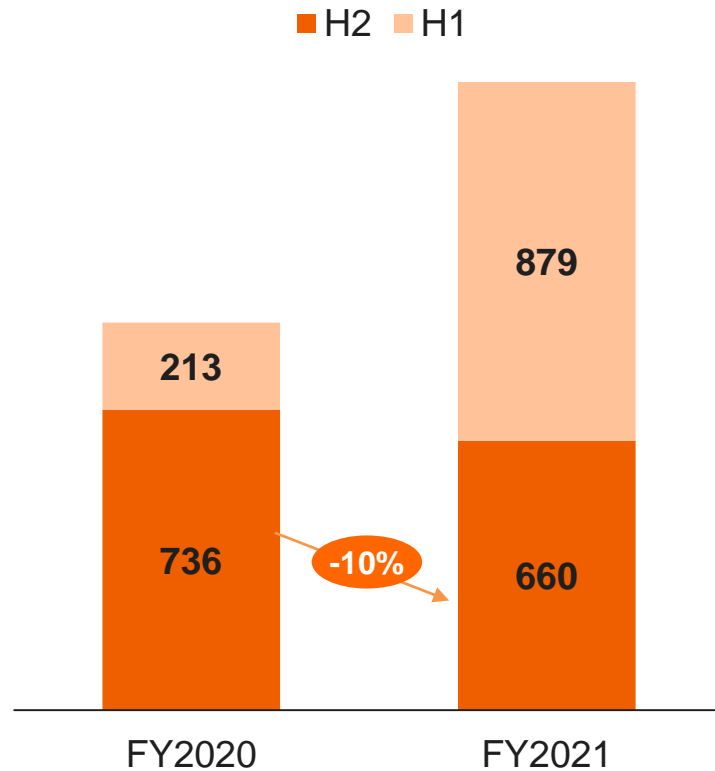




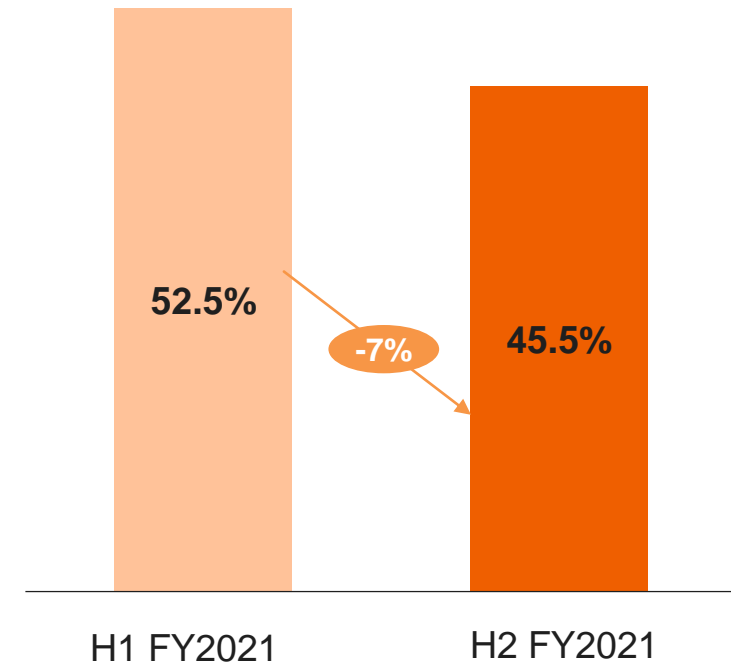
Loss Reduction via Strict Cost Control under Strategy 2.0 Continuum

(in RMB million)

Narrowing net loss year on year in 2H



Lower expense ratio compared with 1H





Appendix — 2021 Income Statement

(in RMB million)

	2021	2020	Year-on-year change
I. Revenue	7,334	6,866	7%
II. Cost of sales	(5,627)	(5,002)	12%
III. Gross profit	1,707	1,864	(8%)
IV. Selling and marketing expenses	(1,757)	(1,587)	11%
V. Administrative expenses	(1,846)	(1,017)	82%
VI. Other income	275	205	34%
VII. Other gains – net	(22)	(385)	N/A
VIII. Finance income – net	159	100	59%
IX. Share of profits and losses of associates and joint ventures	(39)	(122)	N/A
X. Income tax expenses	(16)	(7)	N/A
XI. Net profit (loss)	(1,539)	(949)	N/A
XII. Net operating profit (loss)	(1,417)	(516)	N/A

Note: year-on-year change is consistent with the results of thousand per unit in annual report.

Cautionary Statements Regarding Forward-looking Statements

To the extent any statements made in this report contain information that is not historical, these statements are essentially forward-looking. These forward-looking statements include but are not limited to projections, targets, estimates and business plans that the Company expects or anticipates will or may occur in the future. These forward-looking statements are subject to known and unknown risks and uncertainties that may be general or specific. Certain statements, such as those containing the words or phrases “potential”, “estimates”, “expects”, “anticipates”, “objective”, “intends”, “plans”, “believes”, “will”, “may”, “should”, and similar expressions or variations on such expressions may be considered forward-looking statements.

Readers should be cautioned that a variety of factors, many of which are beyond the Company’s control, affect the performance, operations and results of the Company, and could cause actual results to differ materially from the expectations expressed in any of the Company’s forward-looking statements. These factors include, but are not limited to, exchange rate fluctuations, market shares, industry competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions and other risks and factors beyond our control. These and other factors should be considered carefully and readers should not place undue reliance on the Company’s forward-looking statements. In addition, the Company undertakes no obligation to publicly update or revise any forward-looking statement that is contained in this report as a result of new information, future events or otherwise. None of the Company, or any of its employees or affiliates is responsible for, or is making, any representations concerning the future performance of the Company.