



2019 ANNUAL REPORT

平安健康醫療科技有限公司

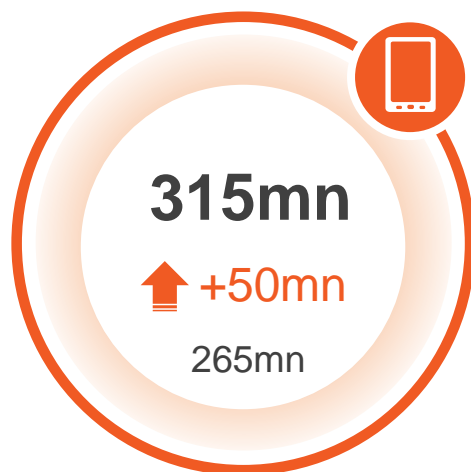
PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED



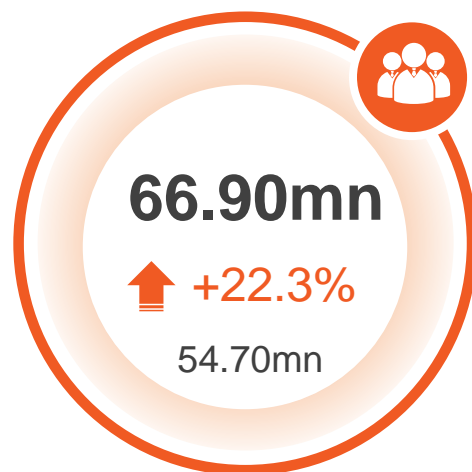


Operation Highlights

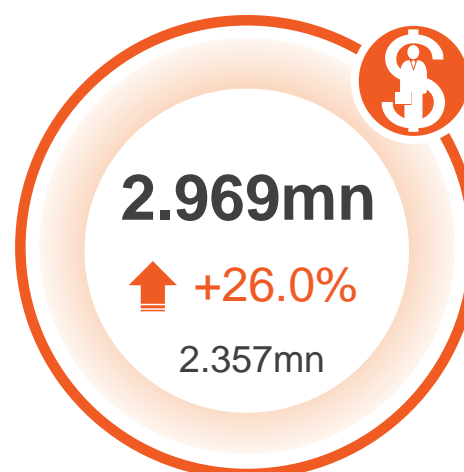
Operational Metrics New High & Accelerating Monetization



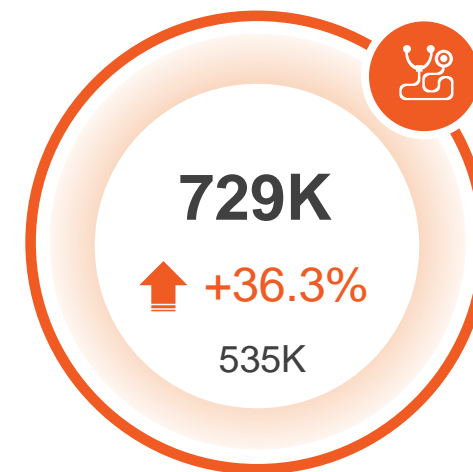
Registered Users¹



MAU²



MPU^{2, 3}



Average Daily Consultations⁴

Note:
The above 22.3%, 26.0% and 36.3% refer to year-on-year growth. The above 50 million refers to the increase during the past 12 months from 31 December 2018 to 31 December 2019

1. As at Dec. 31, 2019, users from the plug-ins of Ping An Group account for 50.8% of total number of registered users

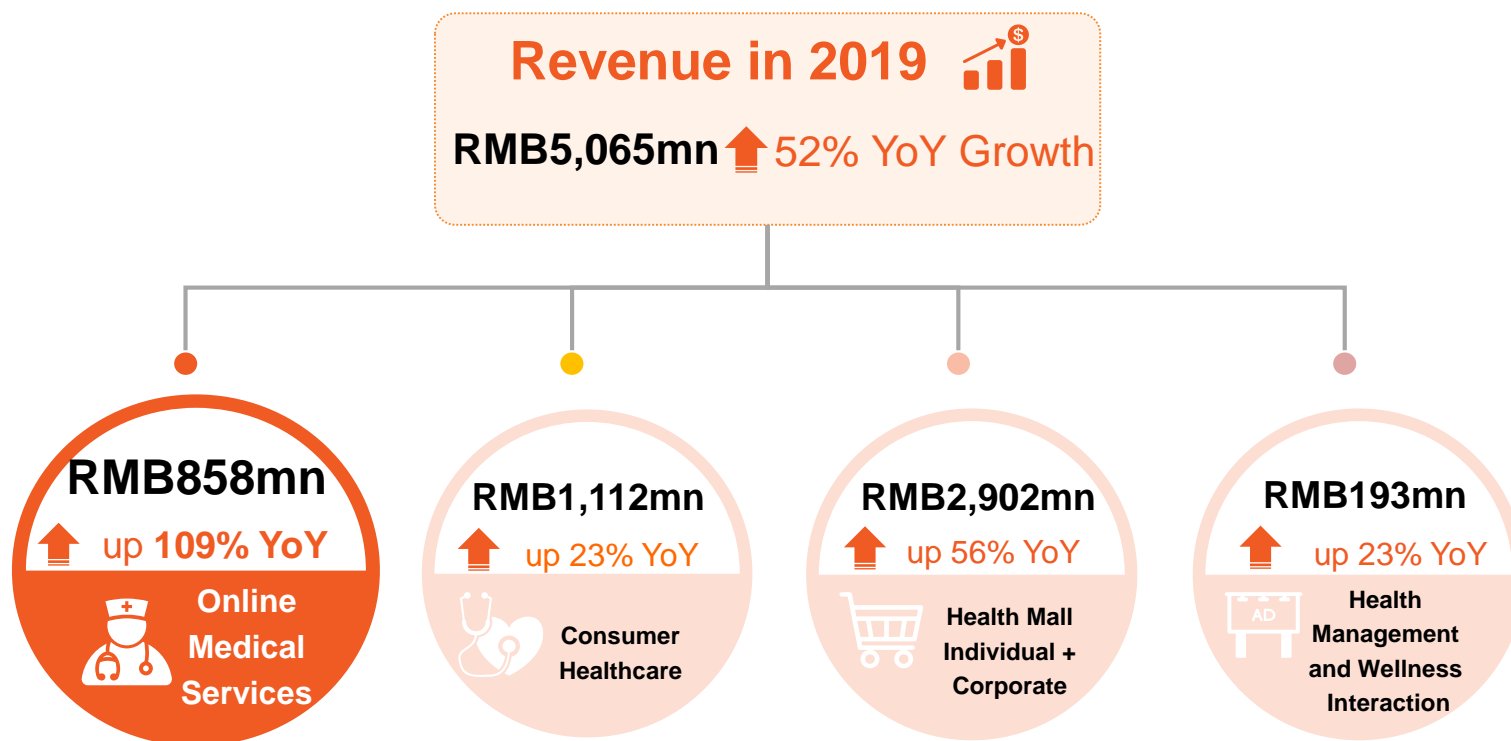
2. MAU (monthly active users) and MPU (monthly paying users) refer to users who access or purchase our services or products on our platform through mobile apps, WAP or plug-ins at least once in December 2018 and December 2019

3. The annual average conversion rate of paying users increased to 4.0% in 2019 from 3.6% in 2018

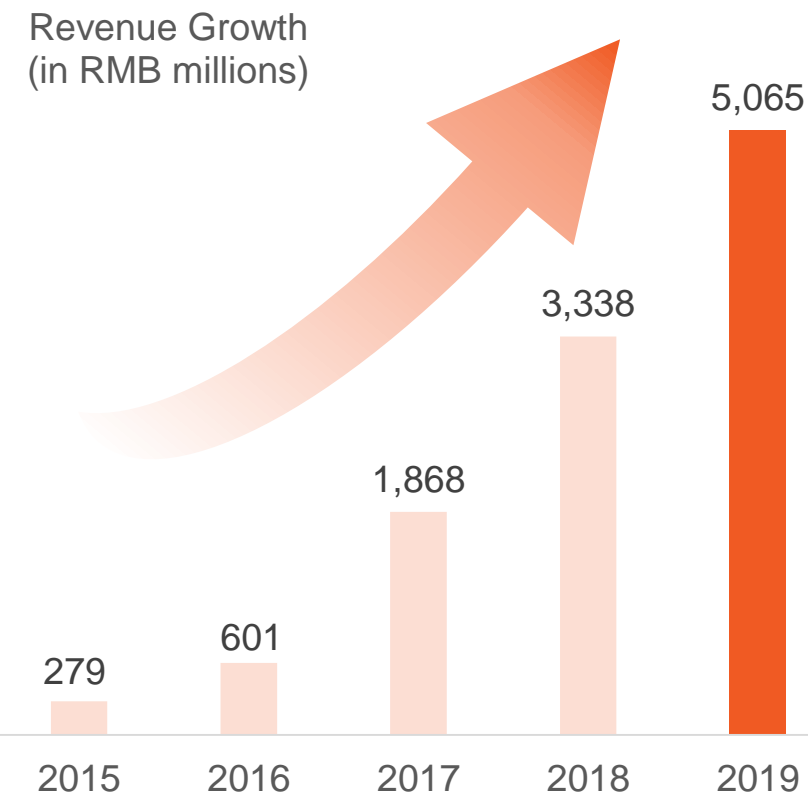
4. Average daily consultations refer to the number of average daily consultations in 2019

Strong Revenue Driven by Remarkable Core Businesses Performance

Revenue Mix



CAGR106%

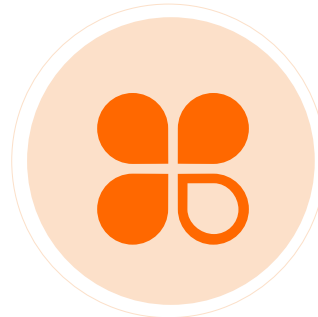


AI Technology Empowering Doctors and Elevating Medical Services



In-house Medical Team

- **1409** members
- Certified by BSI/ISO
- **24x7** online services



Large-scale Application

- Nearly **730,000** average daily consultations
- Over **670 million** accumulated online consultations
- In-house medical team coverage of **22** departments



Intelligence Systems

- Smart Severe Disease Monitoring System
- Prescription Automatic Screening System
- Smart Medical Safety Monitoring Platform
- AI-based Diagnosis System



Excellent Operations

- **315 million** registered users
- **66.90 million** MAUs
- User satisfaction reached **98%**



COVID-19: Online Healthcare Demand Surging

COVID-19: Online Healthcare Advantages Standing Out



Online Healthcare Advantages



Avoid close contact with suspected group.

-- WHO



Susceptible people should avoid visiting crowded places.

--National Health Commission



Give full play to unique advantages of online hospitals and online medical consultation; encourage online consultation for common disease, and follow-up visit for chronic diseases as well as drug delivery service.

--National Health Commission Office

Best Choice Online Consultation



No Contact



No Cross-infection



24/7 Service



Quick Drug Delivery

Rapid Response and Comprehensive Support



In-house Doctors | Professional Command Center

- Set up a specialized group for novel coronavirus prevention and control in 24 hours
- Launch an dedicated portal for epidemic-related consultation
- Build an online consultation prevention mechanism



Online Consultation

- Assist governments with online medical consultation and hotline
- Provide online consultation services on multiple third-party apps



Drug Supply Guarantee

- Ensure sufficient supply of drugs and healthcare products on health mall



Material Aid

- Donated 450k masks instantly to Wuhan and other medical institutions across the country
- Millions masks distribution project to people in China



Online Epidemic Education


- Online video educational programs held by renowned doctors regarding epidemic prevention and control
- Cooperate with Beijing Medical Doctor Association

COVID-19: Government Collaboration to Fight Epidemic



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 **Rapidly assist 56 provinces and local governments**

 **Provide real-time online medical consultation and special epidemic medical consultation hotlines**



Note : Map and location points are for demonstration only

1. Governments' cooperation ranked by signing date
2. Wuhan Health Committee was the first government partner of our company
3. Beijing Medical Doctor Association represents Beijing Medical Doctor Association Expert Consultation Center

Government Partners (Latest update: Feb.9th)

Jan.25 Wuhan Health Committee ²	Feb.4 Hangzhou Citizen Card	Feb.6 Dongying Healthcare Security Bureau
Jan.28 Beijing Medical Doctor Association	Feb.4 Rizhao Healthcare Security Bureau	Feb.6 Yantai Healthcare Security Bureau
Jan.28 Guangdong Provincial Institute of Clinical Medicine	Feb.4 Henan Appointment Registration Online	Feb.6 Jining Healthcare Security Bureau
Jan.28 Fuzhou Health Committee	Feb.4 Tianjin High-tech	Feb.6 Kaifeng SASAC
Jan.28 Chongqing Health Committee	Feb.4 Qianxi Nanzhou Healthcare Security Bureau	Feb.7 Guangdong HR Association
Jan.29 Quzhou Health Committee	Feb.5 Hebei Healthy Hebei	Feb.7 Weifang Healthcare Security Bureau
Jan.29 Hefei Health Committee	Feb.5 Chongqing Yuzhong Health Committee	Feb.7 Zunyi Healthcare Security Bureau
Jan.29 Haian Health Committee	Feb.5 Wuxi Citizen Card	Feb.7 Jiujiang Health Committee
Jan.30 Tangshan Healthcare Security Bureau	Feb.5 Taizhou Health Committee	Feb.7 Fushun Health Committee
Jan.30 Chengdu High-tech	Feb.5 Jiangsu Medical Insurance Research Association	Feb.9 Dongguan Emergency Management Bureau
Jan.31 Hubei E Hui Office	Feb.5 Shahe Healthcare Security Bureau	Feb.9 Wuxi Administrative Examination and Approval Bureau
Jan.31 Guangdong Health Committee	Feb.5 Jinan Big Data Bureau	Feb.9 Suqian Health Committee
Jan.31 Shenzhen Smart Life	Feb.5 Xian Health Committee	Feb.9 Hebei Security Housing Association
Jan.31 Zhuhai Smart Life	Feb.5 Puyang Healthcare Security Bureau	Feb.9 Daning Health and Sports Bureau
Jan.31 Shanxi Evening Newspaper	Feb.5 Wannian Health Committee	Feb.9 Chengdu Health Committee
Feb.1 Fujian Min Zheng Tong APP	Feb.6 Yonghe Bureau of Public Health	Feb.9 Hancheng Health Committee
Feb.1 Ningxia Yinchuan Big Data Bureau	Feb.6 Zaozhuang Healthcare Security Bureau
Feb.2 Nanjing My Nanjing APP		
Feb.2 Heilongjiang Health Committee		
Feb.3 Zibo Health Committee		
Feb.3 Yinchuan Health Committee		
Feb.4 Huanggang Health Committee		

COVID-19: Joint Efforts with Various Entities

30+ Industry Leaders



Direct Connection; 24/7 Online Medical Consultation



Real-time Epidemic Dynamics; Medicare Knowledge Education



Various Platforms collaboration to boost traffic

Note: The above third-party partners are arranged randomly without any preference

COVID-19: Comprehensive Contents Attracting Massive Traffic



Accumulated Media Reports
1,957

Accumulated Media Exposure
494mn+



Accumulated views of relevant videos
98.86mn



COVID-19: Strong User Feedback and Explosive Traffic Volume



Accumulated Visits¹
1.11 bn



Accumulated New Registered Users²
10 times



Daily Consultations by New Registered Users on APP³
9 times

Notes:

1. The statistics period is between Jan. 20, 2020 and Feb. 10, 2020.
2. Accumulated new registered users time is the average statistic of Jan. 22 – Feb. 6 2020 divided by average statistic of Jan. 1-Jan. 21, 2020
3. Daily consultation by new registered users time is the average statistic of Jan. 22 – Feb. 6 2020 divided by average statistic of Jan. 1-Jan. 20, 2020



Strategy Execution

Favorable Policies Driving Industry Development



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Industry Regulations

The content of core industry policies gradually became clearer after the release of the *Administrative Measures for Internet Hospitals (for Trial Implementation)*, the *Administrative Measures for Internet-based Consultations (for Trial Implementation)*, and the *Regulations for the Management of Telemedicine Services (for Trial Implementation)*.

September 2018

First Official Clarification

In June 2019, the General Office of the State Council issued the *Key Tasks in 2019 for Deepening the Reform of the Healthcare System*, noting that Internet-based healthcare can be covered by Social Health Insurance (SHI).

June 2019

Online Prescription Drug Sales

The Standing Committee of the 13th National People's Congress voted to pass the newly revised the *Pharmaceutical Administration Law of the People's Republic of China*, allowing the online distribution of prescription drugs under certain conditions.

August 2019

Implementation of SHI Payment Policy

National Healthcare Security Administration promulgated the *Guidelines on Improving Prices of "Internet +" Medical Services and Social Health Insurance Payment Policies* to set the industry standard for online medical service which includes in medicare payment, and fair price mechanism for online and offline medical services in the form of regulation.

End of August 2019

Determined Encouragement

In the notice issued by the General Office of the National Health Commission on the prevention and control of 2019 novel coronavirus, it is clearly stated that the unique advantages of Internet hospitals and online consultation should be brought into full play, and online consultation for certain common diseases, follow-up visit for chronic diseases, and drug delivery service, are encouraged to be carried out online.

February 2020

Ecosystem Empowerment: Technology + Operations Facilitating Internet Healthcare Platform Projects



Strong Local Demand

Fuzhou Healthcare Overview

- Population: **7.74 million**
- Annual Consultations: **47.37 million**
- Over **137** hospitals and primary medical institutes
- Only **2.59** physicians per thousand people
- Only **2.96** nurses per thousand people
- **Rapid response to public health emergencies**



The First Platform in China

Ping An Good Doctor cooperating with Fuzhou Government to build a Regional Internet Hospital Service Platform



Unique Strengths of Ping An Good Doctor

Internet hospital construction

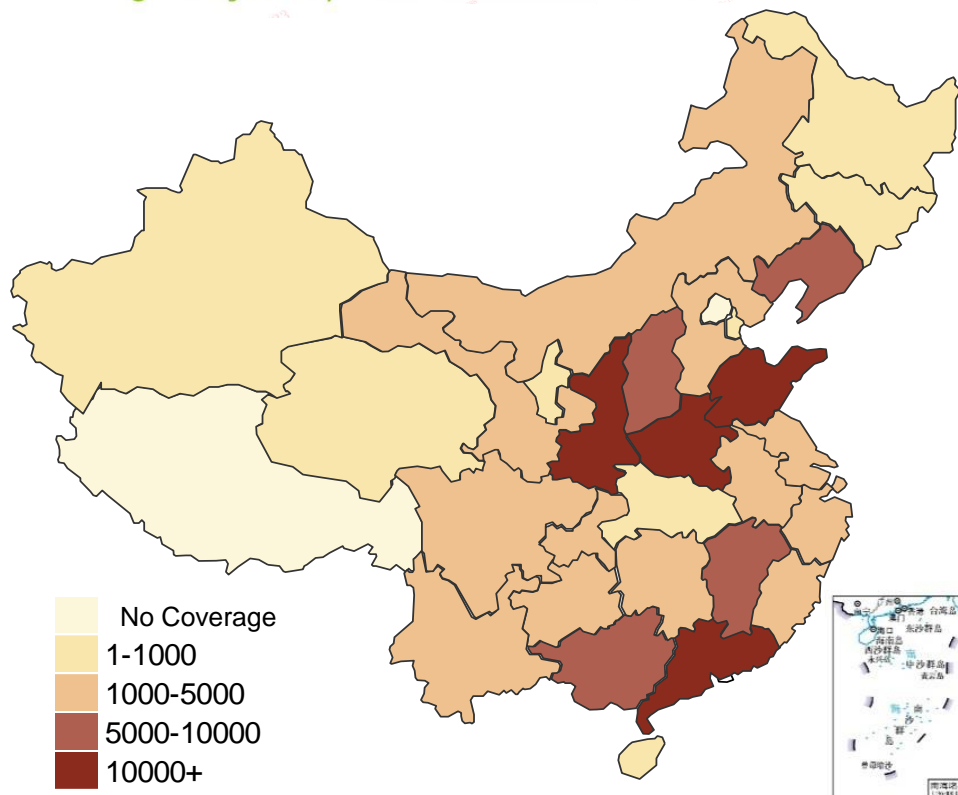
- Smart Severe Disease Monitoring System
- Prescription Automatic Screening System
- Smart Medical Safety Monitoring Platform
- AI-based Diagnosis System

Internet hospital operation

- 670 million online consultations
- AI-assisted diagnosis enables efficient services
- Comprehensive drug supply capabilities
- Comprehensive/professional/multi-scenario health management

Ecosystem Empowerment : Pharmacy Cloud Helping Reshape Retailing Pharmacy Industry

-- Selected Partners --



Note: Data as of the end of December 2019



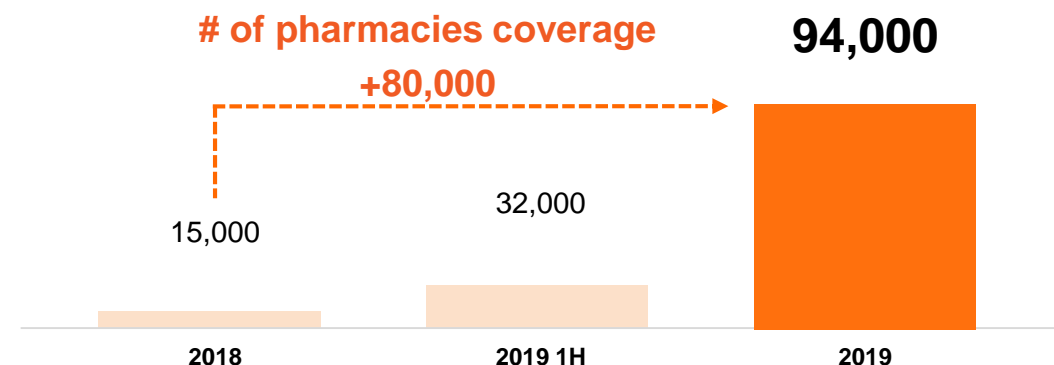
Private Doctor Membership

Private Doctor Membership provide 24/7 online consultation and Health Management



Chronic Disease Management

Whole-process Services includes Health Data Monitoring, Dietary and Medication instructions, regular Follow-up



Ecosystem Empowerment: Comprehensive Coverage of Offline Healthcare Resources



3,000+

Collaborated Hospitals

(including 1,900 Grade III 3A hospitals)

5,000+

External Doctors (with titles of associated chief physicians or above at Grade III 3A hospitals)

94,000

Collaborated Pharmacies

48,000+

Clinics using the Cloud Clinic System

150+

Medical Beauty Clinics

430

Traditional Chinese Medicine (TCM) Clinics

2,000+

Health Check-up Centers

~1,800

Dental Clinics



Note: Data as of the end of December 2019

Ecosystem Empowerment: Undertaking Social Responsibility by Improving Rural Area Healthcare



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5 Healthcare Services

1 Special Service



Healthcare Support

- Providing health screening devices
- Ping An Good Doctor
- Village Doctor APP



Trainings to Village Doctors

- Medical knowledge training
- online enhancement via APP



Assistance in Consultations

- Smart assistance in consultation
- Assistance in online registration



Free Medical Treatment

- Free medical treatment to less developed areas: Inner Mongolia



Health Check-up

- Mobile check-up vehicles
- Famous doctors going to rural areas



Health Archives

- Providing comprehensive health management for villagers





We upgraded **900** rural clinics, trained **11,000** village doctors, and treated over **63,000** people for free through the program.

Online Medical Services: Ping An Good Doctor Private Doctor Membership Launched



**Renowned doctors
as Private Doctors**

 **Trust**
Full-time Medical
Services offered by
Renowned Doctors

 **Active**
Customized Health
Management Plans

 **Affordable**
Comprehensive, High Quality
and One-stop

 **Global**
Integrating the world's
top Medical Resources

Online Medical Services: Private Doctor Service Driving Membership Products



Health 360

For Ping An Life policy holders



Health 360

Private Doctor Membership

For mass-market



Private Doctor Membership

Revenue from membership products exceeded

RMB400 mn

Outstanding Users Feedbacks

Satisfaction

User satisfaction has reached **99.85%** since Private Doctor was launched

Consultation

Private Doctor Members' average consultation number is **2.7x** that of other users

Health Management

Private Doctor Member participation rate for healthcare online courses is **4x** that of other users

Prescription Transaction

Prescription paying ratios are **2.3x** that of other users

Health Mall Spending

Order volume placed by Private Doctor Members are **2x** that of other users

Globalization: AI Technology Licensing and Business Model Empowerment

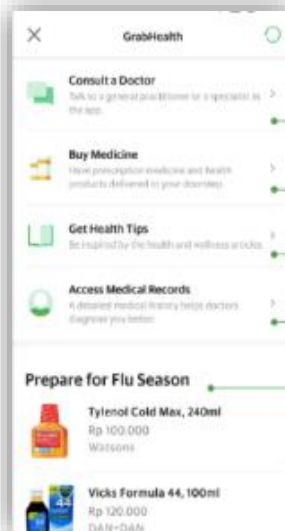
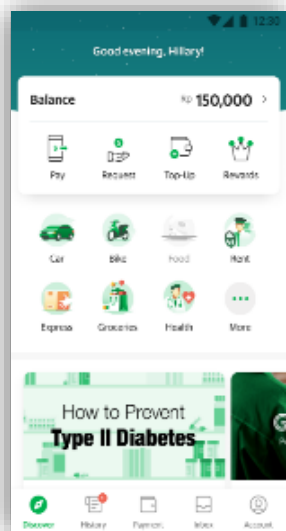


260 mn
Population

Indonesia

Government Support – highly recognized by the government, and signed cooperation agreements with the State Ministry of Health and local Doctors Association

Launch – . We cooperated with local strategic partners such as hospitals, doctors, pharmacies, logistics and distributors to offer a wide range of services, and achieved 4,000 consultations in a day during the first month launched



130 mn
Population

Japan

Strong Alliance – In 2019, we established another joint venture with Softbank Group and launched an online healthcare service platform (beta version) in Japan and entered the online healthcare market in Japan

Diversified Businesses – We cooperated with local strategic partners such as hospitals, doctors, insurers, pharmacies, logistics and distributors to offer a wide range of services in Japan



32 mn
Population

Saudi Arabia

Deploy the Healthcare Ecosystem in the Middle East -- cooperated with Lean, the company designated by the government to serve healthcare in Saudi Arabia, to design customized online medical and health services and deploy "AI + internet healthcare" in the Middle East

Innovate the Business Model -- we adopted a novel model based on technology authorization, pioneered technology exploration under the licensing model based on our in-house AI technology and deeply empowered the healthcare system of Saudi Arabia



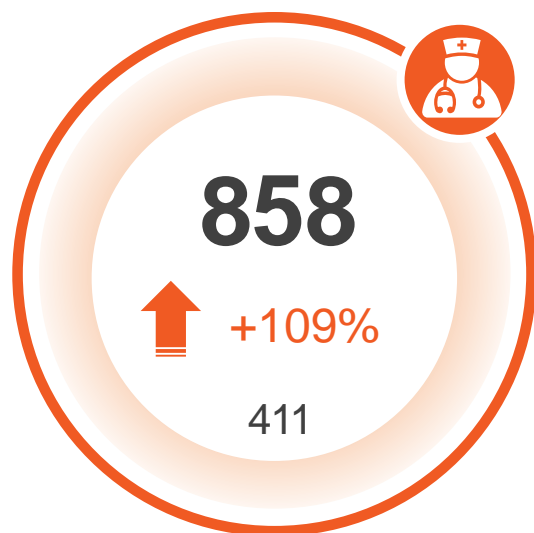


Financial Performance

Strong Revenue Growth & Net Loss Significant Reduction



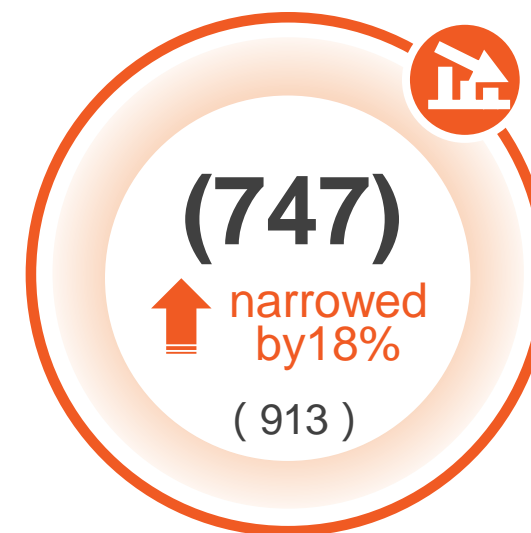
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Online Medical Service Revenue
(in RMB mn)



Total Revenue
(in RMB mn)

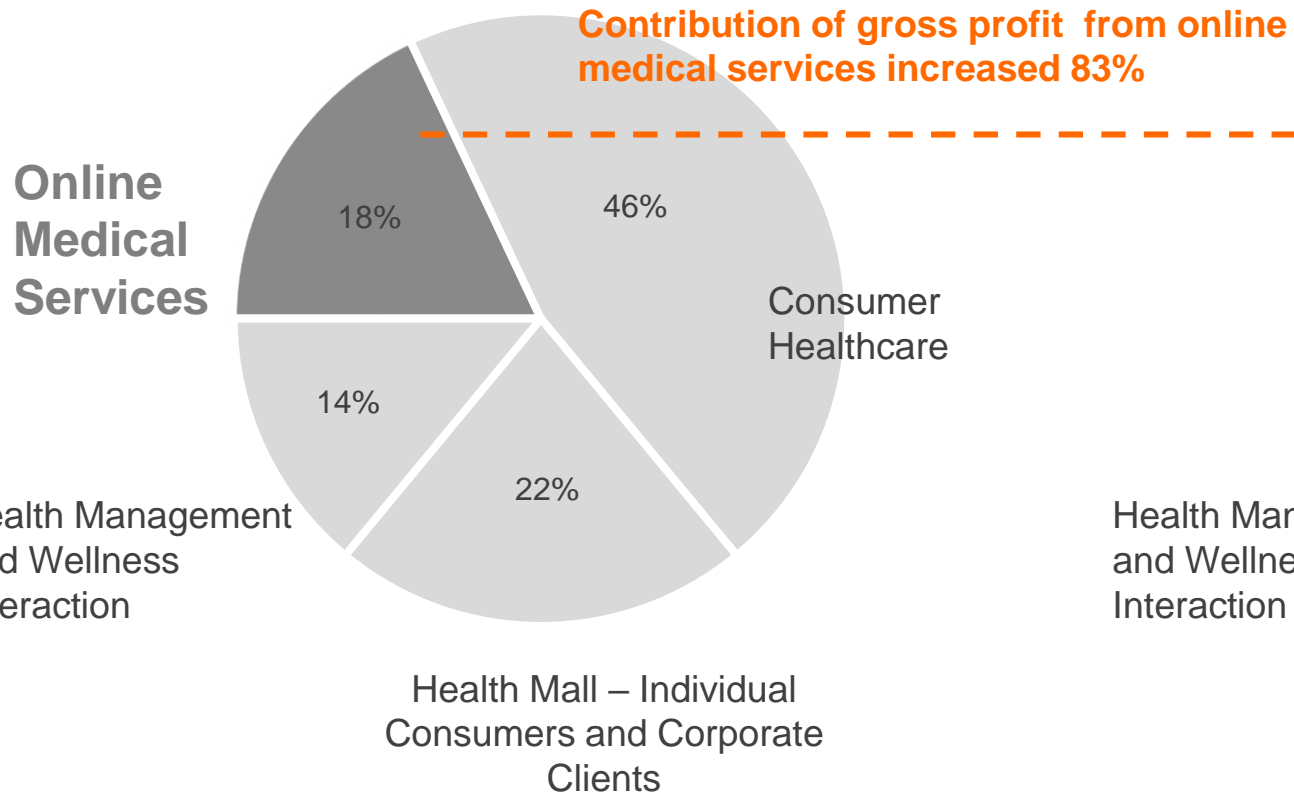


Net Loss
(in RMB mn)

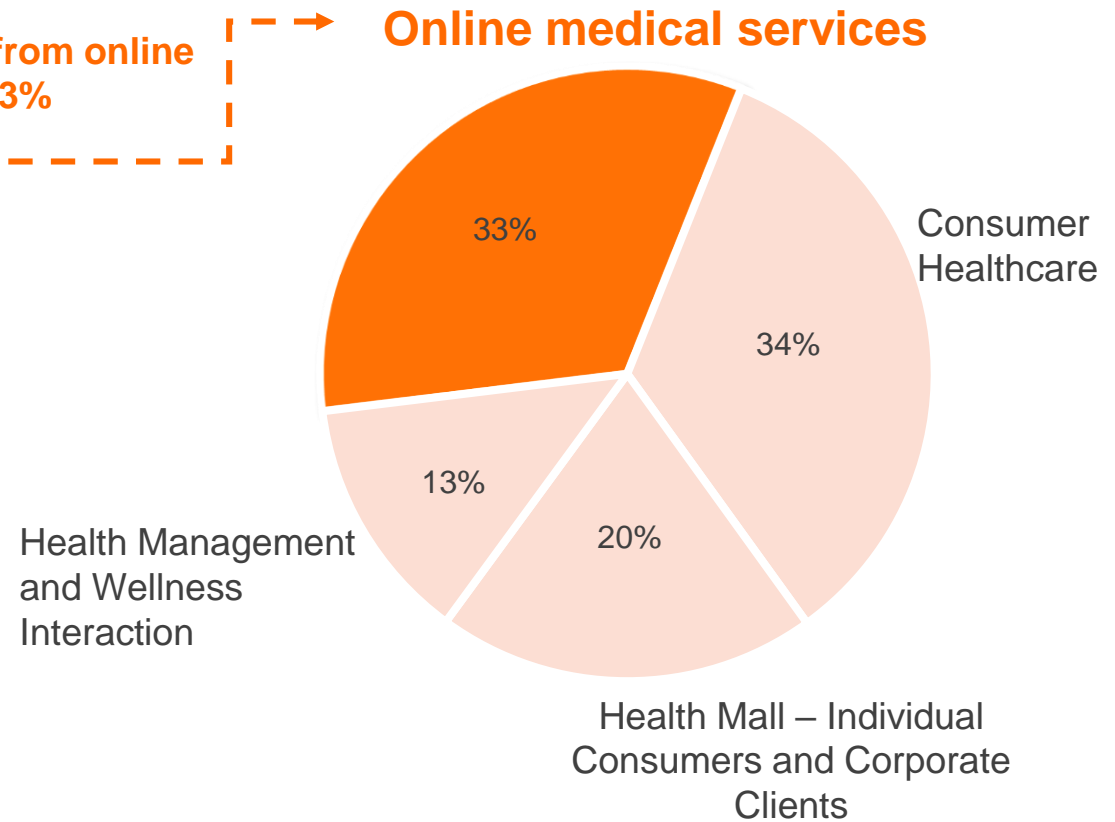
Note: 109%, 52%, 18% above represent year-on-year changes

Profitability Improvement with Higher Contribution from Online Medical Service

Gross Profit by segment for 2018



Gross Profit by segment for 2019

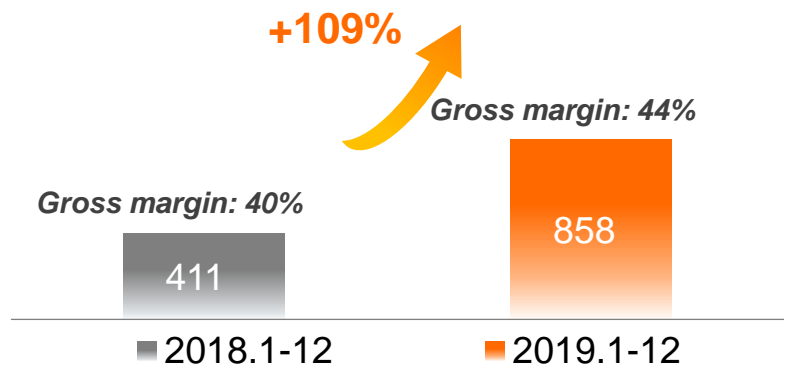


Solid Sector Growth with Improving Business Quality

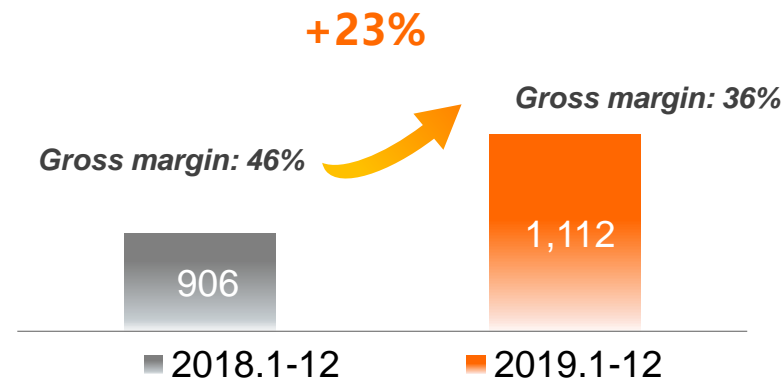


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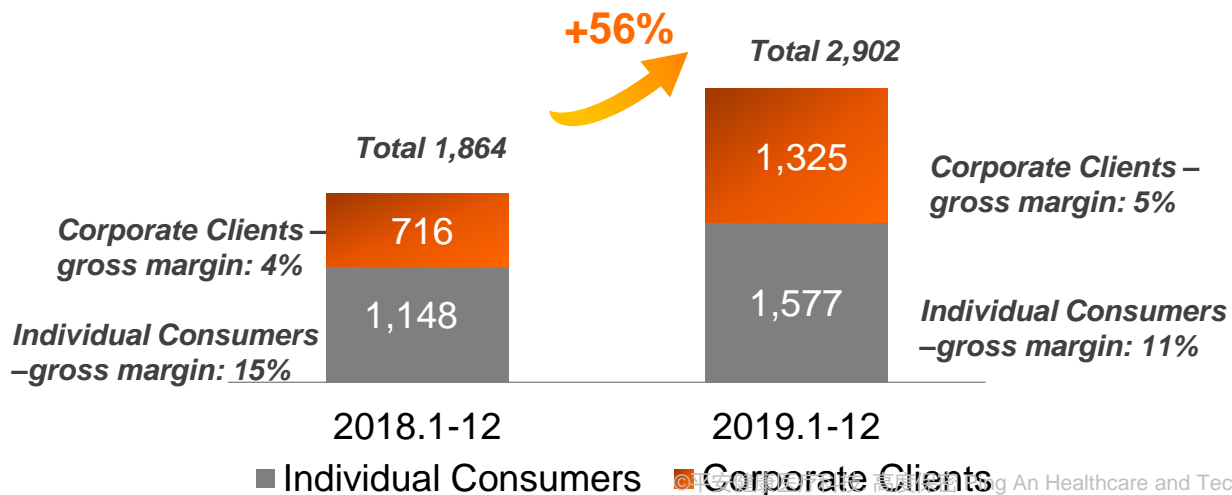
Online Medical Services (in RMB mn)



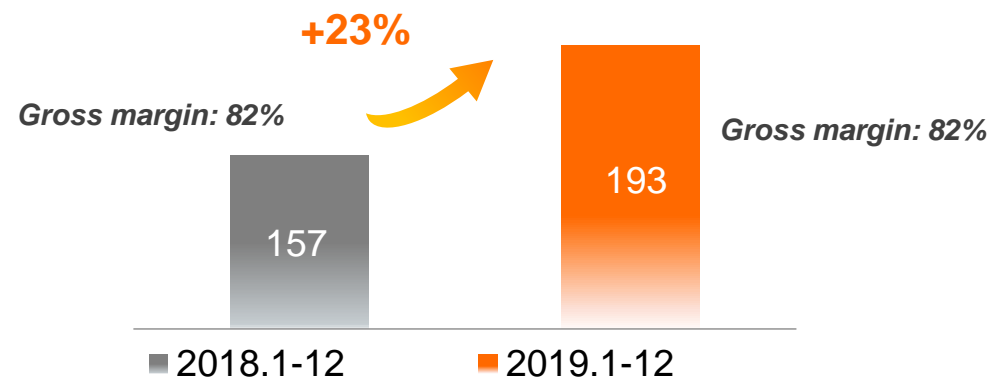
Consumer Healthcare (in RMB mn)



Health Mall - Individual Consumers and Corporate Clients (in RMB mn)



Health Management and Wellness Interaction (in RMB mn)



Operating Efficiency Enhancement with Narrowed Operating Losses

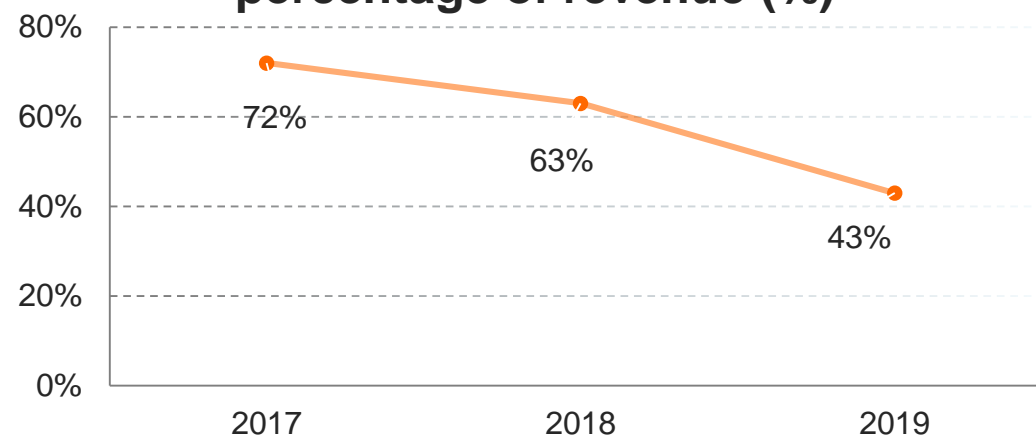


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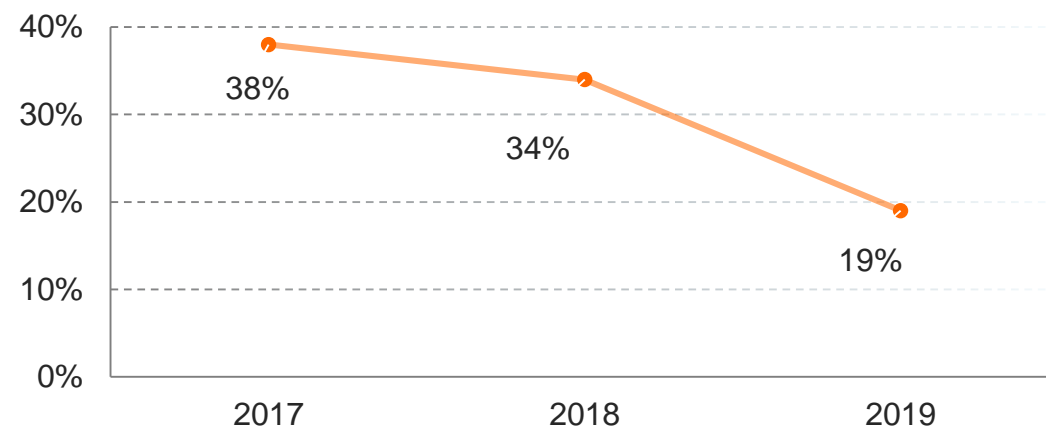
(in RMB mn)

	2018	2019
Total of expenses	2,088	2,190
Selling and marketing expenses	1,238	1,207
Administrative expenses	850	983
Operating loss	(1,148)	(977)

Total of expenses as a percentage of revenue (%)



Operating loss rate (%)



Note: The expenses exclude employee option expenses and one-time costs associated with IPO

Appendix – 2019 Income Statement Overview

In RMB mn	Jan.- Dec. 2019	Jan. – Dec. 2018	YoY Growth
I. Revenue	5,065	3,338	52%
II. Cost of sales	(3,894)	(2,426)	61%
III. Gross profit	1,171	912	28%
IV. Expenses and taxes ¹	(2,190)	(2,088)	5%
V. Other income	42	28	50%
VI. Operating profit (loss)	(977)	(1,148)	(15%)
<i>Operating loss ratio</i>	<i>19%</i>	<i>34%</i>	<i>Decrease by 15 percentage points</i>
VII. Net financial income and expenses, exchange gains and losses and others	322	380	(15%)
VIII. Option + IPO expenses	(92)	(145)	(37%)
IX. Net profit (loss)	(747)	(913)	(18%)

Note:

1. The expenses exclude employee option expenses and one-time costs associated with IPO

Cautionary Statement Regarding Forward-Looking Statements

In addition to statements of historical fact, certain "forward-looking statements" are included in this presentation. All those including but not limited to forecasts, targets, estimates, and business plans that the company expects or anticipates may or will occur in the future are forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, which are generally or specifically known. Certain statements, such as words or idiomatic statements including "potential", "estimated", "expected", "anticipated", "purpose", "intentional", "plan", "believe", "will", "may", "should", and similar expressions, are considered forward-looking statements.

Readers are reminded to pay attention to these factors, most of which are not controlled by the Company, which affect the company's performance, development trends and actual results. Affected by the above factors, the actual future results of the Company may differ materially from these forward-looking statements. These factors include, but are not limited to, changes in exchange rates, market share, peer competition, environmental risks, legal, fiscal and regulatory changes, international economic and financial market conditions, and other risks and factors beyond our control. Everyone needs to carefully consider the above and other factors, and should not rely entirely on the Company's "forward-looking statements." The Company states that it has no obligation to publicly update or modify any forward-looking statements in this presentation due to new information, future events, or other reasons. The Company and any of its employees or associates have not made any warranty statements about the future performance of the Company and are not responsible for any such statements.

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