

Ping An Good Doctor 2020 Annual Results

FEBRUARY 2021



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Great Opportunity: Rapid Growth of China's Internet Healthcare Industry amid COVID-19

COVID-19 and technological innovation promoted Internet healthcare

Growing Acceptance among Users

Ping An Good Doctor's performance amid COVID-19:

10x Growth¹ in new registered users on app

9x Growth² in daily consultations by new registered users on app

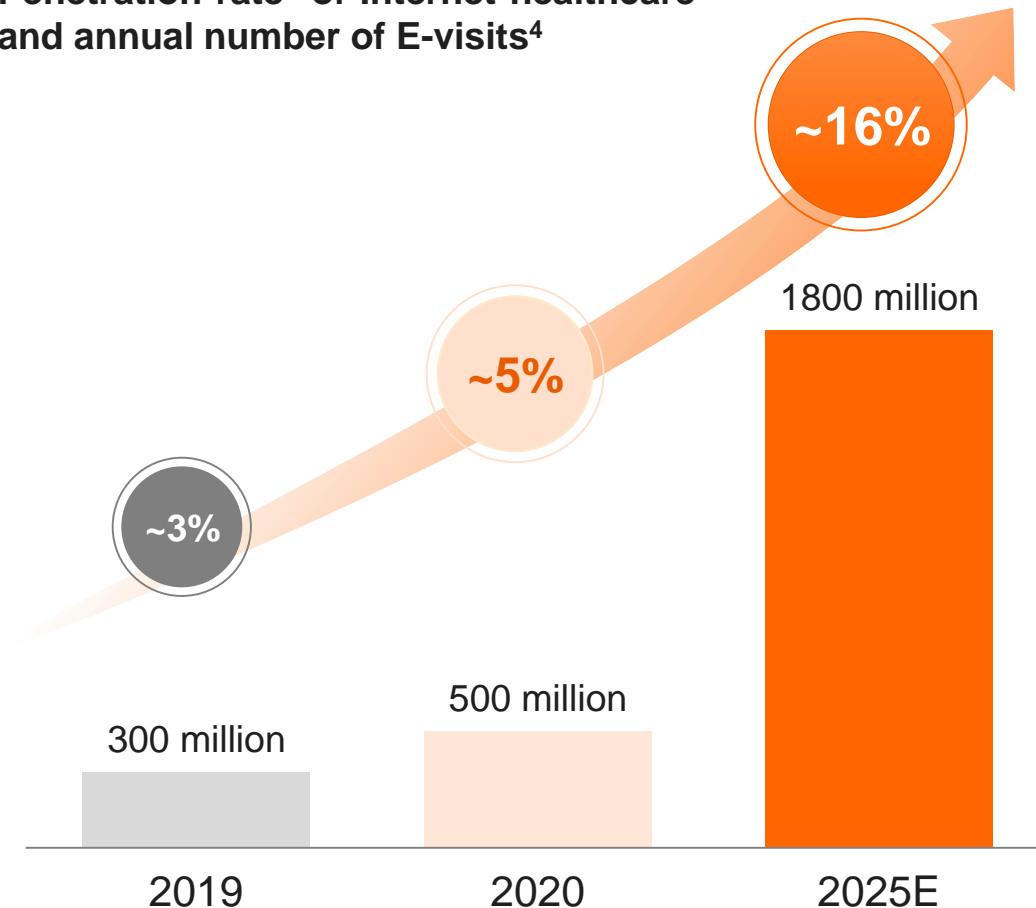
Technological Innovation and AI Empowerment

99.6% Accuracy of Ping An Good Doctor's smart triage of online consultation system

3,000+ Diseases covered by Ping An Good Doctor's AI-based medical system

Penetration rate of Internet healthcare increased rapidly

Penetration rate³ of Internet healthcare and annual number of E-visits⁴



1. The multiple here is based on the comparison between average daily numbers of registered users on app for the period from 22 January 2020 to 6 February 2020 and the period from 1 January 2020 to 21 January 2020; 2. The multiple here is based on the comparison between average daily consultations of new registered users on app for the period from 22 January 2020 to 6 February 2020 and the period from 1 January 2020 to 20 January 2020; 3. Penetration rate = Annual number of E-visits divided by Annual number of total visits; 4. Annual number of E-visits includes free consultation.

Policy Support: Favorable Policies Introduced to Promote Industry Development



National Strategy

- Average life expectancy will reach 79 by 2030
- The health industry will become the mainstay of the national economy
- Better systems will be set up to promote health

Internet

Promote Internet + Healthcare

- The National Healthcare Security Administration issued the *Guidelines for Promoting the Social Health Insurance (SHI) Payment for "Internet + Healthcare Services"*, which enabled **Internet Healthcare to connect with SHI** and made it an essential part of the tiered diagnosis and treatment system.
- According to the new *Drug Administration Law* passed by the Standing Committee of the NPC and the *Measures for Oversight and Management of Online Distribution of Drugs (draft for comments)* released by the National Medical Products Administration, **online distribution of prescription drugs is permitted.**
- The National Health Commission joined hands with other institutions to release the *Notice on Carrying Out the "Five Ones" Action to advance "Internet + Healthcare"*, promoting **data connection between Internet hospitals and medical institutions at various levels.**

Medical Institutions

Promote tiered diagnosis and treatment

- The State Council promulgated the *Opinions on Further Motivating the Enthusiasm of the Private Sector about Investment*, encouraging **the private sector to take an active part in** the development of medical institutions.
- The State Council released the *Plan for Deepening Reform of Medicine and Healthcare System during the 13th Five-Year Period*, **continuing with reform of the medical system**, and further promoting tiered diagnosis and treatment.

Payers

Promote health management

- The CBIRC issued the revised *Administrative Measures for Health Insurance*, **raising the upper limit of the health management service cost from 12% to 20% of net premiums.**

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Overview of Operating Highlights

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User Growth



- The number of registered users reached **373 million**

2

Service Improvement



- Average Daily consultations reached **903 thousand**, up **23.9% YoY**
- Paying users of medical services accounted for **35.1%**, up **6.4 pps YoY**

3

Channel Development



- We have had **1,100+** corporate customers
- We have launched **50** Internet hospital projects

4

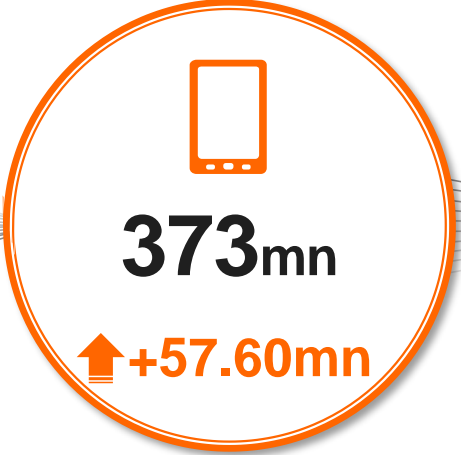
Network Expansion



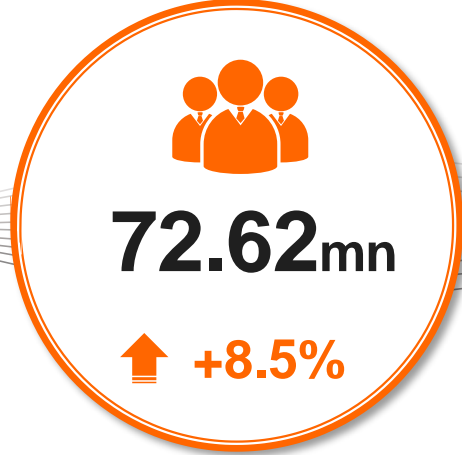
- We have partnered with **3,700+** hospitals
- We have partnered with **151 thousand** pharmacies
- We have launched the Central Warehouse Project in **51** top cities across China

1

User Growth: New Record High for Operational Metrics



Registered Users¹



Monthly Active Users²



Monthly Paying Users^{2, 3}

Note: Both 8.5% and 34.1% above refer to year-on-year growth, and 57.60 million refers to annual increments from 1 January 2020 to 31 December 2020.

1. As of 31 December 2020, 49.3% of total registered users were from the plug-in of Ping An Group.

2. Monthly active users and monthly paying users refer to the users who accessed or purchased our products or services on our platform through mobile apps, plug-ins, WAP or other channels at least once in December 2019 and December 2020.

3. The average conversion rate of paying users increased from 4.0% in 2019 to 4.9% in 2020.

Service Improvement: Enhancing Medical Service Capabilities and Growing Daily Consultations

Better Services



Diversifying audio and video features to meet consultation needs in different scenarios



Launching follow-up visit platforms to enable regular follow-up visits after consultation



Upgrading membership products, e.g. upgrading Health 360 to Health Guard 360, and upgrading Private Doctors significantly

Quality Control



Quick response: We make response within 45 seconds for free users and 30 seconds for paying users



Prescription control: Doctors double-check prescriptions after payments

2020
Average daily consultations

903,000

↑ +24% YoY

2020
Paying users of medical services

35.1%

↑ +6.4 pps YoY

2020
Revenue from membership products

RMB925mn

↑ +124% YoY

3

Channel Development – Corporate Services: Providing Comprehensive Medical + Health Services for Employees to Achieve B2C2F Conversion

By leveraging the wide network of corporate customers established by Ping An through integrated finance, we reached target enterprises precisely. Meanwhile, we pioneered the Internet + Medical + Health model in the industry, providing corporate health service products exemplified by Private Doctors.



Differentiated Advantages

Convenient medical treatment experience
 Customized enterprise infirmaries, and one-stop smart medical terminals

Comprehensive tailor-made services
 Private Doctors for employees, tailor-made online medical services, and online health management

Health data tracking
 Health records for employees, and health indicator monitoring for enterprises

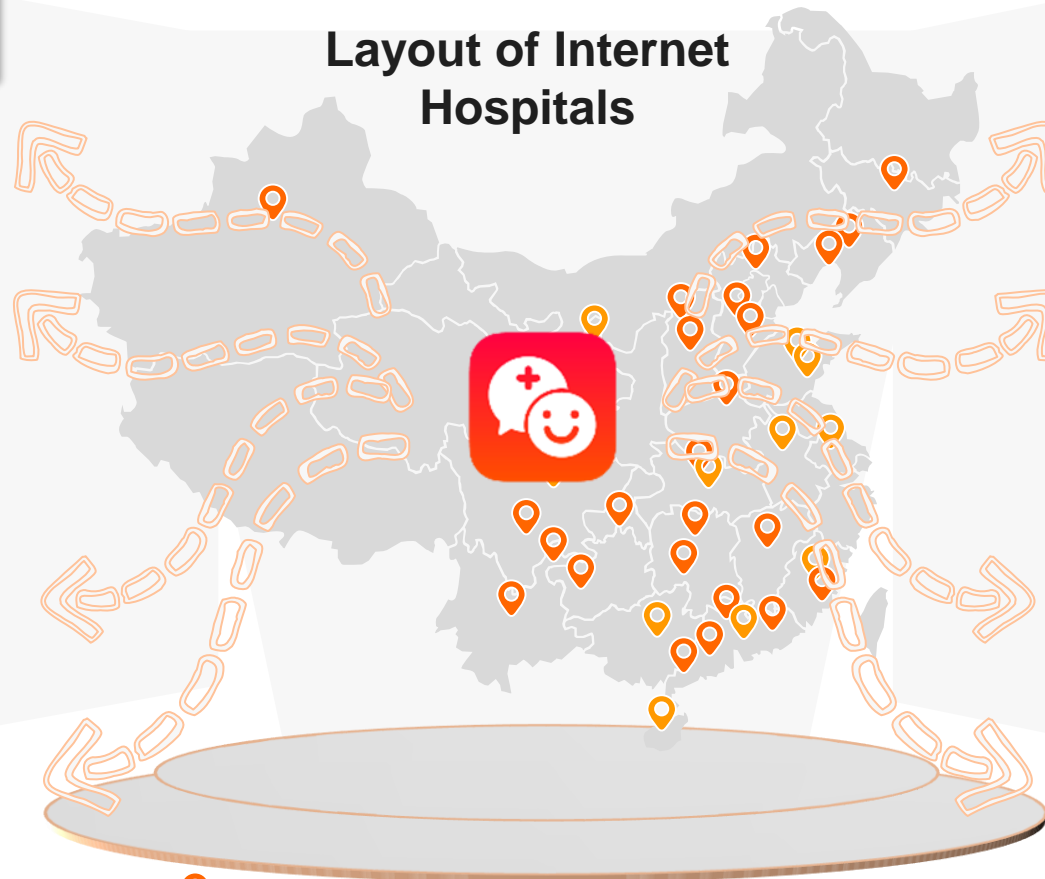
Channel Development – Internet Hospitals: Accelerating Development of Internet Hospitals through Self-construction and Co-construction

As of the end of 2020, we reached agreements **on 120+ Internet hospital projects**. We put **50 of them into operation**, with **five connected to SHI Payment systems** (Hubei, Yinchuan, Shunde, Dongguan and Fuzhou projects), in a bid to convert the offline traffic of medical treatment through self-construction and co-construction.

Connecting to SHI through self-construction

- We **outlined plans** for building Internet hospitals **in nine cities**, namely Yinchuan, Qingdao, Chengdu, Haikou, Nanning, Hefei, Weihai, Fuzhou and Nanjing.
- We are actively connecting to local SHI payment systems, **with self-constructed Internet hospital platforms in Hubei Province and Yinchuan City having succeeded in the connection.**

Layout of Internet Hospitals

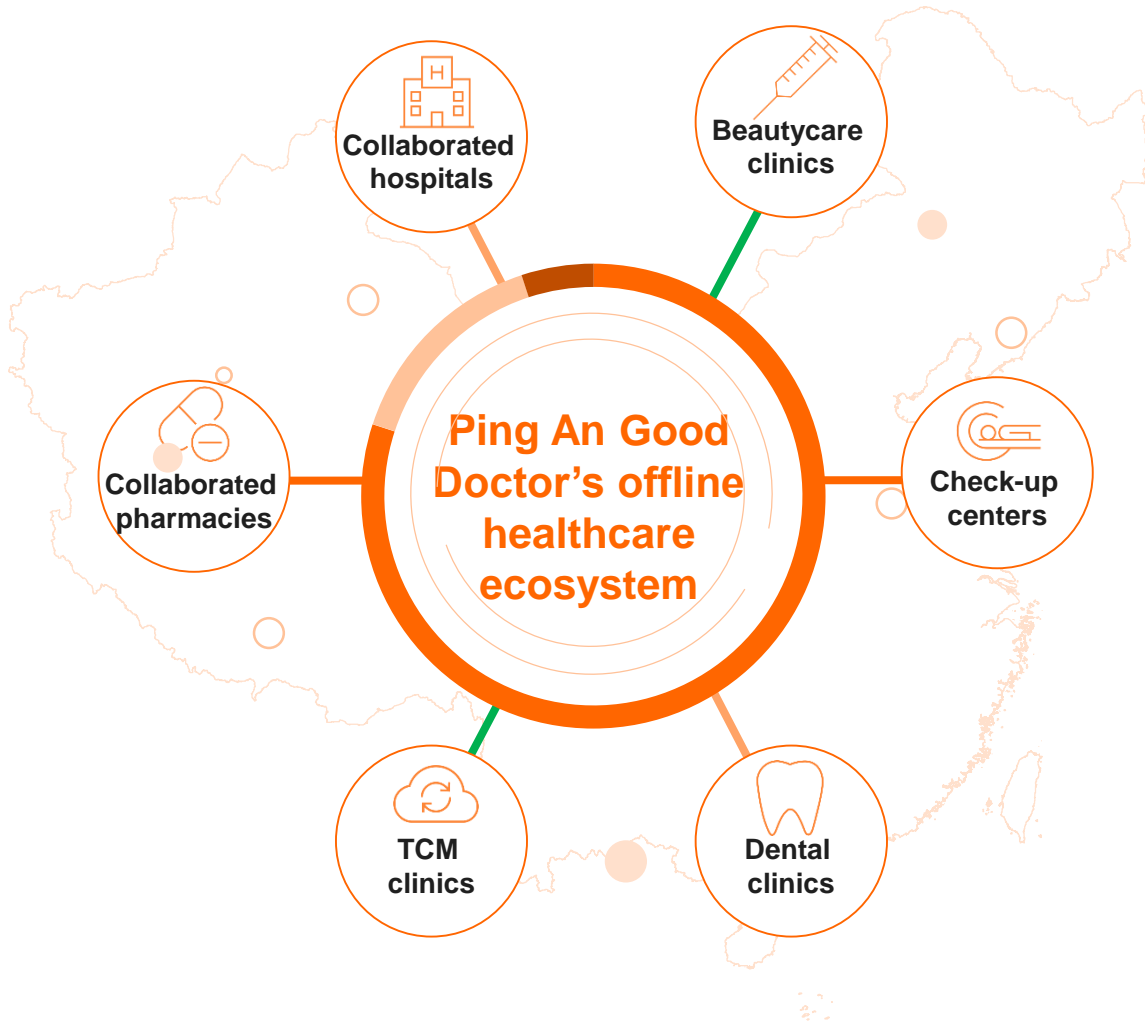


📍 Self-construction 📍 Co-construction

Empowering hospitals through co-construction

- We have put **41 of them into operation**, which provide services such as online follow-up visits and prescription refilling. Take the Affiliated Shunde Hospital of Jinan University for example. Its daily consultations peaked at **20%** of total consultations at the hospital.

Network Expansion: Online + Offline Closed-loop Services with Expansion of Offline Healthcare Ecosystem



Hospitals

- Our hospital network comprised **3,700+** hospitals, increasing by nearly 400 from the beginning of 2020, including nearly **2,000** tertiary hospitals.

Pharmacies

- Collaborated pharmacies increased by **57,000+** from the end of 2019 to **151,000**.
- Collaborated pharmacies have presence in **379** cities in **32** provinces.

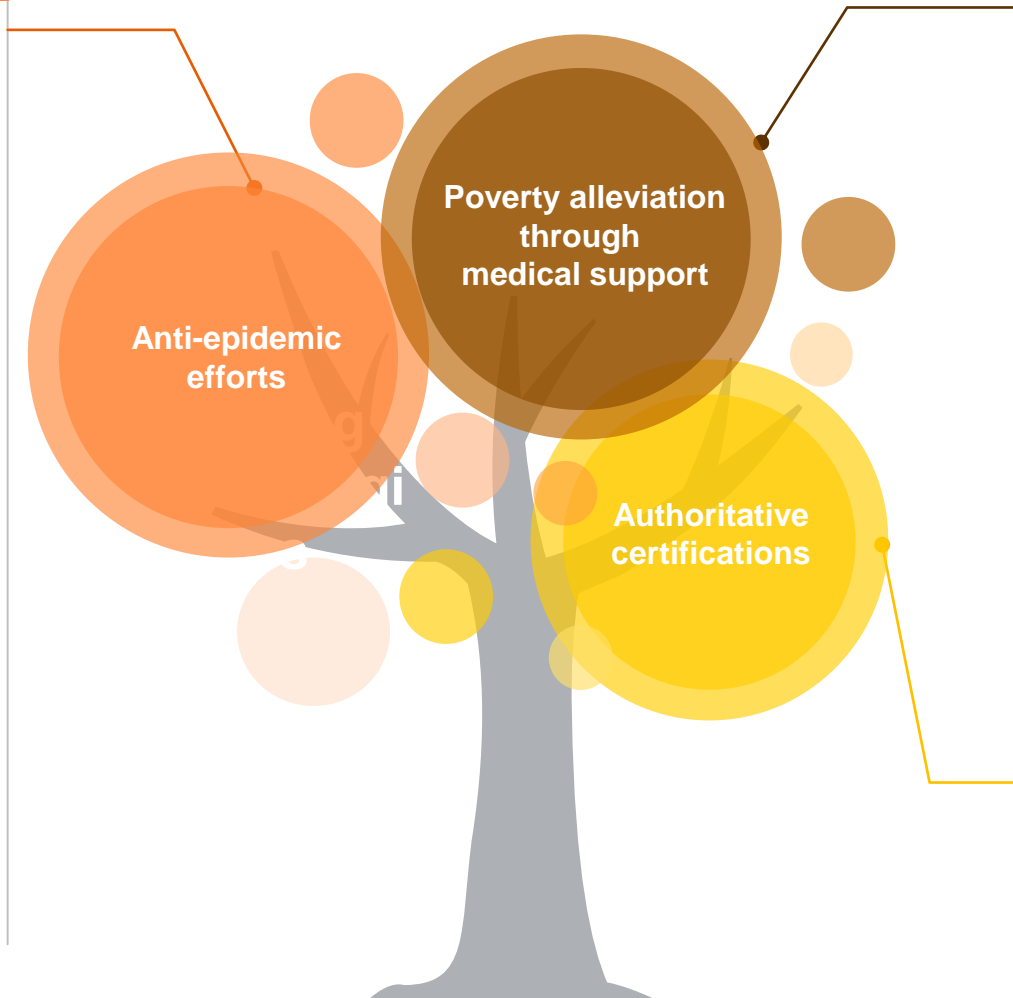
Medicines

- The **“Central Warehouse” project** (the Superfast Drug Delivery Service) was available at **51** front-rank cities in **26** province-level regions. Growth of orders in cities with a Central Warehouse is **triple** that in cities without a Central Warehouse.

Social Responsibilities: Growing Brand Awareness on the Practice of Public Welfare and Corporate Responsibilities

Anti-epidemic efforts

- **“Cloud” epidemic-related consultations:** Ping An Good Doctor set up a dedicated COVID-19 task force within 24 hours, and **thousands of doctors** sacrificed their Spring Festival holiday to participate in the battle against the epidemic.
- **Donations:** Ping An Good Doctor donated **450,000** masks to medical institutions in Wuhan and other regions.
- **Partnerships:** Ping An Good Doctor partnered with **62** governments at various levels to provide online free medical consultations/hotlines.
- **Grassroots anti-epidemic efforts:** Ping An Good Doctor worked with renowned doctors and medical experts to make **51** anti-epidemic knowledge videos and gave anti-epidemic lectures via live streaming. The lectures have been viewed more than **115 mn** times.



Poverty alleviation through medical support

- Ping An Good Doctor enhanced basic healthcare services in poor areas such as **Yunnan, Guizhou, Sichuan and Guangxi** through the “Village Doctor Program.”
- Ping An Good Doctor helped build or upgrade **1,200+** rural clinics, and provided **110,000+** persons with free medical examinations.

Authoritative certifications

- Ping An Good Doctor received the highest level of certification by WONCA for its AI-based medical system.
- Ping An Good Doctor was included in the Hang Seng TECH Index.
- Ping An Good Doctor made the headlines **four** times in “News Simulcast” and “Economy in 30 Minutes” on CCTV.

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Holistic Strategic Upgrades: Strategic Upgrades for Channels, Services and Capabilities



Channels upgrade

Customer acquisition through **users, insurance, enterprises, and Internet hospitals**



Services upgrade

Development of specialty-focused **medical services** + diversified, high-frequency **health services**



Capabilities upgrade

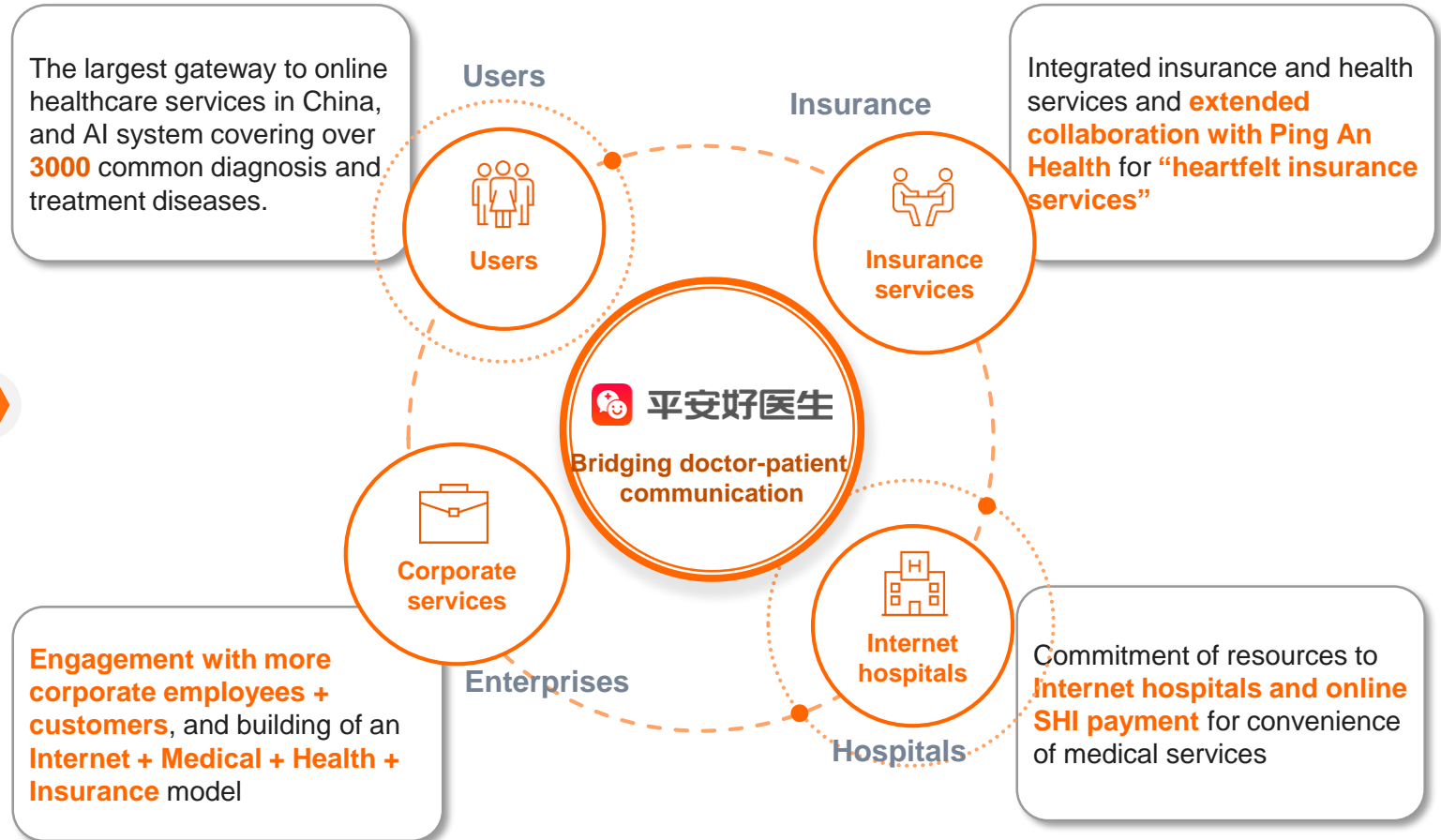
Building **four-tier doctor network** to provide excellent doctor services

Channels Upgrade: Users, Insurance, Enterprises, and Internet Hospitals

Achievements in 2020

- Users** Ping An Good Doctor had **373 million** registered users, **72.62 million monthly** active users, and **903 thousand** average daily consultations.
- Insurance** Health 360, the first product customized for Ping An's critical illness insurance policyholders, was upgraded to Health Guard 360. An Zhen Wu You Million-cover Medical Insurance, a new membership product, was jointly released by Ping An Good Doctor and Ping An Property & Casualty.
- Enterprises** Employees in **1,100+** companies are eligible for healthcare and check-up services.
- Hospitals** **50** Internet hospitals were put into operation. Internet hospitals in Hubei, Yinchuan, Shunde, Dongguan, and Fuzhou were connected to the SHI payment system.

Strategic upgrades

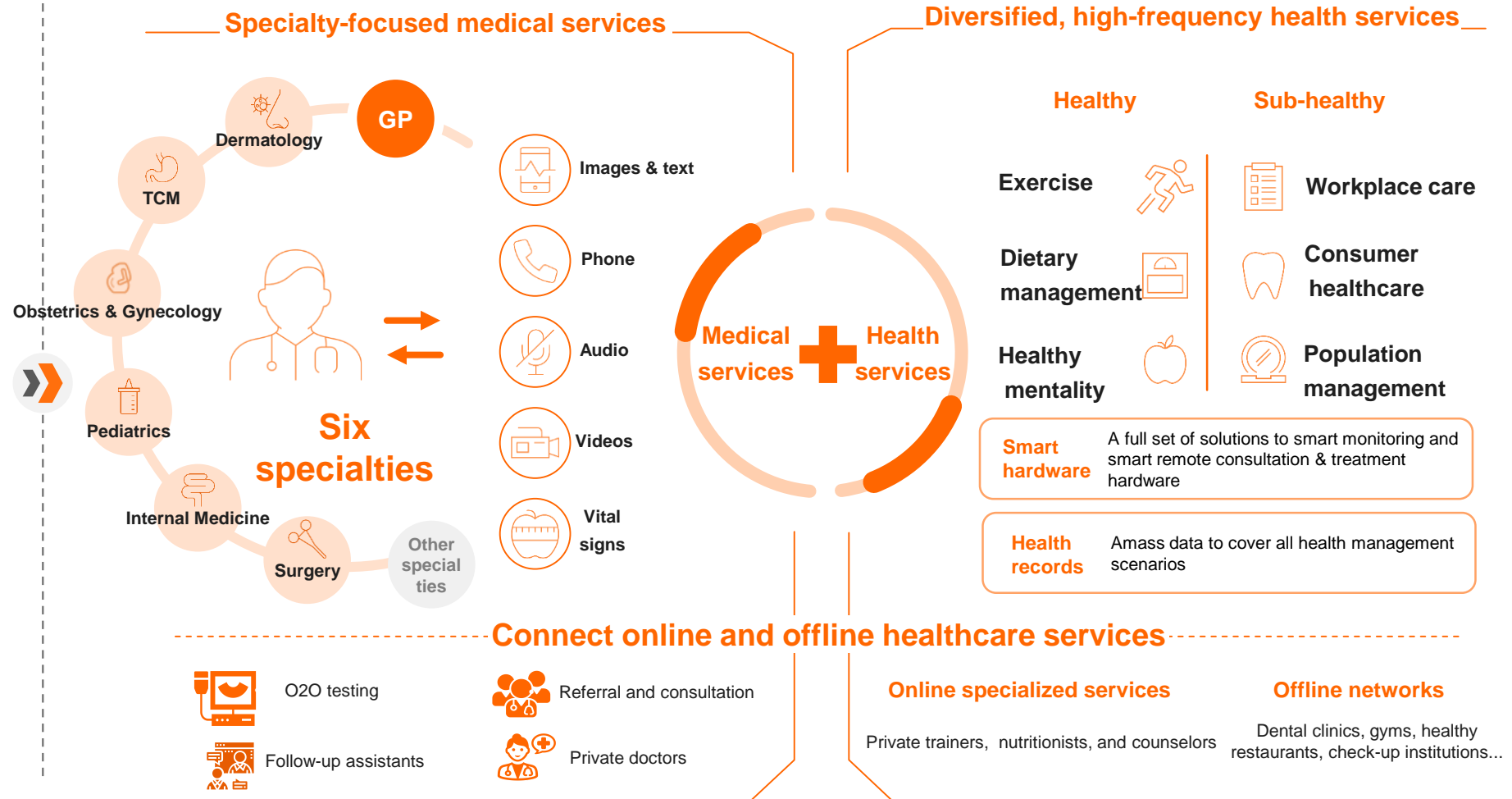


Services Upgrade: Connecting Online and Offline Healthcare Services throughout the Consultation and Medical Processes

Achievements in 2020

-  Average Daily consultations **903 thousand**
-  Total online consultations **1,000 million +**
-  **400+** Health courses
-  **2,000+** Offline health management service providers

Strategic upgrades



Capabilities Upgrade: Empowering the Four-tier Doctor Network through Excellent Doctor Services

Achievements in 2020



Domestic medical experts

20,000+

~70% are from tertiary hospitals

Renowned doctors
nearly 300



In-house medical team

2,200+ members

Strategic upgrades

Dedicated Doctor Virtual Office

The dedicated Doctor Virtual Office empowers doctors and helps them enhance **efficiency, academic research, performance appraisal, brand building, and exchanges.**



Strengthen academic research

Improve efficiency

Support performance appraisal

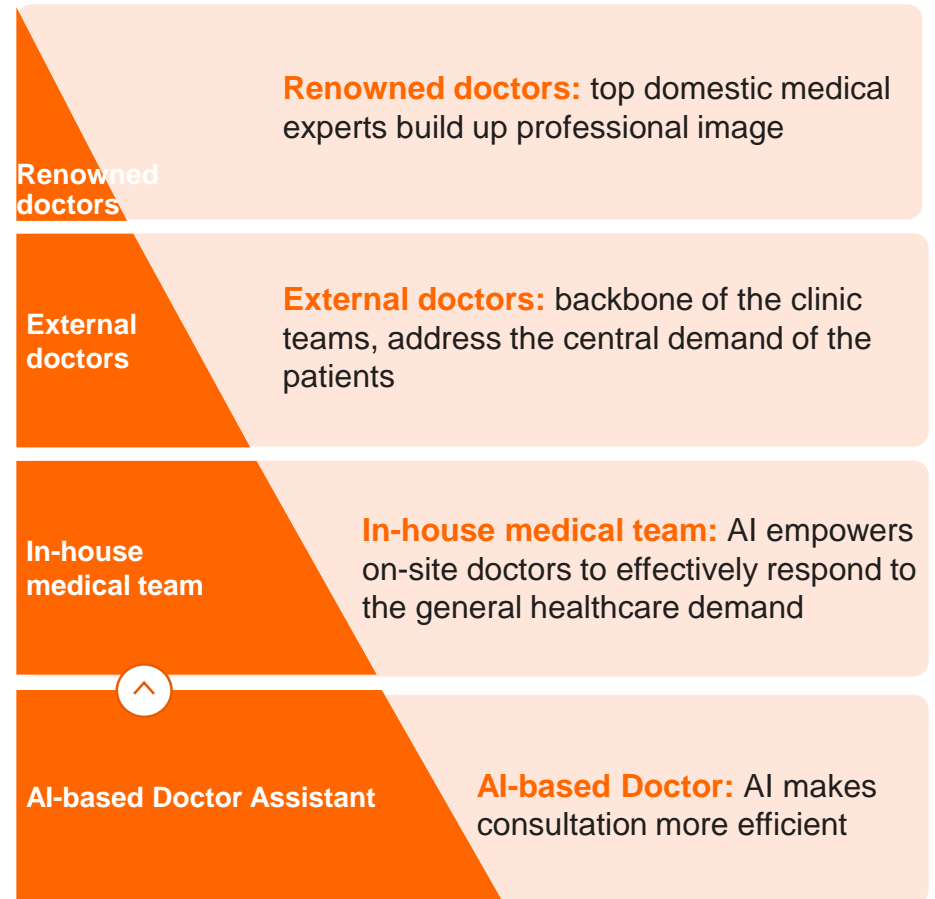


Promote exchanges

Build brand image



Differentiated four-tier network of doctors



Technology Empowerment: Continuing to Amass Data and Upgrade Core Technologies

Achievements in 2020

Records on consultation
1,000 million +

Accuracy of medical guidance **99+%**

Accuracy of supplementary diagnosis/medication recommendation
90+%

Strategic upgrades

Huge amounts of data

- **1,000 million +** records on consultation
- **4 million** health Q&As
- AI-based diagnosis and treatment services for **3,000+** diseases

Authoritative certifications

- **The highest level of certification by WONCA**
- The **first** internationally accepted AI healthcare system
- First prizes in **six** global medical imaging contests

Five databases



Medical product database



Disease database



Prescription and therapy database

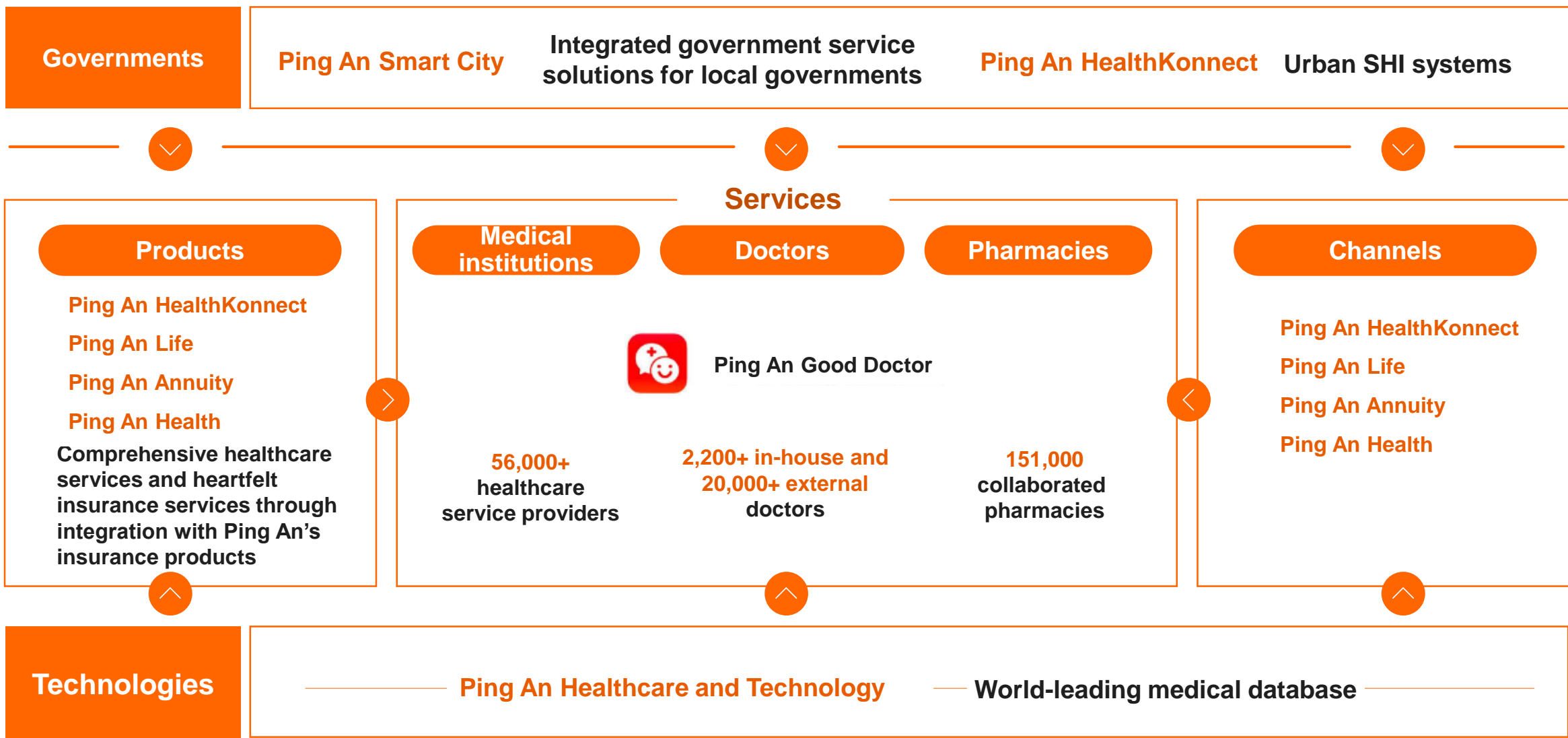


Individual health condition database



Medical resource database

Ecosystem Empowerment: Ping An Group's Comprehensive Healthcare Ecosystem



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Robust Growth in Revenue from Core Business - Online Medical Services

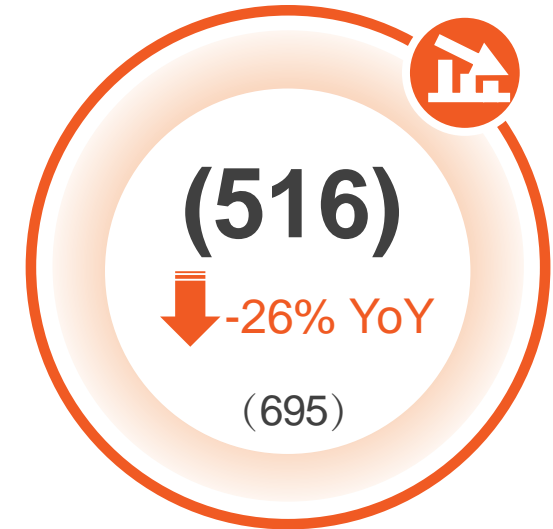
(in RMB million)



Revenue from online medical services



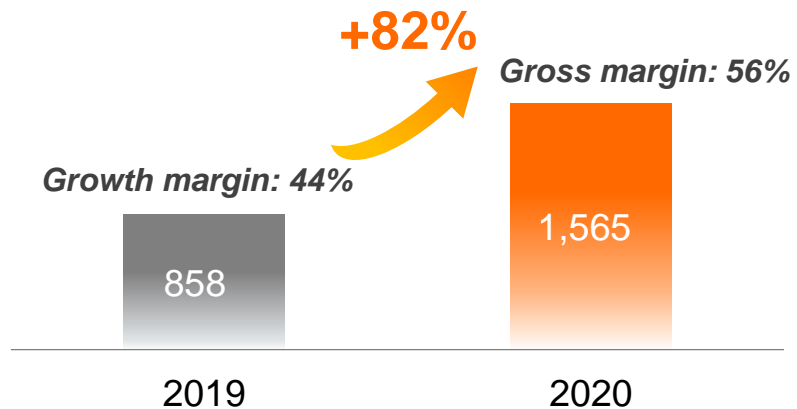
Total revenue



Operating net loss

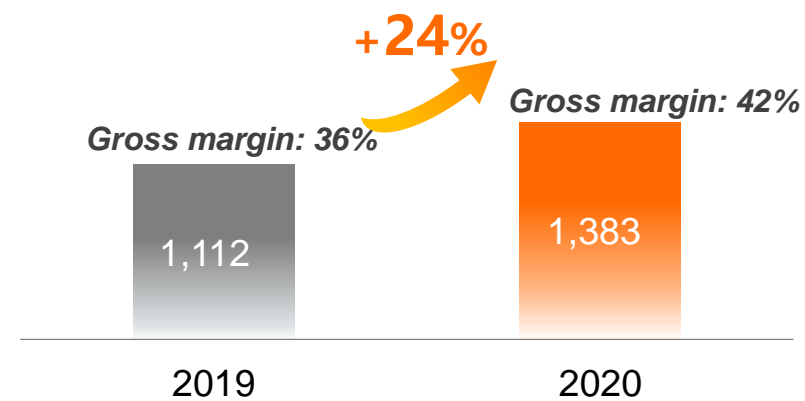
Continuous Growth in All Business Segments and Steady Improvement in Business Quality

Online medical services

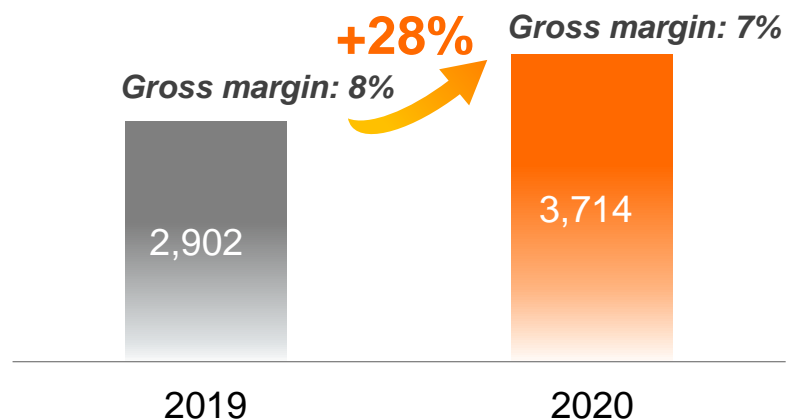


Consumer healthcare

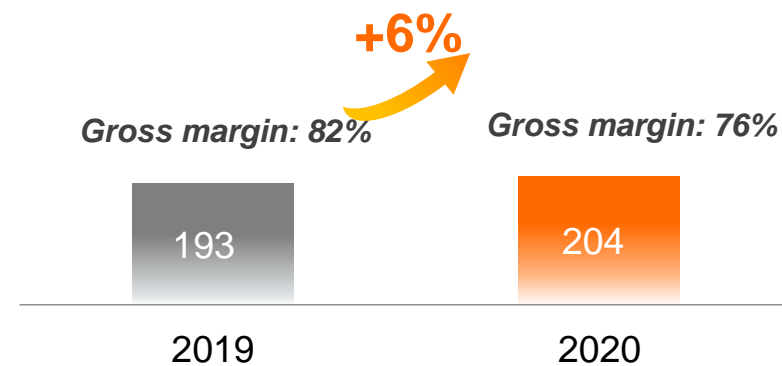
(in RMB million)



Health Mall

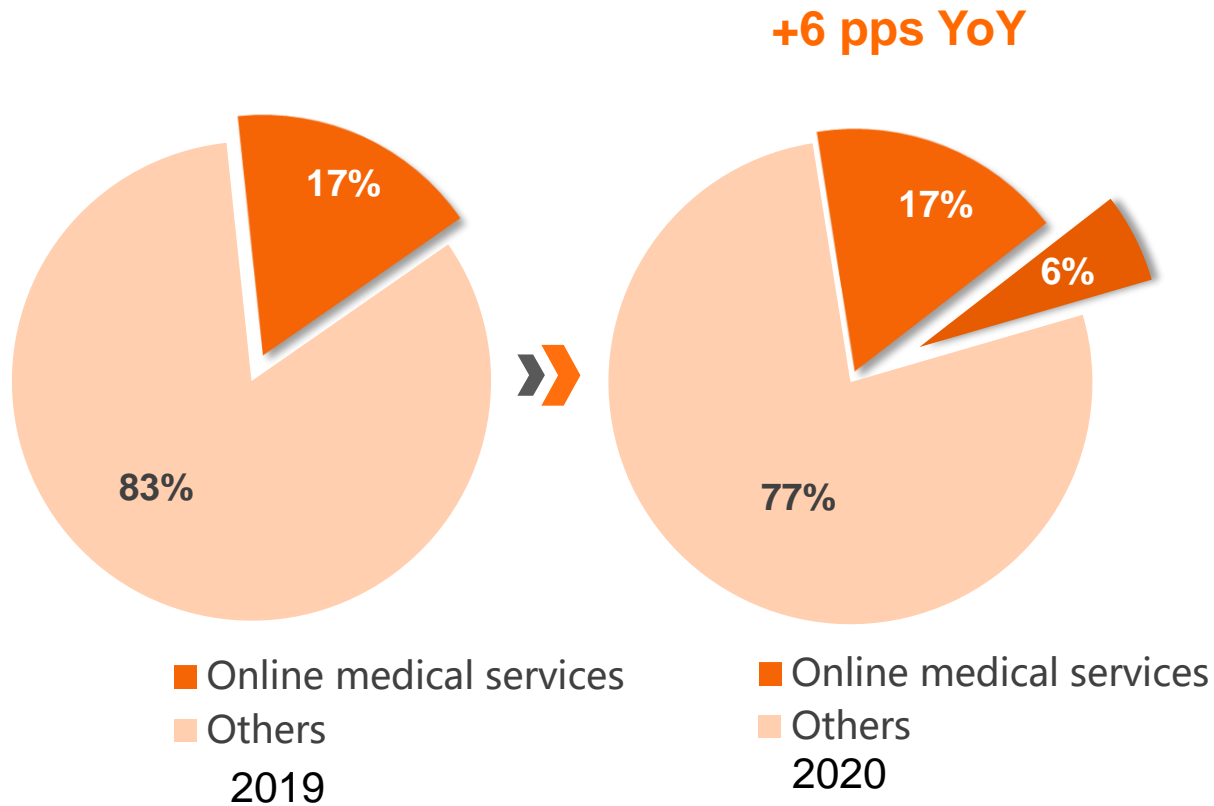


Health management and wellness interaction

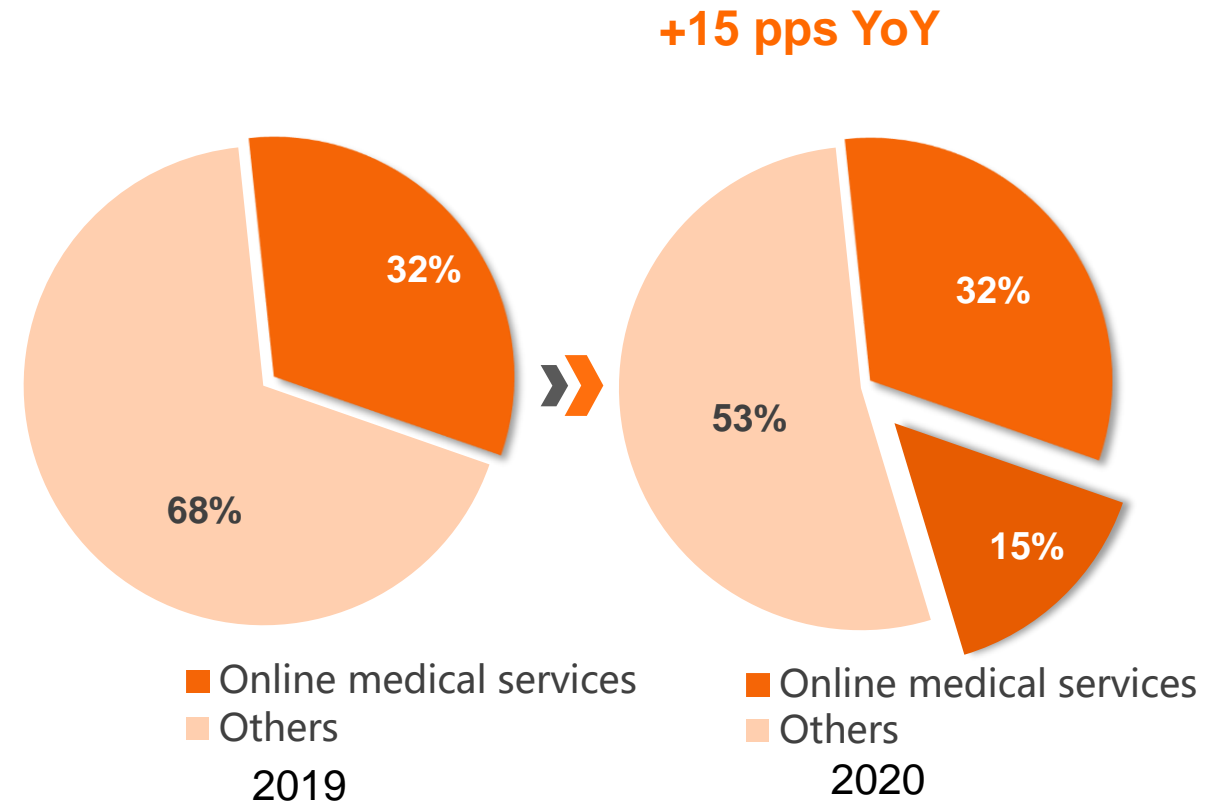


Online Medical Services Shooting Up in Revenue and Gross Profit

Revenue from online medical services (%)



Gross profit from online medical services (%)



Appendix — 2020 Income Statement

In RMB million	2020	2019	YOY change
I. Revenue	6,866	5,065	36%
II. Cost of sales	(5,002)	(3,894)	28%
III. Gross profit	1,864	1,171	59%
IV. Selling and marketing expenses	(1,587)	(1,207)	31%
V. Administrative expenses	(1,017)	(1,075)	-5%
VI. Other income	205	42	390%
VII. Other (losses)/gains – net	(385)	109	N/A
VIII. Finance income – net	100	253	-61%
IX. Share of losses of associates and joint ventures	(122)	(27)	344%
X. Income tax expense	(7)	(13)	-43%
XI. Net loss	(949)	(747)	27%
XII. Operating net loss	(516)	(695)	-26%

Note: YoY change is consistent with the results of thousand per unit in the 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.

Thanks

