

Chordate's market in Saudi Arabia – position and potential

Saudi Arabia is one of the markets in which Chordate has been active for the longest time. Already in November 2020, private health insurance companies in Saudi Arabia approved the insurance code that can be used by private healthcare providers in the treatment of chronic rhinitis using K.O.S. By the end of 2021, the first insurance-covered K.O.S treatment was carried out in the country.

Chronic rhinitis is a major health problem in the country due to air pollution in larger cities, high prevalence of dust mites and mold spores, combined with constantly changing between high outdoor temperatures and chilled indoor environments.

Healthcare in Saudi Arabia

Healthcare in Saudi Arabia is provided through three main sectors: the Saudi Ministry of Health, which consists of hospitals and primary care centers throughout the country, other government institutions, and the private sector. Publicly funded healthcare is free for all Saudi citizens.

In the early 2000s, Saudi Arabia adopted a new law requiring private employers to provide health insurance coverage to non-Saudi employees. This has contributed to significant changes in how healthcare services are provided and paid for in the country, with a strong growth in the private healthcare sector's capacity and the number of health insurance companies.

Bupa Arabia is the leading health insurance provider in Saudi Arabia, offering health insurance to both companies and individuals. Bupa Arabia is part of the international health insurance and healthcare company Bupa Group, which provides healthcare services to more than 40 million people in 190 countries.

"Saudi Arabia has two very modern national catalog systems that public healthcare providers can use. Therefore, all connected healthcare providers under the Ministry of Health can easily order or request bids for our products. A similar system exists in Sweden, but it is divided among all of our regions", says Anders Weilandt, Chordate CEO.

Chordates position on the market

Chordate Medical's distributor, Janin Medical, is licensed to offer K.O.S treatment for chronic rhinitis to both private and public hospitals and Chordate received an insurance code for insurance payment at the end of 2020. The insurance code means that patients with private health insurance have the costs or part of the costs paid for a treatment. The reimbursement code covers the cost at private hospitals and clinics belonging to the VIP, Class A, and Class B categories in Saudi Arabia. For VIP and Class A, the K.O.S treatment for chronic rhinitis is fully covered by medical insurance, while Class B has a cost sharing of 10 to 15 percent.

Saudi Arabia has 415 public and 127 private hospitals, of which about 30 hospitals belong to categories A and B. In addition to the treatments for chronic rhinitis, Janin Medical is also driving the process of registering a market authorization for K.O.S for chronic migraine, where the processing time is at least two months.

In March 2022, Chordate opened a representation office in Saudi Arabia to increase the chances of a successful market establishment and expand the business to other countries in the Gulf Cooperation Council, GCC. In December 2022, Chordate entered into an agreement with Janin Medical, one of Saudi Arabia's leading medical equipment companies, to function as new exclusive distributor in Saudi Arabia and Bahrain for both migraine and rhinitis indications from the turn of the year. The company is a pure importer and distributor of advanced medical technology products in neurology, pulmonology, cardiology, speech therapy/audiology, and urology. Janin Medical also has the status of offering public procurement, currently supplying medical devices to Saudi Arabia's government biddings, so called Nupco tenders (National Unified Procurement Company, Saudi Arabia's largest centralized health care procurement, storage, and distribution organization for pharmaceuticals, medical equipment, and supplies).

Chordate assesses that there is potential for expanded market activities in the GCC area - not least in the United Arab Emirates and Qatar.

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About Chordate

Chordate Medical Holding AB (publ) is a medical technology company that has developed, patented and CE-marked a neuromodulation and drug-free treatment technology for chronic migraine and chronic nasal congestion (rhinitis), Kinetic Oscillation Stimulation (K.O.S). The K.O.S-treatment has clinically proven efficacy according to scientific studies. The company's products are available via distributors to clinics in the Nordic countries, Germany, the UK, Italy, Israel, and Saudi Arabia. Chordate Medical is listed on Nasdaq First North Growth Market Stockholm (ticker: CMH). Read more at www.chordate.com

The company's Certified Adviser on Nasdaq First North Growth Market Stockholm is Västra Hamnen Corporate Finance AB.

N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.

Attachments

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