

NOSA PLUGS ABwww.nosaplugs.com**Sector: MedTech****Lista: Nasdaq First North Stockholm****Market Cap: 185 SEKm****Latest analysis: 28 August, 2023, Initiation of coverage (Fair share price: SEK 1.2)**

Smell training launching sooner than expected

Carlsquare Equity Research is pleased to see that the development and preparation of launching the new Smell training plugs is moving along faster than anticipated, now expected to launch on 13 November rather than in Q1 of 2024.

Multiple strong news coming from the development of Smell training plugs

NOSA announced the completion of a companion app for the smell training plugs on 12 September. The app is intended to support patients and make the treatment more effective. The app is designed to be used as the first step of the treatment and until the treatment is complete. The user enters their characteristics and personal preferences which the app then uses as a foundation for the treatment. The app reminds and notifies when it is timely to start training and when to change to a new scent.

We believe that the app has the potential to boost patient compliance and increase the total number of treated patients. The possibility to order new scents through the app also increases the number of sales channels, which in turn could increase ancillary sales.

Furthermore, the previous target was to launch the new smell training plugs by the end of the first quarter of 2024. However, thanks to speedy development the new launch date is set for the 13 November. The product is already fully developed, soon to be CE-marked and the first batch has been completed. The clinical study is running according to plan, with patient recruitment active and results expected to be made public by the end of Q2 2024. Thanks to launching earlier than expected, the smell training plugs will make their debut at the Medica in Düsseldorf, one of the largest trade fairs for medicine and medical technology.

We see the earlier-than-expected launch as strong news that has the potential to generate more buzz and momentum for the plugs as compared to launching in March of 2024. Although it is in the middle of November, meaning that there is little time left in Q4, we see the potential of orders coming from the Medica trade fair as well as from domestic customers in Sweden.

The strong news flow supports our expectations of a successful launch, especially considering the seasonality of launching during winter times, which is associated with a heightened demand for smell training products. The updated timeline and earlier launch will be incorporated into our estimates and will be featured in our take on the coming report for the third quarter of 2023.

Read our initiation of coverage [here](#).

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