

Polarean Imaging

Investor update presentation confirms thesis

13 March 2025

Current price

1.23p

TICKER

[POLX](#)

Market Cap

£15m

Net cash (31 Dec 2024)

US\$12.1m

Free Float

61%

3mo Av. Daily Volume

2.2m

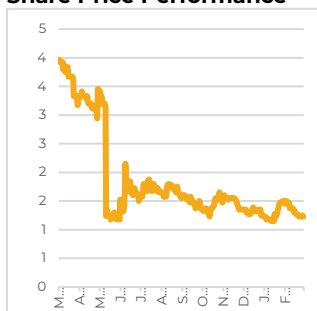
Brokers

Stifel

Index

FTSE AIM

Share Price Performance



Source: Bloomberg

Polarean is a medical device company whose XENOVIEW® system employing hyperpolarised Xenon-129 gas in MRI scanning enables unparalleled imaging of lung function and without the radiation risk associated with scintigraphy or CT scan.

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XENOVIEW® system enables unparalleled imaging of lung function

Polarean held a presentation for investors to recap the investment thesis for its unique technology for visualising lung function and provide real life examples of its Xenon MRI imaging in both research and clinical use. Dr Alan Huang, recently appointed VP Global Sales, provided a positive update on the sales pipeline and process. Polarean reaffirmed existing guidance. However, while there was no new news, the presentation certainly helped demonstrate the enthusiasm with which Polarean's technology is being greeted by clinicians and helped crystallise why the approval to extend FDA approved use in ventilation in children aged twelve to six will add to demand for the technology. For our initiation see [here](#).

The star of the presentation was Dr Laura Walkup who is Associate Professor at Cincinnati Children's hospital. Cincinnati Children's is one of the largest paediatric hospitals in the US. Dr Walkup is an expert in the use of Xenon MRI scanning and part of a large team at Cincinnati Children's.

Dr Walkup's segment mainly focused on the need for and benefit from the use of Xenon MRI scanning in children undergoing bone marrow transplant therapy which is known to be associated with a high risk of subsequent lung disease. A significant proportion of children undergoing bone marrow transplant are too young and/or too sick to be able to undertake spirometry tests where they have to blow hard into a spirometer, so measuring lung function is especially difficult. However, they are able to undertake Xenon MRI scanning which, in any case provides much more accurate visualisation of lung function than is possible using spirometry or any other method currently available.

Besides on-label use for ventilation, Dr Walkup and her team are also researching the use of Xenon MRI scanning for gas exchange. Dr Walkup noted that clinicians at Cincinnati Children's are not shy about requesting off-label tests and, that in some cases, this is in fact covered by private medical insurance, although requiring more clinical justification.

While the main focus of the clinical section - was on bone marrow transplant in children, Dr Walkup mentioned a number of other areas where Xenon MRI scanning would be beneficial in paediatric care, including in managing early pre-term birth.

Dr Huang noted that the sales team had now expanded to six strong and were much better placed to close out sales in the sales pipeline he inherited as well as adding new prospects.

At a glance (Yr to Dec)	Revenue (US\$m)	Clinical installations	Gross profit (US\$m)	Gross margin	EPS (US\$)	Net (cash)/debt (US\$m)
FY23A	0.9	1	0.3	38%	(0.055)	(6.2)
FY24E	2.8	4	1.2	43%	(0.013)	(10.8)
FY25E	5.6	10	2.7	48%	(0.008)	(2.8)
FY26E	10.6	20	5.4	51%	(0.008)	6.2
FY27E	18.5	35	10.3	56%	(0.006)	12.1
FY28E	35.3	60	20.1	57%	0.004	5.7

Source: Polarean, CAG Research. NOT UPDATED FOR FY24 TRADING STATEMENT GUIDANCE.

Summary financial statements

December year end, US\$k	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E
P&L						
Revenue	891	2,824	5,558	10,590	18,512	35,284
Cost of sales	(555)	(1,623)	(2,906)	(5,161)	(8,214)	(15,200)
Gross profit	335	1,201	2,652	5,428	10,298	20,084
Administrative expense	(3,338)	(3,350)	(3,500)	(3,500)	(3,500)	(3,500)
R&D and regulatory expense	(4,194)	(3,600)	(4,000)	(7,500)	(7,500)	(5,000)
Depreciation	(209)	(200)	(200)	(50)	(50)	(50)
Amortisation	(728)	(700)	(700)	(100)	(100)	(100)
Selling & distrib'n expense	(3,562)	(2,100)	(3,000)	(3,200)	(5,000)	(5,000)
Share-based payments	(860)	(800)	(500)	(700)	(900)	(1,100)
Total operating cost	(12,892)	(10,750)	(11,900)	(15,050)	(17,050)	(14,750)
Operating profit/(loss)	(12,556)	(9,549)	(9,248)	(9,622)	(6,752)	5,334
Finance income	299	0	0	0	0	0
Finance expense	(16)	0	0	0	0	0
Other gains/(losses) - net	388	0	0	0	0	0
Profit/(loss) before tax	(11,885)	(9,549)	(9,248)	(9,622)	(6,752)	5,334
Income tax (charge)/credit	0	0	0	0	0	0
Net profit/(loss)	(11,885)	(9,549)	(9,248)	(9,622)	(6,752)	5,334
Basic reported EPS (US\$)	(0.055)	(0.013)	(0.008)	(0.008)	(0.006)	0.004
Diluted reported EPS (US\$)	(0.055)	(0.013)	(0.008)	(0.008)	(0.006)	0.004

Source: Polarean, CAG Research. NOT UPDATED FOR FY24 TRADING STATEMENT GUIDANCE.

Summary financial statements (cont)

December year end, US\$k	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E
Cash flow						
Profit/(loss) before tax	(11,885)	(9,549)	(9,248)	(9,622)	(6,752)	5,334
Depreciation	209	200	200	50	50	50
Amortisation	728	700	700	100	100	100
Share-based payments	860	800	500	700	900	1,100
FX on non cash items	(72)	0	0	0	0	0
Writeback of contingent consid'n	(316)	0	0	0	0	0
Net interest	(283)	0	0	0	0	0
Operating cash flow before WC	(10,759)	(7,849)	(7,848)	(8,772)	(5,702)	6,584
Delta working capital	324	1,000	0	0	0	0
Cash generated from operations	(10,435)	(6,849)	(7,848)	(8,772)	(5,702)	6,584
Tax received/(paid)	0	0	0	0	0	0
Net cash generated from operations	(10,435)	(6,849)	(7,848)	(8,772)	(5,702)	6,584
Purchase of PP&E	(79)	(25)	(50)	(50)	(50)	(50)
Interest received	299	0	0	0	0	0
Net cash invested	220	(25)	(50)	(50)	(50)	(50)
Proceeds from share issue	18	12,578	0	0	0	0
Share issue costs	0	(915)	0	0	0	0
Interest paid	(16)	0	0	0	0	0
Lease liability repayments	(142)	(150)	(150)	(150)	(150)	(150)
Net cash from financing	(140)	11,514	(150)	(150)	(150)	(150)
Implied delta net debt (IAS 17)	10,355	(4,640)	8,048	8,972	5,902	(6,384)
Summary balance sheet						
Total non-current assets	1,804	1,396	1,012	979	946	912
Net assets	8,298	11,213	2,466	(6,456)	(12,308)	(5,874)
Total equity	8,298	11,213	2,466	(6,456)	(12,308)	(5,874)
Net (cash)/debt (IAS 17)	(6,172)	(10,812)	(2,764)	6,208	12,110	5,726
Net (cash)/debt (IFRS 16)	(6,097)	(10,887)	(2,989)	5,833	11,585	5,051

Source: Polarean, CAG Research. NOT UPDATED FOR FY24 TRADING STATEMENT GUIDANCE.

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