

Polarean Imaging

Xenon MRI pharma research collaboration

10 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

2.4m

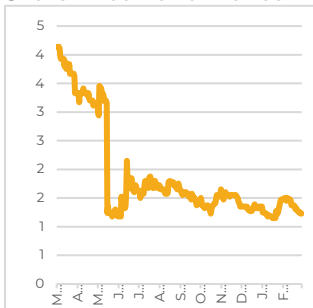
Brokers

Stifel

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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 has announced that its Xenon MRI lung imaging has been selected by a leading global pharma company to be included in a clinical trial due to start in 4Q25. This collaboration opens up a new vertical for Polarean but more importantly provides third party validation of the unmatched lung imaging that Polarean’s Xenon MRI system provides. Polarean recently announced a better than expected update for FY24 which, in our view, confirms that the company is on the cusp of hyperbolic growth with large value upside. For our initiation see [here](#).

A leading global pharma company is to utilise Polarean’s Xenon MRI lung imaging system as part of a new clinical trial support services platform provided by Polarean and its partner VIDA Diagnostics in connection with a worldwide multicentre study trial testing an investigational lung therapy.

This is the fruit of Polarean’s partnership with VIDA, a clinical imaging technology company which promotes Xenon MRI scanning to pharma and biotech companies whose trials would benefit from the technology to potentially reduce cost and/or expedite the clinical trial process for therapies targeting lung disease.

The Xenon MRI sub-study component of this clinical trial will provide insight into ventilation, membrane conductance, and red blood cell transfer in the lungs. That means the trial will utilise Polarean’s technology to evaluate lung ventilation, for which the system has formal FDA approval, and also for gas exchange which remains subject to FDA approval, following planned clinical trials that should more than double Polarean’s current addressable market to US\$5bn.

The trial is expected to begin in 4Q25 and will take place at sites which already have a Xenon MRI system installed. Besides revenue from the additional sales of consumables, Polarean and VIDA will be remunerated for providing site qualification and training, image harmonisation, and Xenon MRI biomarker analysis for the sub-study as part of this pharma partnership.

While the incremental direct financial benefit of this collaboration to Polarean is likely to be modest, the fact that its technology is being used to expedite this large scale clinical trial provides validation of the unmatched lung imaging that Polarean’s Xenon MRI system provides and bodes well for its formal progression for use in imaging gas exchange.

Polarean has scheduled a Virtual Investor Day to take place on 12 March 2025 at 14:00 GMT for which interested investors can register [here](#).

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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