

Regulatory Announcement

[Go to market news section](#)



Company [IdaTech PLC](#)
TIDM IDA
Headline First Day of Dealings
Released 08:26 06-Aug-07
Number 5646B

RNS Number:5646B
IdaTech PLC
06 August 2007

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY,
IN OR INTO

THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN

For immediate release
August 2007

6

IdaTech plc

("IdaTech" or "the Company")

FIRST DAY OF DEALINGS ON AIM

TIDM code: IDA

IdaTech plc, an advanced fuel cell solutions company headquartered in Bend, Oregon, USA, announces that trading in its ordinary shares of 1p each ("Ordinary Shares") on the AIM market of the London Stock Exchange plc ("AIM") under the TIDM code 'IDA' and ISIN number GB00B1WTNQ84 has commenced today. At the placing price of 100 pence per Ordinary Share (the "Placing Price"), the market capitalisation of the Company is approximately £49.5 million.

The placing ("Placing") totals 15,272,498 Ordinary Shares comprising 14,182,074 new Ordinary Shares and 1,090,424 existing Ordinary Shares, which represent in aggregate approximately 30.9 per cent of the Company's enlarged issued Ordinary Share capital. The new Ordinary Shares issued pursuant to the Placing include

1,484,998 Ordinary Shares that were issued to Dresdner Kleinwort in connection with its role in the Placing. The gross proceeds of the Placing to be received by IdaTech from the issue of new Ordinary Shares are approximately £12.7 million.

The Company has also entered into a medium term loan note of approximately £5.0 million (\$10 million) giving the Company access to aggregate funding of approximately £17.7 million (£15.1 million net of cash fees and expenses of the Placing of £2.6 million).

Dresdner Kleinwort Limited ("Dresdner Kleinwort") is Nominated Adviser and Broker to the Company.

Overview

IdaTech is focussed on commercial markets in which current solutions are arguably inferior to fuel cell technology. The Company is also developing technology to address additional opportunities in consumer and industrial markets. The directors of the Company (the "Directors") believe that this parallel approach positions IdaTech to address both near and longer term markets for fuel cells and related systems.

Competitive strengths

The Directors believe that IdaTech possesses a number of strengths that could provide it with a competitive advantage over other fuel cell companies in markets such as backup power and portable power. These include:

- **Advanced technology and product design:** The Directors believe that IdaTech's proprietary technology in the generation of greater than 99.5 per cent. pure hydrogen from a variety of fuels, together with its ability to integrate this fuel reforming technology into fuel cell systems, enables the Company to address a wider range of markets than its competitors;
- **Applied research and development strength:** The Directors believe that IdaTech has a strong in-house research and development capability in fuel reforming, hydrogen purification and fuel cell stacks;

- Quality of business relationships/development partnerships: IdaTech has achieved approved vendor status with T-Mobile USA and its products have been tested and certified for installation in Telecom Italia's network. In addition, IdaTech is in tests with a number of other telecommunications companies in Europe and the United States;
- Extensive intellectual property portfolio: As at 30 April 2007, IdaTech held 134 worldwide patents granted, of which 50 are US patents, and more than 160 pending patent applications;
- Expanding manufacturing capabilities: During the second half of 2007, IdaTech intends to commence manufacturing in its new facilities in Tijuana, Mexico; and
- A strong management team: The IdaTech management team includes experienced professionals from a variety of backgrounds, including engineers, business managers and research and development experts.

Strategy for growth

The Directors believe that adoption of IdaTech's technology will follow a path from premium to mass applications in both industrial and consumer markets. Markets on which IdaTech is or will be focussing in the short-term include:

- Backup or remote power in industries where continuity of power is essential (particularly telecommunications);
- Small scale and portable power for industrial applications (such as small monitoring and telecommunications stations), high end consumer applications (such as power for recreational vehicles and yachts) and military applications; and
- Power for industrial materials handling vehicles, such as fork-lift trucks, which currently utilise batteries.

IdaTech's technology

IdaTech has proprietary technology in fuel reforming, hydrogen purification and

PEM fuel cells which it combines with engineering expertise to produce integrated fuel cell systems.

Fuel reforming and hydrogen purification. IdaTech has technology in all three key reforming technologies; steam, autothermal and partial oxidation and hydrogen purification technology that can transform a variety of fuels into greater than 99.95 per cent. pure hydrogen.

PEM fuel cell systems. IdaTech's PEM fuel cell systems can be powered by stored hydrogen or by hydrogen reformed from alcohol and hydrocarbon fuels (such as diesel) and then purified.

Integrated fuel cell systems. IdaTech is able to combine its proprietary technologies into complete, integrated systems. IdaTech's fuel cell systems are based on a flexible modular design supporting interchangeable components.

Current markets for IdaTech's technology

IdaTech is initially focussing on three key markets:

a) The critical backup power market

IdaTech's initial focus in the critical backup power market is on systems for telecommunications base stations. It is estimated that in 2012 the total global number of wireless telecoms base stations will be approximately 2,390,000 installed units (Source: In-Stat), and the total global number of wireline installations will be 887,000 installed units (Source: ECTA Broadband Scorecards, ITU and VSTA).

IdaTech's system - the ElectraGen™ family of products.

The ElectraGen™ family of critical backup power systems are typically designed with the objective of providing higher system reliability at a cost that is comparable to that for the traditional VRLA battery technology on an overall lifecycle basis. When grouped together, ElectraGen™ systems can support critical loads of up to 15 kWe.

The ElectraGen™ XTR pairs an ElectraGen™ unit with IdaTech's methanol processing system, the XTR Module. The ElectraGen™ XTR Module overcomes the

challenges of stored hydrogen by producing hydrogen onsite as required from a convenient liquid fuel and thereby overcoming the hydrogen barrier.

b) Portable and remote power markets

In the sub-kilowatt output power sector, the Company is focused on three major market segments;

- Industrial applications for small, autonomous fuel cell power generators;
- Recreational vehicles and boats; and
- Military applications.

IdaTech's system - the iGen™

The iGen™ fuel cell power supply is IdaTech's sub kilowatt portable fuel cell system. The iGen™ system allows battery charging capability in standalone or hybrid configurations for a variety of applications instead of using conventional internal combustion generators. The Company is focused on further development of the product to enable it to operate using a more widely available fuel, such as propane, for some of its markets.

In 2004, 2005 and 2006, IdaTech received development contracts from the US Department of Defense with regards to the iGen™ system.

c) The materials handling market

Fuel cells are widely seen as an alternative to pure battery systems in powering materials handling applications such as forklift trucks.

IdaTech's offering - materials handling product to be developed.

IdaTech plans to develop a system that would typically incorporate fuel cell systems with output power between 3 and 10 kWe working in conjunction with batteries, and potentially ultra capacitors, to provide a peak power output suitable for Class 1 and Class 2 lift vehicles (as defined by the International Truck Association's classification system).

Summary of the Placing

Placing Price
£ 1.00

Number of Ordinary Shares in the Placing
15,272,498

Number of new Ordinary Shares to be issued by the Company
14,182,074

Number of Ordinary Shares to be sold by the selling
shareholders(1)
1,090,424

Percentage of issued share capital immediately following

Admission being offered in the Placing
30.9%

Number of Ordinary Shares in issue immediately following
Admission
49,499,969

Market capitalisation of the Company immediately following £ 49.5
million

Admission at the Placing Price

Estimated net proceeds of the Placing receivable by the Company £ 10.1
million
(2)

(1) Of the 1,090,424 Ordinary Shares sold by the selling shareholders in the Placing, 317,895 are Ordinary Shares that were allotted and issued to certain employees following their exercise of options over Ordinary Shares in the Company following the publication of the Admission Document on 23 July 2007.

(2) Net proceeds receivable by the Company are stated after deduction of estimated fees and expenses of the Placing (including VAT, but excluding a corporate finance fee and underwriting commissions payable by the Company to Dresdner Kleinwort in connection with the Placing, which shall together be discharged in full by the allotment and issue of 1,484,998 new Ordinary Shares to Dresdner Kleinwort as part of the Placing) of approximately £2.6 million. The Company will not receive the proceeds of the existing Ordinary Shares being sold by the selling shareholders.

Use of proceeds

The Company expects to benefit from the ability to apply increased resources to its research and development efforts, whilst maintaining a strict focus on cost control and continuing to seek development partners. The net proceeds of the Placing to be received by the Company amounting to approximately £10.1 million after expenses will be used principally to finance ongoing research and development activities, expand the Company's sales and marketing function, expand the Company's manufacturing capabilities, to repay a debt of \$1.1 million (plus accrued interest of approximately \$5,000) owed to Investec Group Investments (UK) Limited, a major shareholder in the Company, and for general corporate purposes.

Commenting on the commencement of trading, Harol Koyama, Chief Executive Officer, said:

"I am delighted that IdaTech has commenced trading on AIM today. The float will enable the Company to increase its research and development efforts and widen its sales and marketing capabilities to encompass a greater number of geographies, vertical industries and distribution channels."

For further information please contact:

IdaTech plc +1 541
322 1000

Harol Koyama, Chief Executive Officer
James Cooke, Chief Financial Officer

Dresdner Kleinwort +44 (0) 20
7623 8000

Charles Batten / Angus Kerr / Ben Bailey / Jon Drage

Buchanan Communications +44 (0) 20
7466 5000

Charles Ryland / Catherine Breen

Neither this announcement nor any copy of it may be taken or transmitted into the United States, Australia, Canada or Japan. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares of the Company

nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefore in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. The Placing and the distribution of this announcement and other information in connection with Admission and the Placing in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute or form part of any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for any securities. An admission document has been published and can be obtained from the registered office of the Company and any purchase of securities should only be made on the basis of the information contained in such document.

The announcement is not intended for publication or circulation, directly or indirectly, in or into the United States. This announcement and the information contained herein does not constitute and should not be construed as an offer to sell or the solicitation of an offer to buy securities in the United States or to any U.S. person (as defined in Regulation S under the US Securities Act of 1933, as amended (the "Securities Act")). Any securities of the Company may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The Company has not registered and does not intend to register any portion of the Placing in the United States or to conduct a public offering of securities in the United States.

There are matters set out in this announcement that are forward-looking. All such forward-looking statements are based on assumptions and beliefs in light of information available at this time. These forward-looking statements are, by

their nature, subject to significant risks and uncertainties and actual results, performance or achievements may be materially different from those expressed in such statements.

.
Dresdner Kleinwort Limited and Dresdner Kleinwort Securities Limited, which are each authorised and regulated by the Financial Services Authority, are acting for the Company and for no-one else in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or for affording advice in relation to the Placing. Neither Dresdner Kleinwort Limited nor Dresdner Kleinwort Securities Limited accept any liability whatsoever for the accuracy of any information or opinions contained in this announcement or for the omission of any material information or are responsible for the contents of this announcement.

This information is provided by RNS
The company news service from the London Stock Exchange

END

Close

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.