

## Edgewater Wireless to go public in \$8M reverse takeover deal



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**Ottawa-based Wi-Fi technology firm Edgewater Wireless Systems Inc. is looking to go public via a reverse takeover by a Calgary-based shell company, in a deal that values Edgewater Wireless at more than \$8 million.**

Topics : [Edgewater Wireless](#) , [Edgewater Computer Systems](#) , [KIK Polymers](#)

Edgewater Wireless, a wholly owned subsidiary of 23-year-old defence and research and development firm Edgewater Computer Systems Inc., announced Tuesday that it's entered into a binding letter of intent with KIK Polymers Inc. The latter will complete a reverse takeover by acquiring all of the local company's issued and outstanding shares, in exchange for 35 million KIK common shares.

Shares of KIK -- which previously manufactured and marketed puncture-proof microcellular polyurethane tires -- were valued at 23 cents each on the TSX Venture Exchange at the end of last week, which gives Edgewater Wireless a current value of roughly \$8.05 million.

However, the transaction includes a condition to get an independent valuation of Edgewater Wireless in support of a minimum value of \$8.75 million.

As well, as part of the reverse takeover deal, KIK must complete a brokered private placement of units at 25 cents each, to raise gross proceeds of between \$5.63 million and \$6.47 million.

The companies noted KIK will likely engage a sponsor to help with the proposed transaction, with a finder's fee of 900,000 units expected to be paid at the closing of the deal.

The deal must still obtain the approval of both firms' shareholders and boards of directors, and it's conditional on there being no material adverse change in the business, results of operations, assets and liabilities, or the financial conditions of either company.

Details were not disclosed on when the reverse takeover is expected to be wrapped up, but KIK and Edgewater noted either party may terminate the letter of intent if the conditions to closing the deal have not been met by Aug. 1 of this year, or if the private placement has not closed by July 31.