
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **April 11, 2019**

IDEAL POWER INC.

(Exact name of registrant as specified in charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-36216
(Commission File Number)

14-1999058
(I.R.S. Employer Identification
Number)

**4120 Freidrich Lane, Suite 100
Austin, Texas 78744**
(Address of principal executive offices, including zip code)

(512) 264-1542
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On April 11, 2019, Ideal Power Inc. (the “*Company*”) entered into an asset purchase agreement (the “*Purchase Agreement*”) with Pathion Holdings, Inc., a Delaware corporation (the “*Purchaser*”) and Pathion, Inc., a Delaware corporation (“*Subsidiary*” and together with the Purchaser, the “*Purchaser Entities*”) to sell certain assets related to the Company’s PPSA™ / Power Conversion Systems business (the “*PPSA Business*”). The purchase price consists of \$500,000 in cash and 150,000 shares of the common stock of the Purchaser. Pursuant to the Purchase Agreement, the Purchaser will assume certain liabilities relating to the PPSA Business, and the Purchaser shall have a limited three (3) year exclusive option to purchase the Company’s B-TRAN™ (Bi-directional bi-polar junction transistor), subject to certain minimum purchase obligations. The option is limited to third parties and for use in commercial, industrial, microgrid and grid-scale standalone energy storage systems using an integrated multi-port power conversion system. The Purchase Agreement contains customary provisions for an asset sale including representations and warranties, indemnification for intellectual property-related matters and indemnification, expiring after 6 months, for certain assumed liabilities in excess of \$1 million. The closing of the transaction is contingent upon the Company and the Purchaser entering into an agreement pursuant to which the Company will sublease to the Purchaser approximately 80% of the premises located at 4120 Freidrich Lane, Suite 100, Austin, Texas, and the satisfaction of customary closing conditions. Subject to certain exceptions described in the Purchase Agreement, in the event that the Purchase Agreement is terminated by either party prior to closing, a “break-up” fee of \$200,000 shall be payable to the non-terminating party. The transaction is expected to close in April 2019. The foregoing description of the Purchase Agreement does not purport to be complete and highlights only those terms and conditions of the Purchase Agreement which are material to the Company.

On April 17, 2019, the Company issued a press release announcing the signing of the Purchase Agreement. A copy of the press release is attached hereto as Exhibit 99.1, and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated April 17, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

IDEAL POWER INC.

Date: April 17, 2019

By: /s/ Timothy Burns
Timothy Burns
Chief Financial Officer



PATHION Inc. acquires Ideal Power's power conversion business unit and technology

Saratoga, California and Austin, Texas – April 17, 2019 – PATHION Holdings, Inc. and its subsidiary, PATHION Inc. (together, “PATHION”) a provider of safe and intelligent energy solutions has entered into an agreement with Ideal Power Inc. (NASDAQ: IPWR), a semiconductor and power conversion technology company, to purchase Ideal Power’s Power Conversion Systems business and Power Packet Switching Architecture (PPSA™) technology for a combination of cash and shares of common stock in PATHION Holdings, Inc.

Ideal Power’s patented PPSA™ technology enables innovative solutions for system integrators and project developers for a broad set of growing markets, including on and off-grid commercial solar+storage, utility grid services, electric vehicle charging, stand-alone energy storage and microgrids. PPSA™ dramatically reduces the size, weight, and cost of power conversion systems, while also increasing system efficiency and flexibility. “Ideal Power’s bi-directional AC and DC inverter technology will greatly increase the flexibility and resiliency of PATHION’s energy storage systems in the future,” said PATHION CEO Mike Liddle. “This technology provides PATHION with a sustainable competitive advantage, delivering intelligent optimized energy generation.”

PATHION’s approach to the commercial and industrial (C&I) energy storage market is to bring a comprehensive energy solution complete with batteries, power conversion system, thermal management, advanced monitoring, and energy management system. “We believe integrating PPSA™ technology into PATHION’s total solution will provide a greater competitive advantage in the C&I market sector. Additionally, incorporating our B-TRAN™ technology into future PPSA™-based power converters provides a sustainable long-term competitive advantage for PATHION’s solutions. We are excited to help enable this opportunity and its potential to directly benefit our shareholders through our equity position in PATHION,” said Dr. Lon Bell, Chairman and CEO of Ideal Power.

As we move toward a clean energy future, we shift from slower mechanical power sources to more precise and flexible inverter-based resources. PATHION is at the forefront, working to deliver more ways to benefit our partners and customers with energy applications ranging from reducing the cost of supply when demand is high, or simply allowing PV to time-shift to better align with consumption to providing off-grid operations in emergencies, or supplying instant high-power to critical processes.

“Looking forward into 2019 and beyond, Ideal Power can now focus all our resources and efforts on the commercialization of our proprietary B-TRAN™ technology. Our business model leverages capabilities at existing semiconductor fabrication facilities, collaborations with major universities and our relationships with semiconductor experts to complement our company’s modeling, power switch development and characterization capabilities,” concluded Bell.

Details of the transaction are described in Ideal Power’s 8-K filed today with the Securities and Exchange Commission.

About PATHION Inc.

PATHION provides safe and intelligent energy solutions that address today's critical problems of energy costs, reliability, and quality. PATHION produces high-performance energy systems for commercial, marine, industrial, utility and government applications. PATHION's solutions result in maximized energy savings, ongoing energy resilience and security, and new-found revenue. Our system combines any energy generation source including solar, wind and grid with advanced energy storage to provide a fully-financed, turnkey solution delivering the highest performance.

About Ideal Power Inc.

Ideal Power (NASDAQ: IPWR) is a semiconductor and power conversion technology company focused on its patented Bi-directional, Bi-polar Junction Transistor (B-TRAN™) semiconductor technology. B-TRAN™ is a unique double-sided bi-directional AC switch expected to deliver substantial performance improvements over today's conventional power semiconductors. B-TRAN™ offers the potential to improve efficiency and system economics of a wide variety of power converter applications including electrified vehicle traction drives, energy storage applications, PV inverters and wind converters, variable frequency (VFD) motor drives, and AC and DC power control applications.

Safe Harbor Statement

All statements in this release that are not based on historical fact are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. While management has based any forward-looking statements included in this release on its current expectations, the information on which such expectations were based may change. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of risks, uncertainties and other factors, many of which are outside of our control that could cause actual results to materially differ from such statements. Such risks, uncertainties, and other factors include, but are not limited to, the successful closing of the sale of our PPSA business, the success of our B-TRAN™ technology, whether the patents for our technology provide adequate protection and whether we can be successful in maintaining, enforcing and defending our patents, our inability to predict with precision or certainty the pace of development and commercialization of our B-TRAN™ technology, whether we can continue as a going concern and uncertainties set forth in our quarterly and annual reports filed with the Securities and Exchange Commission. Furthermore, we operate in a highly competitive and rapidly changing environment where new and unanticipated risks may arise. Accordingly, investors should not place any reliance on forward-looking statements as a prediction of actual results. We disclaim any intention to, and undertake no obligation to, update or revise forward-looking statements.

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