

Safeguard Scientifics Partner Company Propeller Health Acquired By ResMed

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RADNOR, Pa., Jan. 7, 2019 /PRNewswire/ -- [Safeguard Scientifics, Inc.](#) (NYSE: SFE) (Safeguard or the Company) today announced that its partner company, Propeller Health, has been acquired by ResMed (NYSE: RMD) (ASX: RMD) for \$225 million in cash. Safeguard will receive total cash proceeds of \$41.4 million, which excludes an amount of additional proceeds to be held in escrow, representing an approximate 3x cash-on-cash return and 34% IRR. Safeguard deployed \$14.3 million in Propeller since August 2014 and had a 20% primary ownership position.



"The closing of the Propeller Health acquisition by ResMed brings together two exceptional teams dedicated to improving respiratory medicine with digital technology. This milestone is a harbinger of how digital tools will impact healthcare," said Gary J. Kurtzman, MD, Managing Director at Safeguard and former Board Member at Propeller Health.

"Safeguard continues to make significant progress in our ongoing efforts to support the growth of and monetization of our portfolio of partner companies," said [Brian J. Sisko](#), Safeguard President and CEO. "Our partner companies continue to gain real traction in their respective markets. Since we announced our strategy in January 2018, Safeguard has realized over \$120 million in cash proceeds related to monetizations of our partner company interests." Mr. Sisko reiterated that, "the Safeguard team remains committed to supporting our maturing portfolio, maximizing the overall value of our partner company holdings and monetizing such holdings, in both traditional and non-traditional ways, as opportunities arise."

About Safeguard Scientifics

Historically, Safeguard Scientifics (NYSE:SFE) has provided capital and relevant expertise to fuel the growth of technology-driven businesses. Safeguard has a distinguished track record of fostering innovation and building market leaders that spans more than six decades. For more information, please visit www.safeguard.com.

Forward-looking Statements

Except for the historical information and discussions contained herein, statements contained in this release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Our forward-looking statements are subject to risks and uncertainties. Forward-looking statements include, but are not limited to, statements regarding Safeguard's initiatives taken or contemplated to enhance and unlock value for all of its stockholders, Safeguard's efforts to execute on and implement its strategy to streamline its organizational structure, reduce its operating costs, pursue monetization opportunities for partner companies and maximize the net proceeds distributable to its shareholders, Safeguard's ability to create, unlock, enhance and maximize shareholder value, Safeguard's ability to have a smooth transition to a new management team, the timing of Safeguard's management succession plan and its effect on driving increased organizational effectiveness and efficiencies, the ability of the new management team to execute Safeguard's strategy, the availability of, the timing of, and the proceeds that may ultimately be derived from the monetization of partner companies, Safeguard's projections regarding the reduction in its ongoing operating expenses, Safeguard's projections regarding annualized operating expenses and expected severance expenses, monetization

opportunities for partner company interests, and the amount of net proceeds from the monetization of partner company interests that are ultimately distributable to Safeguard shareholders after satisfying Safeguard's debt obligations and working capital needs and the timing of such distributions. Such forward-looking statements are not guarantees of future operational or financial performance and are based on current expectations that involve a number of uncertainties, risks and assumptions that are difficult to predict. Therefore, actual outcomes and/or results may differ materially from those expressed or implied by such forward-looking statements. The risks and uncertainties that could cause actual results to differ materially include, among others, our ability to make good decisions about the monetization of our partner companies for maximum value or at all and distributions to our shareholders, our ability to successfully execute on our strategy to streamline our organizational structure and align our cost structure to increase shareholder value, whether our strategy will better position us to focus our resources on the highest-return opportunities and deliver enhanced shareholder value, the ongoing support of our existing partner companies, the fact that our partner companies may vary from period to period, challenges to achieving liquidity from our partner company holdings, fluctuations in the market prices of our publicly traded partner company holdings, competition, our inability to obtain maximum value for our partner company holdings, our ability to attract and retain qualified employees, market valuations in sectors in which our partner companies operate, our inability to control our partner companies, our need to manage our assets to avoid registration under the Investment Company Act of 1940, risks, disruption, costs and uncertainty caused by or related to the actions of activist shareholders, including that if individuals are elected to our Board with a specific agenda, it may adversely affect our ability to effectively implement our business strategy and create value for our shareholders and perceived uncertainties as to our future direction as a result of potential changes to the composition of our Board may lead to the perception of a change in the direction of our business, instability or a lack of continuity that may adversely affect our business, and risks associated with our partner companies, including the fact that most of our partner companies have a limited operating history and a history of operating losses, face intense competition and may never be profitable, the effect of economic conditions in the business sectors in which Safeguard's partner companies operate, and other uncertainties described in our filings with the Securities and Exchange Commission. Many of these factors are beyond the Company's ability to predict or control. As a result of these and other factors, the Company's past operational and financial performance should not be relied on as an indication of future performance. The Company does not assume any obligation to update any forward-looking statements or other information contained in this press release.

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