

Safeguard Scientifics Partner Company Good Start Genetics To Be Acquired By Invitae Corporation

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RADNOR, Pa., July 31, 2017 /PRNewswire/ -- Safeguard Scientifics, Inc. (NYSE:SFE) today announced that its partner company, Good Start Genetics, Inc. ("Good Start"), signed a definitive agreement to be acquired by San Francisco-based genetics information company, [Invitae Corporation](#) (NYSE:NVTA). The transaction is expected to close in the first part of August 2017, subject to customary closing conditions. Safeguard expects to receive initial consideration consisting of \$3.8 million of Invitae common stock, based on the 30-day trailing average stock price, and an additional \$1.3 million of Invitae common stock which will be held in escrow for up to 13 months.



Invitae is one of the fastest growing genetic information companies in the U.S. whose longer-term strategy is to aggregate most of the world's genetic tests into a single service with higher quality, faster turnaround time, and lower price than many single-gene and panel tests today. The company currently provides a diagnostic service comprising approximately 1,500 genes for a variety of genetic disorders associated with oncology, cardiology, neurology, pediatrics, and other rare disease areas, as well as clinical analysis of a 20,000-gene medical exome.

Stephen T. Zarrilli, Safeguard's President and CEO, said, "From Safeguard's perspective, this outcome represents a significant shortfall based on our return expectations. However, considering the anticipated time and cost required to introduce additional technologies and tests into adjacent markets and to further develop Good Start, we believe that a larger, more financially capable enterprise that is focused on genetic testing was necessary to move Good Start's vision forward."

"Good Start is an excellent strategic fit with Invitae," said Gary J. Kurtzman, MD, Managing Director at Safeguard and board member at Good Start. "We believe that Invitae is the best partner to advance the mission Good Start began seven years ago."

About Safeguard Scientifics

Safeguard Scientifics (NYSE:SFE) provides capital and relevant expertise to fuel the growth of technology-driven businesses in healthcare, financial services and digital media. Safeguard targets companies that are capitalizing on the next wave of enabling technologies with a particular focus on the Internet of Everything, enhanced security and predictive analytics. Safeguard typically deploys between \$5 million and \$25 million over the course of its partnership with a company, initially investing in a Series A or B Round and opportunistically in a Seed Round. 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 or follow us on Twitter [@safeguard](#).

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. The risks and uncertainties that could cause actual results to differ materially include, among others, our ability to make good decisions about the deployment of capital, the fact that our partner companies may vary from period to period, our substantial capital requirements and absence of 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, and risks associated with our partner companies, including the fact that most of our partner companies have a limited 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 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.

SAFEGUARD CONTACT:

John E. Shave III

Senior Vice President, Investor Relations and Corporate Communications

610.975.4952

jshave(at)safeguard(dot)com

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