



CORPORATE PRESENTATION →

June 2014

SFE
LISTED
NYSE

Safeguard Scientifics (NYSE:SFE)



- Substantial Track Record
- Deep Domain Expertise
- Focused Approach
- Evergreen Funding Model
- Strong Balance Sheet and Liquidity



Why Own Safeguard (NYSE:SFE)?



- Full Value Yet to be Realized or Recognized
- Ownership Stakes in Exciting Partner Companies
- Top Performance of Proven Team
- Financial Strength, Flexibility and Liquidity
- Strong Alignment of Interests



Goals and Objectives



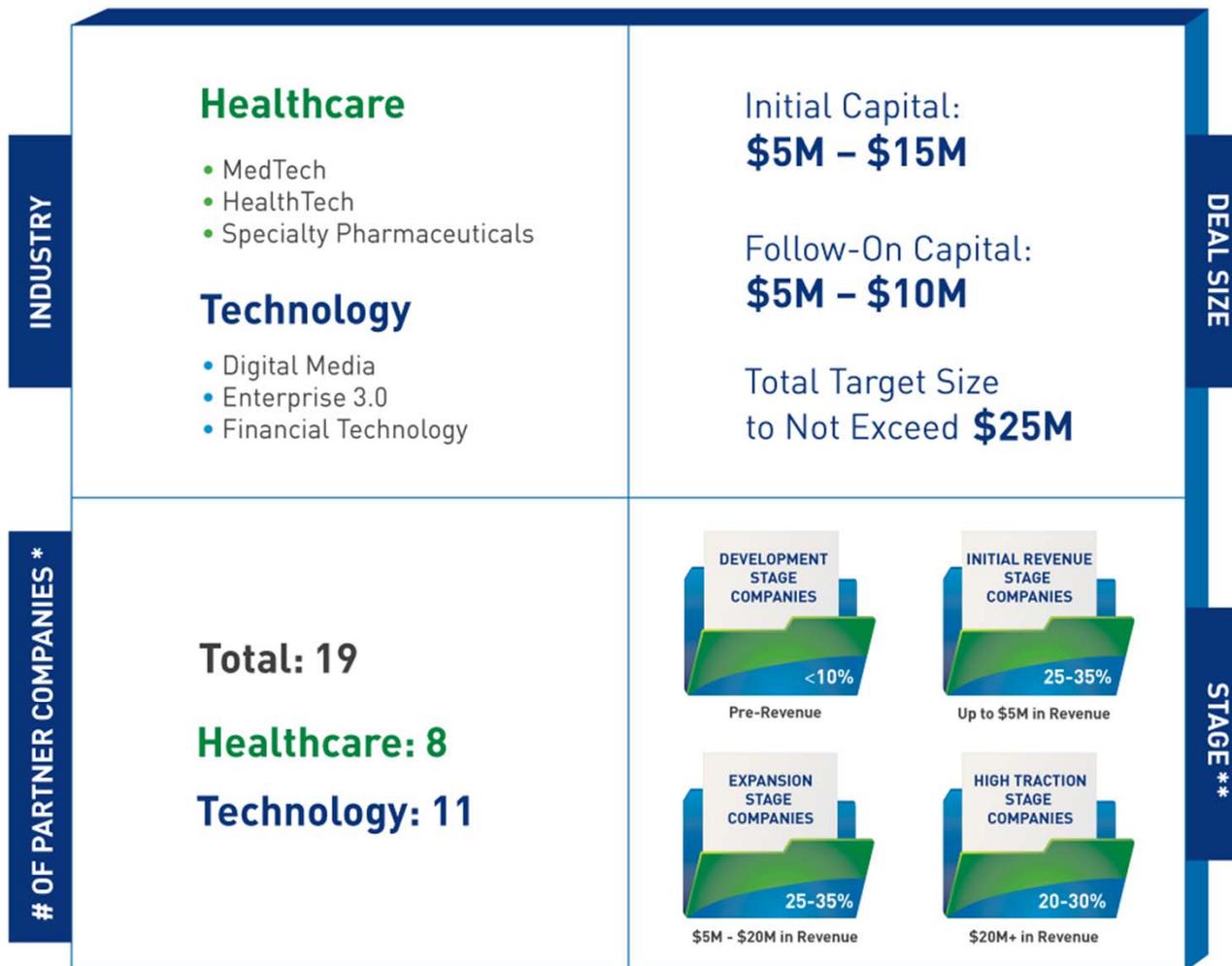
- Focus on core business as engine to value growth
- Greater consistency in the amount of deployed capital and capital realized through monetizations
- Target aggregate cash-on-cash returns at a minimum of 2x cost
- Larger stable of partner companies to provide for greater opportunities

Core Operating Model





Core Capital Deployment Objectives

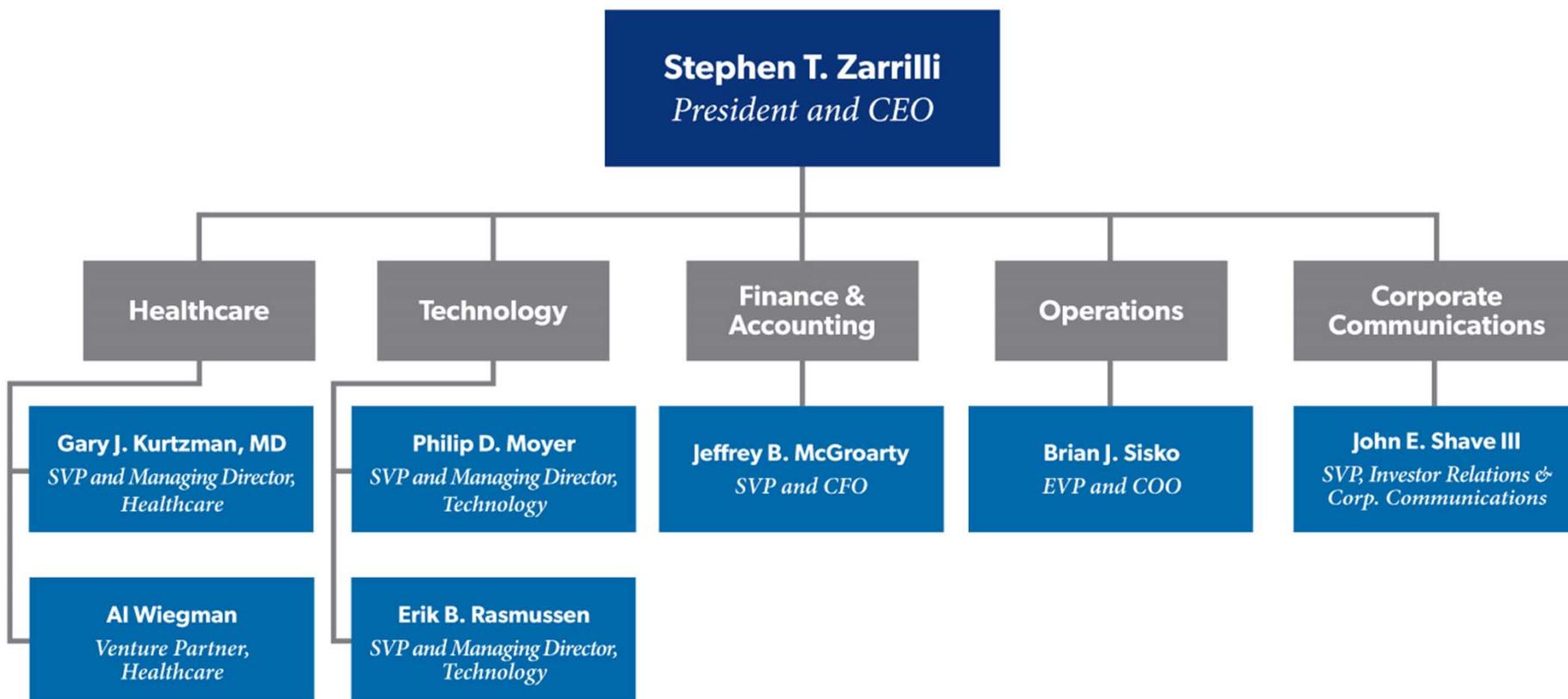


* As of April 24, 2014

** % represents target allocation of capital deployed into Safeguard's partner companies by revenue stage.



Our Team





Current Syndication Partners



The Pilot Group

BOULEVARD



Merck Global Health Innovation



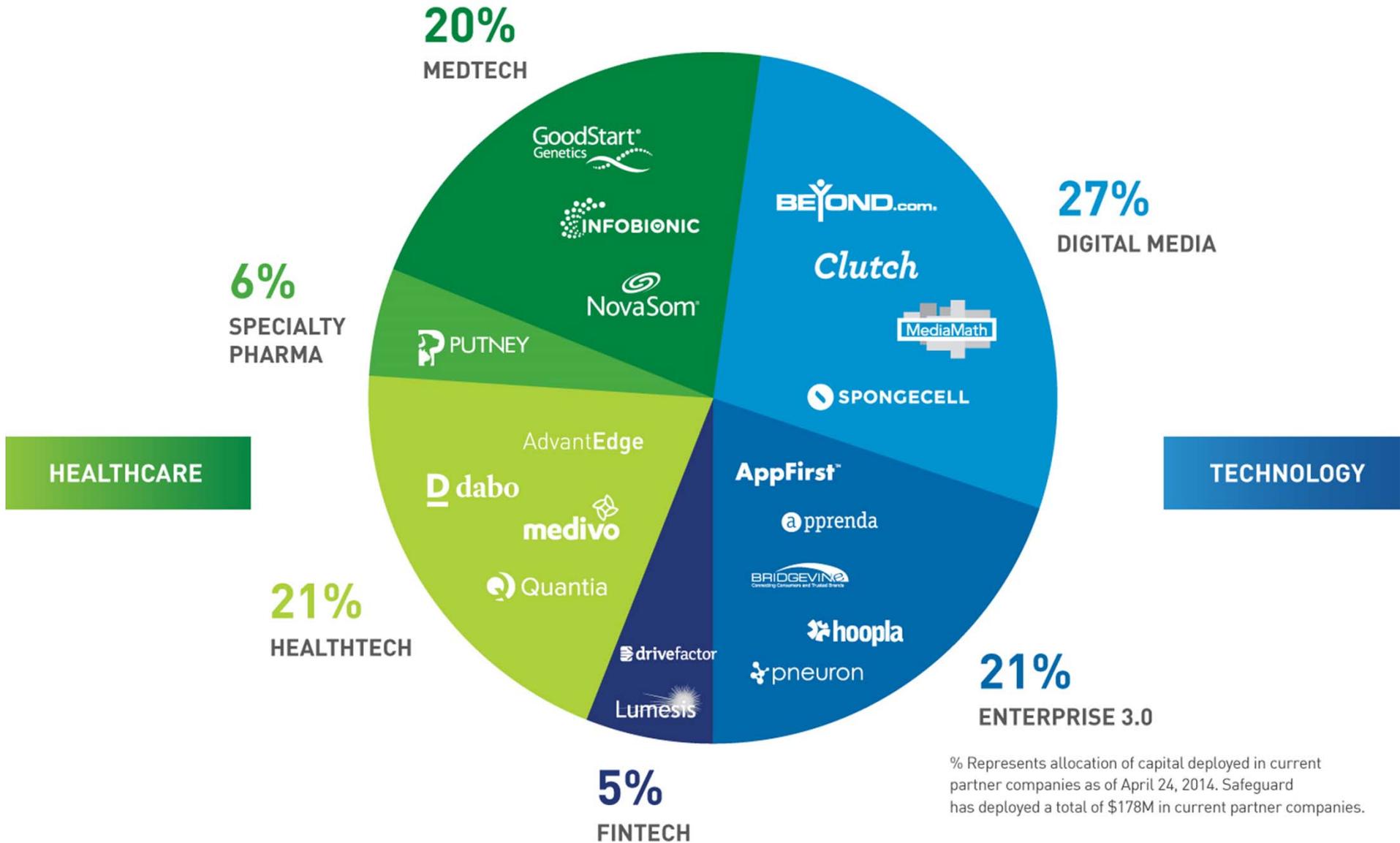
salesforce.com



SV Life Sciences



Current Partner Companies



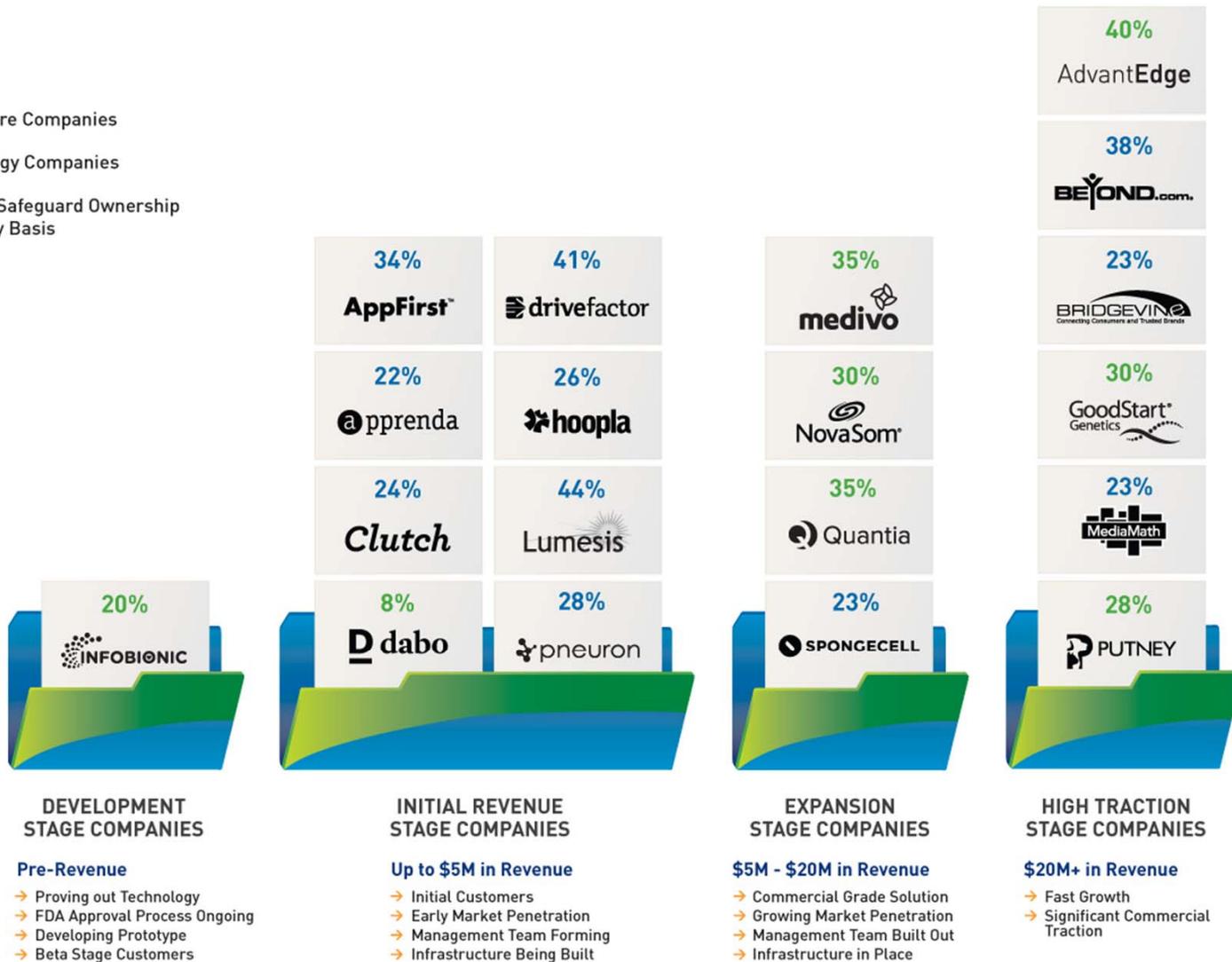
% Represents allocation of capital deployed in current partner companies as of April 24, 2014. Safeguard has deployed a total of \$178M in current partner companies.

Partner Companies by Revenue Stage



- Healthcare Companies
- Technology Companies

% Represents Safeguard Ownership on a Primary Basis





Partner Company Update:



- Leader in digital marketing technology
- TerminalOne Marketing Operating System™
- Powers operations for 1000s of marketers, including more than half of Fortune 100
- Major brands include Havas, Hill Holiday, 1-800-Flowers.com and Pitney Bowes
- 300+ employees in 12 locations worldwide
- Facebook Exchange (FBX) partner

JULY 2009 Initial Capital Deployed	23% SFE Primary Ownership
\$18.5M Total Capital Deployed	Digital Media Sector
\$124B Estimated worldwide digital ad spend; Proj. 15.6% CAGR 2012-2016	High Traction Revenue Stage

Search Retargeting	Creative Optimization	Brand Measurement	Exchanges	Private Marketplace
Privacy Compliance	Ad Verification	Ad Serving	Social	Video
DMP and Data Aggregators	Web Analytics & Attribution	3rd Party Data	Contextual Targeting	Mobile
			Premium Media Sources	Supply-side Platforms





Partner Company Update:



- Molecular genetic information company
- Genetic carrier screening tests based on next-generation sequencing technology
- GoodStart Select™ — Screens for all 23 genetic disorders recommended for screening by leading medical societies
- Results in higher carrier detection rates regardless of ethnicity
- Exclusive commercial partnership with PerkinElmer
- Opportunity to expand tests beyond IVF (i.e. – OB/Gyn and maternal fetal medicine)

SEPT 2010

Initial Capital
Deployed

30%

SFE Primary
Ownership

\$12.0M

Total Capital Deployed

Med Tech

Sector

1/280

Babies born each year
with an inherited disease

High Traction

Revenue Stage





- Rapidly growing specialty pharmaceutical company
- Headquartered in Portland, ME
- Developing high-quality, cost-effective generic medicines for pets
- 5 FDA-approved veterinary generic products in 3 different dose forms
- Projecting revenue by YE'18 of \$190M and \$40M+ EBITDA

SEPT. 2011

Initial Capital Deployed

28%

SFE Primary Ownership

\$11.9M

Total Capital Deployed*

Specialty Pharma

Sector

\$8.9B

Est. U.S. companion animal medicines and vaccines sector, estimated to grow CAGR 5% 2011-2016.

High Traction

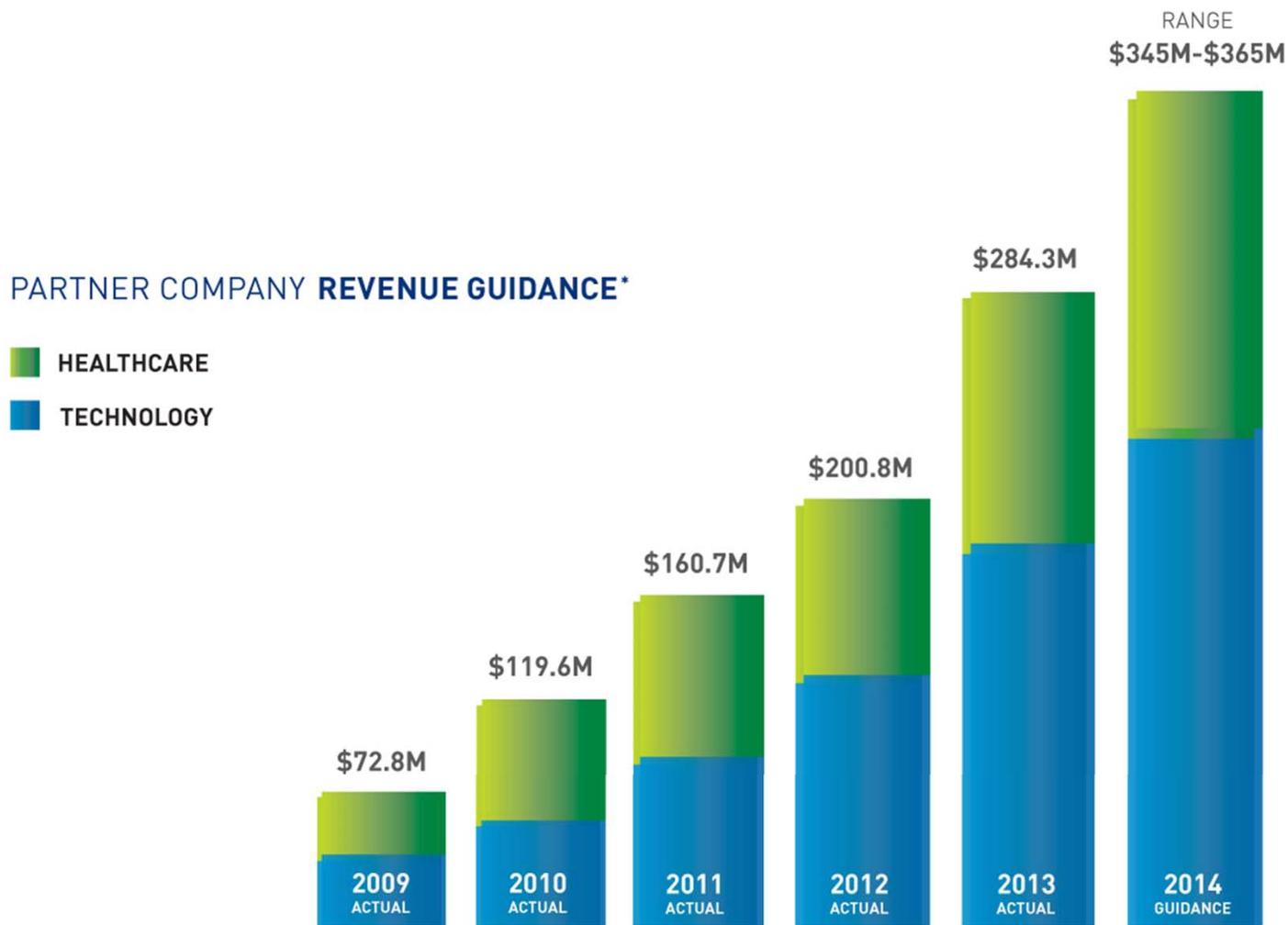
Revenue Stage



* As of April 24, 2014



Partner Companies Revenue Guidance



* Aggregate revenue guidance for 2014 and prior years, presented above, reflects revenue on a net basis. Revenue figures utilized for certain companies pertain to periods prior to Safeguard's involvement with said companies and based solely on information provided to Safeguard by such companies. Safeguard reports the revenue of its equity and cost method partner companies on a one-quarter lag basis.

Recent Success Stories



 HEALTHCARE

 TECHNOLOGY

	Acquired By	Proceeds*	Cash-on-Cash Return
		\$38.4M	4x
		\$23.1M	1x
		\$15.7M	2x
		\$36.4M	4x
		\$38.1M	4x
		\$138.2M	13x
		\$41.3M	4x
		\$207.8M	3x

* Excludes amounts currently held in escrow or subject to earn-out.



Equity Incentive Compensation



- Key Goals
 - Structured to align with shareholder interest
 - Consistent with carried interest methodology
 - 75% of vesting based on performance criteria
- Performance Vesting Elements
 - Upon achievement of certain market capitalization thresholds
 - Upon achievement of cash-on-cash return thresholds on pools of capital deployed
- Insider Ownership
 - Equity pool approximates 20% of common stock equivalents
 - 44% of outstanding grants are vested



Why Own Safeguard (NYSE:SFE)?



- Full Value Yet to be Realized or Recognized
- Ownership Stakes in Exciting Partner Companies
- Top Performance of Proven Team
- Financial Strength, Flexibility and Liquidity
- Strong Alignment of Interests

Connect with Us.



www.safeguard.com

John E. Shave III

SENIOR VICE PRESIDENT,
INVESTOR RELATIONS &
CORPORATE COMMUNICATIONS

P 610.975.4952
E jshave@safeguard.com



www.safeguard.com



blog.safeguard.com



[facebook.safeguard.com](https://facebook.com/safeguard.com)



[linkedin.safeguard.com](https://linkedin.com/company/safeguard)



[twitter.safeguard.com](https://twitter.com/safeguard)



[stocktwits.safeguard.com](https://stocktwits.com/safeguard)



[slideshare.safeguard.com](https://slideshare.com/safeguard)



[youtube.safeguard.com](https://youtube.com/safeguard)



Forward Looking Statements



Statements contained in this presentation that are not historical facts are forward looking statements which involve certain risks and uncertainties including, but not limited to, risks associated with 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 may decline, 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 our partner companies operate, and other uncertainties as described in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K.

Safeguard does not assume any obligation to update any forward looking statements or other information contained in this presentation.