SAFEGUARD℠

60 YEARS of Building Value

Second Quarter 2014 Financial Results

July 24, 2014

SFE LISTED NYSE

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.

Year-to-Date Highlights

- Deployed $23.1M of capital in existing partner companies
- Deployed $11.1M of capital in new partner companies InfoBionic, Syapse and Trice Medical
- Realized $81.3M in cash proceeds from our interests in former partner companies Alverix, Crescendo Bioscience, NuPathe and Sotera Wireless
- Facilitated the merger of partner company Bridgevine with Acceler
- Repurchased 1.2 million shares of our common stock for $25.0 million

Pipeline

- Remain focused on deploying capital into healthcare and technology companies
- YTD, reviewed and evaluated 400+ new deal opportunities; closed three
- Current partner company roster = 21
- Expect to add a total of 5-6 new partner companies in 2014

Partner Companies by Revenue Stage*

Healthcare Companies

Technology Companies

% Represents Safeguard Ownership on a Primary Basis

DEVELOPMENT STAGE COMPANIES	INITIAL REVENUE STAGE COMPANIES		EXPANSION STAGE COMPANIES	HIGH TRACTION STAGE COMPANIES
		41% drivefactor		40% AdvantEdge
	34% AppFirst	26% hoopla	35% medivo	38% BEYOND.com
	22% apprenda	49% Lumesis	30% NovaSom	17% BRIDGEVINE
20% INFOBIONIC	30% clutch	28% pneuron	35% Quantia	30% GoodStart Genetics
13% Trice	13% dabo	27% syapse	23% SPONGECELL	21% MediaMath
				28% PUTNEY

DEVELOPMENT STAGE COMPANIES

Pre-Revenue
- Proving out Technology
- FDA Approval Process Ongoing
- Developing Prototype
- Beta Stage Customers

INITIAL REVENUE STAGE COMPANIES

Up to $5M in Revenue
- Initial Customers
- Early Market Penetration
- Management Team Forming
- Infrastructure Being Built

EXPANSION STAGE COMPANIES

$5M - $20M in Revenue
- Commercial Grade Solution
- Growing Market Penetration
- Management Team Built Out
- Infrastructure in Place

HIGH TRACTION STAGE COMPANIES

$20M+ in Revenue
- Fast Growth
- Significant Commercial Traction

* As of July 24, 2014

Partner Company Update: BRIDGEVINE

- Merged with Acceler in Q2'14
- Newly combined company to offer largest, most advanced customer acquisition and retention platform in the marketplace
- Transaction expected to improve operating margins
- Combined company expected to generate $50+ million in annual revenue
- Customers include Comcast, AT&T, Time Warner Cable, Constellation Energy and DirecTV
- 40M consumer interactions annually

AUG. 2007
Initial Capital Deployed

17%
SFE Primary Ownership

$10.0M
Total Capital Deployed

Enterprise 3.0
Sector

$2B
Global annual online lead gen / email marketing market.

High Traction
Revenue Stage

Partner Company Update: MediaMath

- Global technology company
- Leading movement to revolutionize traditional marketing and drive transformative results for markers
- Pioneer in demand-side platform (DSP)
- Raised more than $175M in equity and debt to fund global growth of its digital marketing operating system
- Expanded presence in APAC in Tokyo and Korea
- Acquired Tactads, a French-based company that provides cookieless and cross-device targeting technologies

JULY 2009
Initial Capital Deployed

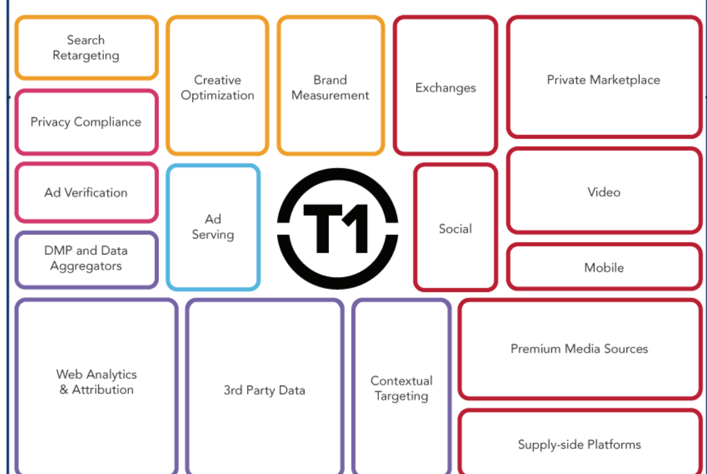
21%
SFE Primary Ownership

$25.5M
Total Capital Deployed

Digital Media
Sector

$124B
Estimated worldwide digital ad spend; Proj. 15.6% CAGR 2012-2016

High Traction
Revenue Stage



Q2'14 Financial Highlights

- Net cash, cash equivalents, marketable securities
  - $148.4M at 6/30/14 vs. $133.7M at 12/31/13

- Q2'14 primary uses of cash
  - $5.8M = Funding and acquisition of ownership interests in new partner company, Syapse
  - $21.2M = Follow-on deployments in 8 existing partner companies
  - $5.0M = Cash used in operations, including $1.4M interest payments
  - $17.0M = Repurchases of Safeguard common stock

Partner Company Holdings as of 6/30/14

	Acquisition Year	Ownership %	Carrying Value (in millions)	Cost (in millions)
Healthcare Partner Companies:*				
AdvantEdge Healthcare Solutions	2006	40%	$ 6.1	$ 15.3
Dabo Health	2013	13%	1.5	1.5
Good Start Genetics	2010	30%	2.1	12.0
InfoBionic	2014	20%	4.0	4.0
Medivo	2011	35%	7.5	11.6
NovaSom	2011	30%	9.3	21.1
Putney	2011	28%	6.5	14.9
Quantia	2013	35%	7.3	9.5
Syapse	2014	27%	5.8	5.8
		TOTAL:	**50.1**	**95.7**
Technology Partner Companies:				
AppFirst	2012	34%	5.8	8.6
Apprenda	2013	22%	10.9	12.1
Beyond.com	2007	38%	10.5	13.5
Bridgevine	2007	17%	4.4	10.0
Clutch	2013	30%	6.6	7.5
DriveFactor	2011	41%	3.0	4.5
Hoopla Software	2011	26%	1.6	3.1
Lumesis	2012	49%	3.6	5.6
MediaMath	2009	21%	21.9	25.5
Pneuron	2013	28%	4.2	5.0
Spongecell	2012	23%	8.9	10.0
		TOTAL:	**81.4**	**105.4**
Total: Healthcare + Technology			**$ 131.5**	**$ 201.1**

** Subsequent to the second quarter 2014, Safeguard deployed $1.25 million in Trice Medical for a 13% primary ownership position.*

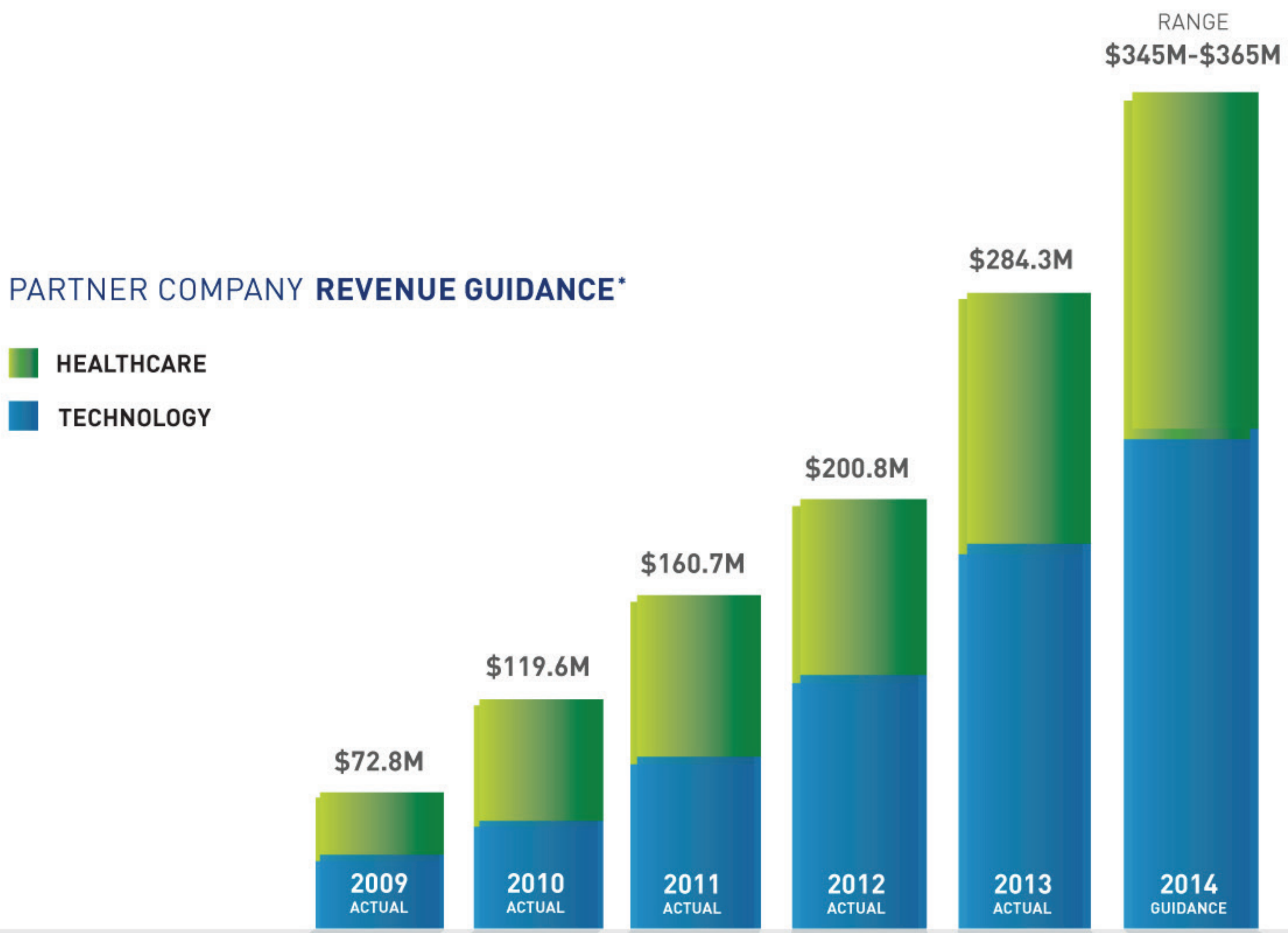
Balance Sheet

Condensed Consolidated Balance Sheet

(in thousands)

	June 30, 2014	December 31, 2013
Assets		
Cash, cash equivalents and marketable securities	$ 191,475	$ 177,568
Restricted marketable securities	–	5
Other current assets	1,479	1,557
Total current assets	192,954	179,130
Ownership interests in and advances to partner companies and funds	135,857	148,579
Loan participations receivable	5,479	8,135
Available-for-sale securities	11	15
Long-term marketable securities	6,896	6,088
Other assets	2,944	4,049
Total Assets	$ 344,141	$ 345,996
Liabilities and Equity		
Convertible senior debentures - Current	$ –	$ 470
Other current liabilities	4,954	7,704
Total current liabilities	4,954	8,174
Other long-term liabilities	3,522	3,683
Convertible senior debentures - Non-Current	50,009	49,478
Total equity	285,656	284,661
Total Liabilities and Equity	$ 344,141	$ 345,996

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.*

Questions & Answers

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Save the Date:
Safeguard Scientifics
INVESTOR DAY
2014
Date: October 15, 2014
Time: 8:00am – 12:00pm ET
Location: New York Stock Exchange
For more information, visit ir.safeguard.com

Connect with Us.

www.safeguard.com

John E. Shave III

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Webcast: www.safeguard.com/results
Replay available through August 24, 2014 at 11:59pm EDT