

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Safeguard Scientifics, Inc.		2 Issuer's employer identification number (EIN) 23-1609753	
3 Name of contact for additional information Mark Herndon	4 Telephone No. of contact 610-975-4913	5 Email address of contact mherndon@safeguard.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact One Radnor Center; Suite 110; 100 Matsonford Road		7 City, town, or post office, state, and ZIP code of contact Radnor, PA 19087	
8 Date of action 12/23/2019		9 Classification and description Common stock distribution	
10 CUSIP number 786449207	11 Serial number(s) n/a	12 Ticker symbol SFE	13 Account number(s) n/a

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **The Company completed a distribution to shareholders of record on December 23, 2019 and payable on December 30, 2019.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The distribution constitutes a 100% non-taxable return of capital, which will decrease a U.S. taxpayer's basis in the shares of the Company.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The calculation of the return of capital is based upon the Company's current and accumulated earnings and profits for the year ending December 31, 2019. The non-taxable return of capital represents the portion of the distribution paid in excess of the Company's current and accumulated earnings and profits.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC Sections 301 (c) and 316 (a)

18 Can any resulting loss be recognized? ▶ **No**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
The distribution occurred during the 2019 tax year.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ 1/2/2020

Print your name ▶ **Mark A. Herndon** Title ▶ **SVP & Chief Financial Officer**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			