

Safeguard Scientifics Issues Statement In Response To Sierra Capital

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RADNOR, Pa., Jan. 29, 2018 /PRNewswire/ -- [Safeguard Scientifics, Inc.](#) (NYSE: SFE) ("Safeguard" or "the Company") today issued the following statement in response to a news release issued by Sierra Capital Investments, L.P. ("Sierra"):

Safeguard welcomes open communications with its shareholders and values constructive input toward the shared goal of enhancing value. To that end, members of the Safeguard Board of Directors and management team have had numerous discussions with Sierra Capital since learning of their investment in an effort to better understand their views. Safeguard confirmed that the suggestions in Sierra's letter are consistent with the topics discussed during several private conversations held with the Company. The Board and management team are committed to acting in the best interests of the Company and all of its shareholders. The Board takes its fiduciary responsibilities to shareholders seriously and always considers and evaluates opportunities to drive enhanced value.

The Safeguard Board and management team are taking decisive actions to increase shareholder value. In January 2018, following a comprehensive and thorough review of the business, Safeguard announced changes to its strategy and operations to increase shareholder value. Specific actions of the plan include:

- Safeguard will not deploy any capital into new Partner Company opportunities and will focus on supporting its existing Partner Companies and maximizing monetization opportunities for Partner Company interests to enable distributions of net proceeds to shareholders;
- Safeguard will consider initiatives including, among others, the sale of individual Partner Companies, the sale of certain Partner Company interests in secondary market transactions, or a combination thereof, as well as other opportunities to maximize shareholder value;
- Safeguard anticipates distributing to shareholders net proceeds from the sale of Partner Companies or Partner Company interests, as applicable, after satisfying the Company's debt obligations and working capital needs; and
- The Company is implementing initiatives to generate annual cost savings of between \$5 million and \$6 million, which reflect changes in the Company's personnel and operating cost requirements under the new strategy.

The Board and management team are confident that the new strategy is the appropriate next step in positioning Safeguard to deliver enhanced value to the Company's shareholders and that creating a more streamlined organizational structure will better position it to focus its resources on the highest-return opportunities.

The Safeguard Board and management team are committed to delivering value for all shareholders, and will continue to take actions to achieve this important objective. We look forward to continuing our dialogue with all Safeguard shareholders as we continue to execute on our plan.



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 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 monetization of our partner companies for maximum value or at all and distributions to our shareholders, 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 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.

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