

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. 1)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for use of the Commission Only (as permitted by Rule 14c-4(i)(2))
- Definitive Proxy Statement
- Definitive Material
- Soliciting Material Pursuant to 17c-14a-12

Safeguard Scientifics, Inc.
Name of Registrant as Specified in Its Charter

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14c-3(i) and 17c-1
- (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (not both the amount on which the filing fee is calculated and state here it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

EXPLANATORY NOTE

On April 6, 2020, Safeguard Sciences, Inc. (the "Company") filed its definitive Proxy Statement ("Proxy Statement") and form of Proxy relating to the solicitation of proxies by the Company in connection with its 2020 Annual Meeting of Shareholders to be held on May 20, 2020 (the "2020 Annual Meeting"). The Proxy Statement is available on the website maintained by the Securities and Exchange Commission at www.secdatabase.com. Also on April 6, 2020, the Company issued a press release and filed a Current Report on Form 8-K, announcing certain management changes effective as of April 1, 2020 (the "Form 8-K"). The information included in the Form 8-K should be read in conjunction with the Proxy Statement, which should be read in its entirety. The Form 8-K supplements certain of the information contained in the Proxy Statement.

See forth beginning on the following page in the full text of the Form 8-K, including the attached press release.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): March 26, 2024

Safeguard Scientifics, Inc.
(Exact Name of registrant as Specified in Charter)

Pennsylvania
(State or other jurisdiction of incorporation)

1-923
(Commission File Number)

23-108751
(ISS Employer ID No.)

One Wallace Corp. Ctr., Suite 110
88 Massachusetts Rd.
Bedford, PA
(Address of Principal Executive Officer)

19887
(ZIP Code)

Registrant's telephone number, including area code: 412-203-6000

Not applicable
(Former Name or Former Address if Changed Since Last Report)

- Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):
- To report communications pursuant to Rule 421 under the Securities Act (17 CFR 240.421)
 - To report material pursuant to Rule 141e under the Exchange Act (17 CFR 240.141e-2)
 - To report communications pursuant to Rule 141d-2 under the Exchange Act (17 CFR 240.141d-2(a))
 - To report communications pursuant to Rule 13-101 under the Exchange Act (17 CFR 240.13-101)

Securities registered pursuant to Section 12(b) of the Act:

File number	Title (Securities)	Name of each exchange on which registered
333-214244	Common Stock, \$0.01 par value	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in or defined in Rule 405 of the Securities Act of 1933 (220-405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (230-2 of this chapter):
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act:

ITEM 2.06 Material Impairments

On April 2, 2020, Safeguard Scientifics, Inc. (the "Company") determined that it expects to incur non-cash impairment charges of \$5 to \$12 million during the three months ended March 31, 2020 related to several digital media and other ownership interests due to a more challenging merger and acquisition market that is generally reducing valuation expectations and extending exit timelines. In one case, multiple potential buyers conditionally advised their proposals due to uncertainties regarding the business related to COVID-19 and the related uncertain economic impact. The management teams of the entities in which the Company holds such interests are continuing to take actions to respond to the rapidly changing environment, including implementing cost reduction efforts, securing additional capital or other actions, which could mitigate some of the expected impacts.

ITEM 5.02: Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 10, 2020, the Company entered into an employment agreement (the "Salzman Agreement") with Eric Salzman. The Salzman Agreement provides for the terms and conditions of Mr. Salzman's employment with the Company and his appointment, effective as of April 1, 2020, as the Company's Chief Restructuring Officer.

Mr. Salzman, age 53, has been providing consulting services to the Company since November 21, 2019. Mr. Salzman has over 25 years of experience in M&A, restructuring and special situations investing at several firms including Credit Suisse Asset Management and Lehman Brothers. Most recently, Mr. Salzman has been the Managing Member of Savillham Capital Partners L.L.C., a boutique consulting firm that provides high impact strategic advice to investment funds as well as public and private technology companies. Prior to establishing Savillham Capital Partners L.L.C. in 2011, Mr. Salzman was a Managing Director in Lehman Brothers' Private Equity and Principal Investing Group and its Global Trading Strategies Division. Mr. Salzman currently serves on the board of Risk, Inc., Corpage Learning, Inc. and SolAero Technology Corp. Mr. Salzman earned a B.A. Honors from the University of Michigan and an MBA from Harvard University.

Pursuant to the terms of the Salzman Agreement, Mr. Salzman will serve as Chief Restructuring Officer for an initial six-month term ending on October 1, 2020 (the "Initial Term"). The Initial Term will be automatically extended for up to three consecutive six-month terms through April 1, 2021, unless otherwise terminated by Mr. Salzman or the Company.

Under the terms of the Salzman Agreement, Mr. Salzman will receive an annual base salary equal to \$480,000. In addition, Mr. Salzman is entitled to receive (i) a fully vested stock grant for 5,000 shares of the Company's common stock under the Company's 2014 Equity Compensation Plan and (ii) a restricted stock unit grant representing a right to receive 20,000 shares of the Company's common stock, which will vest and become payable ratably over the Initial Term, subject to Mr. Salzman's continued employment. Mr. Salzman is eligible to receive an additional restricted stock unit grant representing a right to receive 20,000 shares of the Company's common stock for each six-month term after the Initial Term. Under the Salzman Agreement, Mr. Salzman also may be eligible to receive 20,000 fully-vested shares of the Company's common stock at the end of the Initial Term and any additional six-month terms based on Mr. Salzman's performance, as the sole discretion of the Board (the "Discretionary Stock Grant"). During the Initial Term, Mr. Salzman is not eligible to participate in any of the Company's annual incentive programs or plans. Mr. Salzman will be eligible to participate in the Company's welfare and benefit plans generally available to the Company's executive employees.

The Salzman Agreement provides that if Mr. Salzman is terminated without "Cause" (as defined in the Salzman Agreement) or resigns for "Good Reasons" (as defined in the Salzman Agreement), Mr. Salzman will be paid an amount equivalent to the unvested portion of his base salary which would have been payable for the remainder of the Initial Term or additional six-month terms, as applicable. Any unvested stock and grants awarded prior to Mr. Salzman's termination date and not previously vested and paid will immediately vest upon Mr. Salzman's termination. In addition, Mr. Salzman will receive a fully-vested stock grant representing the pro-rated portion of the Discretionary Stock Grant for such term.

On March 11, 2020, Robert J. Rosenthal, Ph.D., the Chairman of the Company's Board of Directors (the "Board"), was appointed as the Company's Executive Chairman and Principal Executive Officer, effective April 1, 2020. The Company entered into a letter agreement with Dr. Rosenthal (the "Rosenthal Agreement"), which provides for the terms and conditions of Dr. Rosenthal's compensation with the Company. Pursuant to the Rosenthal Agreement, Dr. Rosenthal will continue to receive compensation for his services as a member of the Board, as well as for services on any applicable committees. His stock compensation will be subject to his continued service on the Board and not separately for his services as Executive Chairman or Principal Executive Officer. His compensation for his services as Executive Chairman and Principal Executive Officer will be one dollar. In accordance with the rules of the New York Stock Exchange, Dr. Rosenthal will no longer serve on committees of the Board that may only be composed of independent directors. Dr. Rosenthal will be eligible to participate in the Company's welfare and benefit plans generally available to the Company's executive employees.

Dr. Rosenthal, age 63, has served as Chairman of the Company's Board since 2016 and has been a member of the Company's Board since 2007. Dr. Rosenthal has been the Chairman of the Board of Directors of Taccuic Biosciences, Inc., a provider of research tools for pharmaceutical and biotechnology researchers (Taccuic), since 2019, and was Chief Executive Officer and a Director of Taccuic from 2014 to 2019. From January 2010 to December 2011, he served as Chairman and Chief Executive Officer of OMI Intelligent Medical Instruments, Inc., a medical technology company that developed an intelligent virtual assistant for diagnostic medical devices. Dr. Rosenthal served as President and Chief Executive Officer of Magellan Biosciences, Inc., a provider of clinical diagnostics and life sciences research tools, from October 2003 to December 2009. From October 2003 until January 2007, Dr. Rosenthal also served as President and Chief Executive Officer of LABCat, Ltd., a provider of life sciences research tools. From 1993 to 2003, Dr. Rosenthal served as various executive positions at life sciences companies. Dr. Rosenthal also is a director of Evoke Corporation and InVivo Therapeutics Holdings Corp.

On March 11, 2020, Brian J. Sisko, the President and Chief Executive Officer of the Company, stepped down as CEO of the Company, effective April 1, 2020. A separation agreement with Mr. Sisko will be disclosed once finalized.

The summary descriptions of the Salzman Agreement and the Rosenthal Agreement contained in this Current Report on Form 8-K are not complete and are qualified in their entirety by, and should be read in conjunction with, the complete text of the Salzman Agreement and the Rosenthal Agreement, which are filed as Exhibit 10.1 and Exhibit 10.2 hereto, respectively, and are incorporated herein by reference.

ITEM 7.01. Regulation FD Disclosure.

On April 6, 2020, the Company issued a press release announcing the appointment of Mr. Salzman as Chief Restructuring Officer, the appointment of Dr. Rosenthal as Executive Chairman and Mr. Sisko's stepping down as CEO of the Company. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated into this Item 7.01 by this reference.

The information contained in this Item 7.01, including the information set forth in the press release attached hereto and incorporated by reference herein, is being "furnished" and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or into any filing or other document pursuant to the Exchange Act, except as otherwise expressly stated in any such filing.

ITEM 9.01: Financial Statements and Exhibits.

Page	Exhibit
101	Employment Agreement, dated March 30, 2020, by and between the Company and Eric Salzman
102	Employment Agreement, dated April 1, 2020, by and between the Company and Robert J. Rosenthal
103	Press Release of Nitrogen Sciences, Inc. dated April 6, 2020
104	Cover Page Interactive Data File (formatted as Inline XBRL)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Safeguard Scientifics, Inc.

Date: April 9, 2020

By: **S. C. Matthew Bernard**
Name: S. Matthew Bernard
Title: General Counsel

**SAFEGUARD SCIENTIFICS ANNOUNCES ORGANIZATIONAL CHANGES
TO DRIVE SHAREHOLDER RETURNS**

- *Brian Siskin to step down as CEO*
- *Dr. Robert J. Rosenfeld assumes role of Executive Chairman of the Board*
- *Industry veteran, Eric C. Salzman, appointed Chief Restructuring Officer*
- *President business update at 10:00 a.m. ET*

Radnor, PA, April 6, 2020 — safeguardscientific.com (NYSE: SFTI) ("Safeguard" or "the Company") today announced several organizational changes to drive total shareholder return.

Brian Siskin is stepping down as CEO of Safeguard after 14 years of service. Under Mr. Siskin's leadership, the Company embarked on its current strategy and has returned over \$187 million of cash to its balance sheet, repaid its outstanding debt and returned over \$20 million to shareholders. Mr. Siskin stated, "I am pleased to have taken the Company to its current position and remain very optimistic about its future prospects."

Dr. Robert J. Rosenfeld, the current Chairman of the Company's Board of Directors (the "Board"), will assume the role of Executive Chairman of the Board to provide continuity, expertise and oversight of the execution of the Company's strategy. Dr. Rosenfeld will not receive additional compensation for assuming this expanded role.

Eric C. Salzman has been appointed to the newly created role of Chief Restructuring Officer ("CRO"). The CRO will report to the Executive Chairman and Board, and will be responsible for all aspects of the value maximization strategy. Mr. Salzman joins Safeguard after a 20-year career as an investment banker, growth equity and special situations investor and restructuring advisor at several Wall Street firms. Mr. Salzman helped oversee the monetization of a \$2 billion portfolio of illiquid assets in the LifeScan BioPharma bankruptcy and subsequently advised investment funds on value-maximization strategies for their respective portfolios. He has been an advisor to Safeguard's Board since November 2019 and currently serves as a director on the board of Rock, Inc. (NYSE: EGGT). Mr. Salzman earned a B.A. Honors from the University of Michigan and an MBA from Harvard University.

"I am looking forward to working with both the other members of the Board and the Safeguard team to build on the work achieved since Safeguard's new strategy was launched in 2018," said Mr. Salzman. "Based on my experience in principal investing, M&A, restructuring and value-maximizing a number of illiquid companies and portfolios, I believe I can effectively contribute to the execution of the strategy and drive results for all stakeholders, notwithstanding the volatile macro-environment."

Dr. Rosenfeld said, "I want to thank Brian for his unwavering commitment to the Company and for bringing us to the current position, with a strong balance sheet and significant potential for monetization of our portfolio." Dr. Rosenfeld continued, "We are very excited to have Eric join us to lead the next phase of our strategy, particularly given his extensive experience in value-maximizing and monetizing portfolios. We believe these changes will allow us to more effectively execute on our strategy, continue to focus on our core product and position Safeguard to operate in the current market and economic environment."

Business Update in light of COVID 19

Safeguard holds minority ownership interests in 15 healthcare and tech enabled companies representing over \$200 million of deployed capital. A majority of these ownership interests are in relatively mature venture backed businesses, none are pre-revenue, and all but one had greater than \$5 million of revenue for the year-ended December 31, 2019. Over the past several months, we have been conducting an in-depth review of our companies valuations, prospects and exit opportunities with the most recent assistance of Mr. Salzman as an advisor to the Board.

The current economic and market conditions brought about by the COVID 19 pandemic have impacted our entire portfolio. We are working with the management teams of each portfolio company to take actions to respond to this rapidly changing environment. These steps include implementing cost reduction efforts, securing additional capital and exploring a range of other steps which could mitigate some of the expected negative repercussions of current market conditions. We are also seeking a more challenging merger and acquisition market that generally lowers valuation expectations and extends exit timelines. Some of our companies are seeing increased opportunities, but we have seen multiple potential buyers for at least one of our companies confidentially submit proposals due to uncertainties impacting their businesses related to COVID-19. As a result, Safeguard currently expects to raise non-cash impairment charges to our carrying value of several digital media and other interests of \$5 to \$12 million during the three months ended March 31, 2020. In addition, we now expect our follow-on funding requirements for the full year of 2020 may be towards the higher-end of, and may exceed our prior estimate of \$5 to \$10 million. Also, we now expect our corporate expenses* for the year ended December 31, 2020 to be lower than our prior target of \$6 to \$8 million.

Management will continue to update shareholders on developments within the portfolio and progress on our strategy at the regularly scheduled quarterly update.

About Safeguard Scientifics

Historically, Safeguard Scientifics (NYSE:STK) 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 span more than six decades.

For more information, please visit www.safeguard.com

* Corporate expenses is a non-GAAP measure that excludes depreciation, stock based compensation, severance and retirement costs, and other non-recurring items and other. See complete definition and reconciliation in our February 27, 2020 full-year 2019 financial results press release.

Forward-Looking Statements

Except for the historical information and directions 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. Forward-Looking statements include, but are not limited to, statements regarding Safeguard's ability to maximize the value of monetization opportunities of its ownership interests and drive real shareholder value. Safeguard's investment team is committed to enhance and unlock value for all of its shareholders. Safeguard's efforts to diversify and improve its strategy to streamline its organizational structure, reduce its operating costs, pursue monetization opportunities for ownership interests and maximize the return of value to its shareholders. Safeguard's ability to create, select, enhance and maximize shareholder value, the effect of Safeguard's management succession plan on driving increased

organizational effectiveness and efficiency, the ability of the management team to execute Safeguard's strategy, the availability of, and the proceeds that may ultimately be derived from, the monetization of ownership interests, Safeguard's financial performance, the reduction in its liquidity generating capacity, Safeguard's projections regarding operational performance and expected revenue streams, noncontractual agreements for ownership interests, and the amount of net proceeds from the monetization of ownership interests that will control the return of value to Safeguard shareholders after satisfying working capital needs and the return of such return of value. Such forward-looking statements are not guarantees of future operational or financial performance and are based on several assumptions that involve a number of uncertainties, risks and assumptions that are difficult to predict. Therefore, actual business and/or results may differ materially from those expected or implied by such forward-looking statements. 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 ownership interests for maximum value or as all and the return of value to our shareholders, our ability to successfully execute our strategy to monetize our organizational practices and steps we can implement to increase shareholder value whether our strategy will have positive or negative impact on the highest return on investment and/or other enhanced shareholder value, the ongoing support of our existing ownership interests, the fact that our company may vary from period to period, challenges in achieving liquidity from our ownership interests, fluctuations in the market for our publicly traded equity, if any, competitors, our inability to obtain maximum value for our ownership interests, our ability to attract and retain qualified employees, market volatility in sectors in which our ownership interests operate, our inability to control our ownership interests, our need to manage our assets in a credit reorganization under the Investment Company Act of 1940, risks, disruption, costs and uncertainty caused by or related to the actions of various shareholders, including that if individuals are elected to our Board with a specific agenda, it may adversely affect our ability to effectively implement our business strategy and create value for our shareholders and potential uncertainties as to our future direction as a result of potential changes to the composition of our Board may lead to the perception of a change in the direction of our business, instability or a lack of continuity that may adversely affect our business, and risks associated with our ownership interests, including the fact that most of our ownership interests have a limited operating history and a history of operating losses, fire, ransom payments and may occur by profile, the effect of economic conditions in the business sectors in which Safeguard's 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 operational and financial performance should not be relied on as an indicator of future performance. The Company does not assume any obligation to update any forward-looking statements or other information contained in this press release.

400

SAFEGUARD CONTACT:
 Mark Humber
 Chief Financial Officer
 (817) 971-4011
mark.humber@safeguard.com