

SAFEGUARD SCIENTIFICS INC

Form 10-K

March 04, 2016

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-5620

Safeguard Scientifics, Inc.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of incorporation or organization)

170 North Radnor-Chester Road

Suite 200

Radnor, PA

(Address of principal executive offices)

(610) 293-0600

(Registrant's telephone number, including area code)

23-1609753

(I.R.S. Employer Identification No.)

19087

(Zip Code)

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

Title of each class

Common Stock (\$.10 par value)

Name of each exchange on which registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2015, the aggregate market value of the registrant’s common stock held by non-affiliates of the registrant was \$399,223,768 based on the closing sale price as reported on the New York Stock Exchange.

The number of shares outstanding of the registrant’s common stock as of February 29, 2016 was 20,181,974.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement (the “Definitive Proxy Statement”) to be filed with the Securities and Exchange Commission for the Company’s 2016 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

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PART I

Cautionary Note Concerning Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about Safeguard Scientifics, Inc. (“Safeguard” or “we”), the industries in which we operate and other matters, as well as management’s beliefs and assumptions and other statements regarding matters that are not historical facts. These statements include, in particular, statements about our plans, strategies and prospects. For example, when we use words such as “projects,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “should,” “would,” “could,” “will,” “opportunity,” “potential” or “may,” variations of such words or other words to convey uncertainty of future events or outcomes, we are making forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Our forward-looking statements are subject to risks and uncertainties. Factors that could cause actual results to differ materially include, among others, 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, our ability to execute our strategy, 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 and their performance, 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, compliance with government regulation and legal liabilities, all of which are discussed in Item 1A. “Risk Factors.” Many of these factors are beyond our ability to predict or control. In addition, as a result of these and other factors, our past financial performance should not be relied on as an indication of future performance. All forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by this cautionary statement. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this report might not occur.

Item 1. Business

Business Overview

Safeguard’s charter is to build value in early- and growth-stage businesses by providing capital as well as strategic, operational and management resources. Safeguard participates in early- and growth-stage financings. Our vision is to be the preferred capital source for entrepreneurs and management teams in well-defined industry sectors. Throughout this document, we use the term “partner company” to generally refer to those companies in which we have an equity interest and in which we are actively involved, influencing development through board representation and management support, in addition to the influence we exert through our equity ownership. From time to time, in addition to these partner companies, we also hold relatively small equity interests in other enterprises where we do not exert significant influence and do not participate in management activities. In some cases, these interests relate to former partner companies and in some cases they relate to entities which may later become partner companies. We strive to create long-term value for our shareholders by helping our partner companies increase their market penetration, grow revenue and improve cash flow. Safeguard focuses principally on companies with initial capital requirements between \$5 million and \$15 million, and follow-on financing needs of between \$5 million and \$10 million, with a total anticipated deployment of up to \$25 million from Safeguard. We will occasionally provide certain early-stage financing in amounts generally up to \$1 million to promising young companies with the goal to provide more capital once certain development milestones are achieved. Safeguard principally targets companies that operate in two sectors:

Healthcare — companies focused principally on medical technology (“MedTech”), including diagnostics and devices; and healthcare technology (“HealthTech”). Within these areas, Safeguard targets companies that have lesser regulatory risk and have achieved or are near commercialization; and

Technology — companies focused principally on digital media; financial technology (“FinTech”); and enterprise software including mobile technology, cloud, “Internet of Things” and big data. Within these areas, Safeguard targets companies that have transaction-enabling applications with a recurring revenue stream.

In 2015, our management team continued to focus on the following objectives:

• Deploy capital in companies within our strategic focus;

• Build value in partner companies by developing strong management teams, growing the companies organically and through acquisitions, and positioning the companies for liquidity at premium valuations;

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Realize the value of partner companies through selective, well-timed exits to maximize risk-adjusted value; and
Provide the tools needed for investors to fully recognize the shareholder value that has been created by our efforts.

To meet our strategic objectives during 2016, Safeguard will continue to focus on:

Finding opportunities to deploy our capital in additional partner companies within our target sectors;

Helping partner companies achieve additional market penetration, revenue growth, cash flow improvement and growth in long-term value; and

Realizing value in our partner companies if and when we believe doing so will maximize value for our shareholders.

We incorporated in the Commonwealth of Pennsylvania in 1953. Our corporate headquarters are located at 170 North Radnor-Chester Road, Suite 200, Radnor, Pennsylvania 19087.

Significant 2015 Highlights

Here are some of our key developments from 2015:

During 2015, we deployed an aggregate of \$51.6 million of capital into eight new partner companies. In addition, we deployed \$33.3 million of additional capital to support the growth of partner companies in which we already had an interest at December 31, 2014.

In January 2015, we deployed \$4.0 million as part of a \$5.5 million Series B financing for Full Measure Education, Inc. Full Measure Education is a technology company dedicated to the higher education industry.

In January 2015, we deployed \$6.0 million as part of a \$14.0 million Series C financing for Aventura, Inc. Aventura provides awareness computing for the healthcare industry.

In February 2015, we deployed \$2.9 million as part of a \$5.0 million Series A financing for CloudMine, Inc.

CloudMine empowers payers, providers, and pharmaceutical organizations to mobilize patient information by building robust applications and driving actionable insights.

In March 2015 and June 2015, we received \$2.9 million in aggregate cash proceeds from escrow related to the sale of our ownership interests in partner company Crescendo Bioscience, Inc. in February 2014.

In April 2015, we deployed \$6.5 million as part of a \$9.1 million Series B financing for meQuilibrium. meQuilibrium is a digital coaching platform that delivers clinically validated and highly personalized resilience solutions to employers, health plans, wellness providers, and consumers increasing engagement, productivity and performance, as well as improving outcomes in managing stress, health and well-being.

In April 2015, we received \$9.1 million in cash proceeds from the sale of partner company DriveFactor, Inc. to CCC Information Services Inc. This excludes \$1.1 million, which will be held in escrow until approximately April 2016.

In May 2015, we deployed \$5.4 million as part of a \$5.4 million Series A financing for Sonobi, Inc. Sonobi is an advertising technology developer that creates data-driven tools and solutions to meet the evolving needs of demand- and sell-side organizations within the digital media marketplace.

In June 2015, we deployed \$7.0 million as part of a \$11.1 million Series A financing for QuanticMind, Inc.

QuanticMind is a software-as-a-service company that provides enterprise-level, predictive advertising management software for paid search, social, and mobile.

In July 2015, we received \$1.7 million in cash proceeds from escrow related to the sale of our ownership interests in partner company Alverix, Inc. in January 2014.

- In July 2015, we received an additional \$3.3 million in cash associated with the achievement of performance milestones from the sale of our ownership interests in partner company ThingWorx, Inc. in December 2013. In December 2015, we recognized a gain of \$4.1 million related to the expiration of the escrow period related to the sale. The \$4.1 million was received in January 2016.

- In July 2015, we received \$7.8 million in cash proceeds from the sale of our ownership interests in partner company Quantia, Inc. This excludes \$1.2 million, which will be held in escrow until July 2016.

In October 2015, we deployed \$11.0 million as part of a \$13.9 million Series B financing for Cask Data, Inc. Cask Data accelerates the development and deployment of production Hadoop applications.

In December 2015, we deployed \$7.0 million as part of a \$17.4 million Series A financing for Zipnosis, Inc. Zipnosis provides health systems with a white-labeled, fully integrated virtual care platform.

During the year ended December 31, 2015, we repurchased 0.3 million shares of the Company's common stock in open market transactions at prices ranging from \$13.98 to \$18.50 per share for an aggregate cost of \$5.0 million.

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Our Strategy

Founded in 1953, Safeguard has a distinguished track record of building market leaders by providing capital and operational support to entrepreneurs across an evolving and innovative spectrum of industries. Today, Safeguard principally targets healthcare companies focusing on medical technology and healthcare technology; and technology companies focusing on financial technology, digital media, and enterprise software including mobile technology, cloud, “Internet of Things” and big data.

As a visionary for the development of early- and growth-stage healthcare and technology companies, Safeguard is a proven partner for entrepreneurs looking to accelerate growth and build long-term value in their businesses. Leveraging Safeguard’s history of building market leaders, along with our team’s collective operational expertise and successful entrepreneurial endeavors, Safeguard has built a powerful — and actionable — platform of resources to support our partner companies with the strategies and relationships that are most vital for success. We provide value that extends beyond capital and work as a team to foster growth.

Our corporate staff of approximately 30 employees is dedicated to creating long-term value for our shareholders by helping our partner companies build value and pursuing selective, well-timed exits of our partner companies.

Identifying Partner Company Opportunities

Safeguard’s go-to-market strategy, marketing and sourcing activities within our target sectors (Healthcare and Technology) are designed to generate a large volume of high-quality opportunities to acquire significant shareholder positions in partner companies. Our principal focus is to acquire positions in early- and growth-stage companies with attractive growth prospects in the healthcare and technology sectors. Generally, we prefer to deploy capital into companies:

- operating in large and/or growing markets;
- with barriers to entry by competitors, such as proprietary technology and intellectual property, or other competitive advantages;
- with initial capital requirements between \$5 million and \$15 million, and follow-on financing needs of between \$5 million and \$10 million, with the total anticipated deployment of up to \$25 million from Safeguard; and
- with a compelling growth strategy.

Our sourcing efforts are targeted primarily in the eastern United States. However, in-bound deal leads generate opportunities throughout the United States, and we do not limit our sourcing to a particular geographic area within the United States. Leads come from a variety of sources, including investment bankers, syndication partners, existing partner companies and advisory board members.

In Healthcare, we currently target companies principally in MedTech and HealthTech that have lesser regulatory risk and have achieved or are near commercialization.

In Technology, we currently target companies principally in digital media, FinTech, and enterprise software that have transaction-enabling applications with a recurring revenue stream.

We believe there are many opportunities within these business models and vertical markets, and our sourcing activities are focused on finding candidate companies and evaluating how well they align with our criteria. However, we recognize we may have difficulty identifying candidate companies and completing transactions on terms we believe appropriate. As a result, we cannot be certain how frequently we will enter into transactions with new or existing partner companies.

Competition. We face intense competition from other companies that acquire or provide capital to healthcare and technology businesses. Competitors include venture capital and, occasionally, private equity investors, as well as companies seeking to make strategic acquisitions. Many providers of growth capital also offer strategic guidance, networking access for recruiting and general advice. Nonetheless, we believe we are an attractive capital provider to potential partner companies because our strategy and capabilities offer:

- responsive operational assistance, including strategy design and execution, business development, corporate development, sales, marketing, finance, risk management, talent recruitment and legal support;
- the flexibility to structure transactions, with or without debt;
- occasional liquidity opportunities for founders and existing investors;

- a focus on maximizing risk-adjusted value growth, rather than absolute value growth within a narrow or predetermined time frame;
- interim C-level management support, as needed; and
- opportunities to leverage Safeguard's balance sheet for borrowing and stability.

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Helping Our Partner Companies Build Value

We offer operational and management support to each of our partner companies through our deep domain expertise from our management team's careers as entrepreneurs, board members, financiers and operators. Our employees have expertise in business strategy, sales and marketing, operations, finance, legal and transactional support. We provide hands-on assistance to the management teams of our partner companies to support their growth. We believe our strengths include:

- applying our expertise to support a partner company's introduction of new products and services;
- leveraging our market knowledge to generate additional growth opportunities;
- leveraging our business contacts and relationships; and
- identifying and evaluating potential acquisitions and providing capital to pursue potential acquisitions to accelerate growth.

Strategic Support. By helping our partner companies' management teams remain focused on critical objectives through the provision of human, financial and strategic resources, we believe we are able to accelerate their development and success. We play an active role in developing the strategic direction of our partner companies which include:

- defining short and long-term strategic goals;
- identifying and planning for the critical success factors to reach these goals;
- identifying and addressing the challenges and operational improvements required to achieve the critical success factors and, ultimately, the strategic goals;
- identifying and implementing the business measurements that we and others will apply to measure a company's success; and
- providing capital to drive growth.

Management and Operational Support. We provide management and operational support, as well as ongoing planning and development assessment. Our executives and advisory board members provide mentoring, advice and guidance to develop partner company management. Our executives serve on the boards of directors of our partner companies, working with them to develop and implement strategic and operating plans. We measure and monitor achievement of these plans through regular review of operational and financial performance measurements. We believe these services provide our partner companies with significant competitive advantages within their respective markets.

Realizing Value

In general, we will hold our position in a partner company as long as we believe the risk-adjusted value of that position is maximized by our continued ownership and effort. From time to time, we engage in discussions with other companies interested in our partner companies, either in response to inquiries or as part of a process we initiate. To the extent we believe that a partner company's further growth and development can best be supported by a different ownership structure or if we otherwise believe it is in our shareholders' best interests, we may sell some or all of our position in the partner company. These sales may take the form of privately negotiated sales of stock or assets, mergers and acquisitions, public offerings of the partner company's securities and, in the case of publicly traded partner companies, sales of their securities in the open market. In the past, we have taken partner companies public through rights offerings and directed share subscription programs. We will continue to consider these (or similar) programs to maximize partner company value for our shareholders. We expect to use proceeds from these sales (and sales of other assets) primarily to pursue opportunities to deploy capital in new and existing partner companies, or for working capital purposes, either with existing partner companies or at Safeguard.

Our Partner Companies

An understanding of our partner companies is important to understanding Safeguard and its value-building strategy. Following are descriptions of our partner companies in which we owned interests at December 31, 2015. The indicated ownership percentage is presented as of December 31, 2015 and reflects the percentage of the vote we were entitled to cast at that date based on issued and outstanding voting securities (on a common stock equivalent basis), excluding the effect of options, warrants and convertible debt (primary ownership).

HEALTHCARE PARTNER COMPANIES

AdvantEdge Healthcare Solutions, Inc.

(Safeguard Ownership: 40.1%)

Headquartered in Warren, New Jersey, AdvantEdge Healthcare Solutions is a technology-enabled provider of healthcare revenue cycle and business management solutions that improve decision-making, maximize financial performance, streamline operations and mitigate compliance risks for healthcare providers. www.ahsrcm.com

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- Aventura, Inc. (Safeguard Ownership: 19.9%)
Headquartered in Denver, Colorado, Aventura provides awareness computing for the healthcare industry. Through its patented technology, Aventura delivers awareness of a user's identity and role, their location within a facility, what device they are working on and what patient they are treating. Based on this awareness, Aventura immediately delivers a virtual desktop and dynamically provisions the applications and exact screens a user needs to care for that particular patient. www.aventurahq.com
- Good Start Genetics, Inc. (Safeguard Ownership: 29.6%)
Headquartered in Cambridge, Massachusetts, Good Start Genetics is a molecular genetics information company transforming the standard of care in reproductive medicine and family medicine. Its suite of reproductive genetics products provides physicians and their patients with clinically relevant, insightful and actionable information in order to promote successful pregnancies and healthy families. www.goodstartgenetics.com
- InfoBionic, Inc. (Safeguard Ownership: 38.5%)
Headquartered in Lowell, Massachusetts, InfoBionic is an emerging digital health company focused on creating patient monitoring solutions for chronic disease management with an initial market focus on cardiac arrhythmias. InfoBionic's MoM[®] Kardia cloud-based, remote patient monitoring platform will deliver on-demand, actionable monitoring data and analytics directly to the physicians themselves. www.infobionic.com
- Medivo, Inc. (Safeguard Ownership: 34.5%)
Headquartered in New York, New York, Medivo uses advanced analytics and proprietary disease algorithms to provide unique targeting intelligence for life science companies; commercial effectiveness opportunities for diagnostic companies; and quality improvement and risk management solutions for payers. www.medivo.com
- meQuilibrium (Safeguard Ownership: 31.5%)
Headquartered in Boston, Massachusetts, meQuilibrium is a digital coaching platform that delivers clinically validated and highly personalized resilience solutions to employers, health plans, wellness providers, and consumers increasing engagement, productivity and performance, as well as improving outcomes in managing stress, health and well-being. www.mequilibrium.com
- NovaSom, Inc. (Safeguard Ownership: 31.7%)
Headquartered in Glen Burnie, Maryland, NovaSom is a medical device company that has developed an FDA-cleared wireless home sleep test for Obstructive Sleep Apnea ("OSA") called AccuSom Home Sleep Test. The NovaSom home sleep test has been shown to provide in-home, clinically equivalent diagnosis of OSA at a significantly reduced cost compared to in-facility testing for uncomplicated adult OSA. www.novasom.com
- Propeller Health, Inc. (Safeguard Ownership: 24.6%)
Headquartered in Madison, Wisconsin, Propeller Health provides digital solutions to measurably improve respiratory health. One of the first mobile platforms with 510(k) clearance from the FDA, Propeller Health combines sensors, mobile apps and predictive analytics to monitor and engage patients, increase adherence and encourage effective self-management. www.propellerhealth.com
- Putney, Inc. (Safeguard Ownership: 28.2%)
Headquartered in Portland, Maine, Putney is a pharmaceutical company committed to providing high quality, cost-effective generic medicines for pets. Putney's supply of affordable drug options empowers veterinarians, allowing them to provide the best possible medicine at the best possible price, and supports pet owners, helping them afford to comply with veterinary recommendations. www.putneyvet.com

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Syapse, Inc. (Safeguard Ownership: 24.4%)
Headquartered in Palo Alto, California, Syapse drives healthcare transformation through precision medicine, enabling provider systems to improve clinical outcomes, streamline operations, and shift to new payment models. Syapse Precision Medicine Platform is a comprehensive software suite used by leading health systems to support the clinical implementation of precision medicine in oncology and other service lines, enabling clinical and genomic data integration, decision support, care coordination, and quality improvement at point of care. www.syapse.com

Trice Medical, Inc. (Safeguard Ownership: 27.7%)
Headquartered in King of Prussia, Pennsylvania, Trice Medical was founded to fundamentally improve orthopedic diagnostics for the patient, physician, and payor by providing instant, eyes-on, answers. Trice has pioneered fully integrated camera-enabled technologies that provide a clinical solution that is optimized for the physician's office. Trice's mission is to provide more immediate and definitive patient care, eliminating the false reads associated with current indirect modalities and significantly reduce the overall cost to the healthcare system. www.tricemedical.com

Zipnosis, Inc. (Safeguard Ownership: 26.3%)
Headquartered in Minneapolis, Minnesota, Zipnosis provides health systems with a white-labeled, fully integrated virtual care platform. Through Zipnosis' tech-enabled treatment and triage tools, clients can offer convenient access to care while improving clinician efficiency. Currently, patients may be treated for more than 90 conditions. www.zipnosis.com

TECHNOLOGY PARTNER COMPANIES

AppFirst, Inc. (Safeguard Ownership: 34.2%)
Headquartered in New York, New York, AppFirst's patented technology provides enterprises with continuous and complete visibility into all the applications and supporting resources in their IT ecosystem, regardless of infrastructure. This enables organizations to achieve IT as a service, continuously footprint applications to ensure performance and cost optimization, and proactively resolve issues. www.appfirst.com

Apprenda, Inc. (Safeguard Ownership: 29.5%)
Headquartered in Troy, New York, Apprenda is an enterprise platform-as-a-service company powering the next generation of enterprise software development in public, private and hybrid clouds. As a foundational software layer and application run-time environment, Apprenda abstracts away the complexities of building and delivering modern software applications, enabling enterprises to turn ideas into innovations more quickly. With Apprenda, enterprises can securely deliver an entire ecosystem of data, services, applications and application programming interfaces to both internal and external customers across any infrastructure. www.apprenda.com

Beyond.com, Inc. (Safeguard Ownership: 38.2%)
Headquartered in King of Prussia, Pennsylvania, Beyond, The Career Network, helps millions of professionals find jobs and advance their careers while also serving as the premier destination for companies in need of top talent. This is achieved through more than 500 talent communities that use integrated social features to help members discover relevant jobs, career news, career advice and resources. www.beyond.com

Bridgevine, Inc. (Safeguard Ownership: 17.2%)
Headquartered in Atlanta, Georgia, Bridgevine powers digital solutions where product and service supply from the leading brands meets consumer and small/medium business demand. More than 2.8 million households per month shop through The Bridgevine Marketplace via a blend of direct marketing and proprietary distribution channels. www.bridgevine.com

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Cask Data, Inc.

(Safeguard Ownership: 34.2%)

Headquartered in Palo Alto, California, Cask Data is an open source software company that helps developers deliver enterprise-class Apache Hadoop™ solutions more quickly and effectively. Cask's flagship offering, the Cask Data Application Platform, provides an open source layer on top of the Hadoop ecosystem that adds enterprise-class governance, portability, security, scalability and transactional consistency. www.cask.com

CloudMine, Inc.

(Safeguard Ownership: 30.1%)

Headquartered in Philadelphia, Pennsylvania, CloudMine is a mobile backend-as-a-service platform that empowers enterprise developers to build secure, compliant and performant applications up to 70% faster than do-it-yourself methods. CloudMine's Connected Health Cloud empowers payers, providers, and pharmaceutical organizations to mobilize patient information by building robust applications and driving actionable insights. Through support for machine learning, data science, and predictive analytics, CloudMine customers are improving the quality of care by leveraging cognitive data analysis to determine patient interactions. www.cloudmine.me

Clutch Holdings, Inc.

(Safeguard Ownership: 39.3%)

Headquartered in Ambler, Pennsylvania, Clutch provides advanced consumer management technology that delivers customer intelligence and customer engagement solutions to premium brands. Clutch's comprehensive consumer management platform empowers customer-focused businesses to identify, understand and engage their most valuable customers. Clutch's technology integrates a brand's first-party, cross-channel customer data spanning traditional point-of-sale systems, ecommerce platforms, mobile applications and social networks providing brands strategic understanding to personalize engagements to their customers. www.clutch.com

Full Measure Education, Inc.

(Safeguard Ownership: 25.4%)

Headquartered in Washington, D.C., Full Measure Education is a technology company dedicated to the higher education industry. Full Measure's mission is to help every student enroll, complete and attain a career that pays a family-sustaining wage by keeping students fully engaged, informed and motivated to persist through the entire student lifecycle-from initial admission, to completion, to career. www.fullmeasured.com

Hoopla Software, Inc.

(Safeguard Ownership: 25.6%)

Headquartered in San Jose, California, Hoopla provides cloud-based software that helps sales organizations inspire and motivate sales team performance. Hoopla's Sales Motivation Platform combines modern game mechanics, data analytics and broadcast-quality video in a cloud application that makes it easy for managers to motivate team performance and score more wins. www.hoopla.net

Lumesis, Inc.

(Safeguard Ownership: 44.7%)

Headquartered in Stamford, Connecticut, Lumesis is a financial technology company focused on providing business efficiency, data and regulatory solutions to the municipal bond marketplace. Lumesis' DIVER platform helps more than 500 firms with more than 43,000 users efficiently meet credit, regulatory and risk needs. www.lumesis.com