



SAFEGUARD SCIENTIFICS LEADS \$6 MILLION SERIES B FINANCING FOR PNEURON

Pneuron’s cloud-ready ‘lightweight’ technology reduces time and cost of enterprise-class application development by up to 50%

WAYNE, Pa.—March 5, 2013—[Safeguard Scientifics, Inc.](#) (NYSE:SFE), a provider of growth capital and operational support to technology and healthcare companies, deployed \$5 million as part of a \$6 million Series B financing for [Pneuron Corporation](#), a Woburn, Mass.-based company that helps Fortune 5000 enterprise companies reduce the time and cost of application development by up to 50% by building solutions across heterogeneous databases, and applications through Pneuron’s [business-oriented platform](#). Existing investor [Osage Venture Partners](#) contributed the remaining \$1 million in the round.

Pneuron’s lightweight, cloud-ready enterprise-class platform provides a suite of high-performance “pneurons” that enables enterprises to build, deploy and manage distributed analytics, applications and operating models directly against source systems and centrally integrate insights. Pneuron’s patent-pending technology represents a fundamental change in business agility and return on investment, challenging the entire model of [up-front centralization](#). Instead of bringing all the data, IP and assets into one place, then analyzing it, Pneuron takes the analytics to the data. This approach eliminates the need for large costly failure-prone systems and data integration projects. As a result, Pneuron accelerates the delivery of, but reduces the risk and cost to achieve, business objectives.

Pneuron is initially focused on some of the most pressing and complex areas of financial services, including global regulations, risk, conversion management and revenue generation. However, the company is already gaining traction in insurance and healthcare with emerging partnerships. Pneuron is well-positioned to address the billions of annual spend on cloud enablement, information management software, analytics, and collaboration. Pneuron’s go-to-market strategy includes [partnerships with systems integrators and independent software vendors such as PwC](#).

“We believe there is a very large market opportunity for Pneuron’s technology,” said [Philip D. Moyer](#), Managing Director, Technology at Safeguard, who is joining Pneuron’s [board of directors](#). “Data is expanding faster than we can warehouse, and extract insights. Pneuron offers a refreshing break from the never-ending model of centralized warehousing before a company can get value from their data. The company has created a scalable platform that dramatically reduces the time to build new solutions and create business value because it uses existing databases, applications, and technologies. We are excited by Pneuron’s proven ability to handle highly complex enterprise-class applications for world-class customers and partners. Safeguard is thrilled to partner with Pneuron as they change the world of data and analytics.”

Led by a [management team](#) of IT and business professionals from IBM, PwC, GE, Honeywell, Bunge, Fiserv, CheckFree Corporation, the Federal Reserve Bank, Lehman Brothers and Reed Elsevier, Pneuron will use the proceeds to develop industry partnerships, expand into healthcare and other industry verticals, and hire additional sales and business development representatives. Safeguard previously partnered with Pneuron’s president and CEO [Simon Moss](#), who successfully ushered Safeguard’s former partner company, [Mantas](#), to a [well-timed exit](#) with Oracle’s i-flex division for \$127 million, generating a net gain of approximately \$83 million for Safeguard.

“We plan to capitalize on our new financing and partnership with Safeguard to accelerate and expand Pneuron’s access to the large enterprise market,” said Simon Moss. “Having previously worked with the Safeguard team, I know them as a talented, highly respected group with an impressive track record backing successful technology

innovators. Spring boarding off of this Series B funding, we're primed to help as many firms as possible realize the proven benefits of Pneuron's unique, breakthrough innovations with the objective of halving their time to value and cost in a vast category of business problems."

"We are very pleased to welcome Safeguard as a co-investor in Pneuron and Philip Moyer to the Pneuron board," said [Nate Lentz](#), Managing Partner at Osage Venture Partners and Pneuron board member. "Simon Moss and Pneuron are assembling all the components of a world-class software business, including an unparalleled technology solution, an all-star team, and a strong group of directors and investors, which is enhanced by today's announcement."

With this financing, Safeguard acquired a 27.6% primary ownership stake in Pneuron and holds two of the seven seats on Pneuron's board of directors.

About Safeguard Scientifics

Founded in 1953 and based in Wayne, Pa., Safeguard Scientifics, Inc. (NYSE:SFE) provides growth capital and operational support to entrepreneurial and innovative healthcare and technology companies in medtech, healthtech, specialty pharmaceuticals, financial technology, digital media, and Enterprise 3.0. For more information, please visit our website at www.safeguard.com.

About Pneuron

Pneuron Corporation provides Fortune 5000 firms with ground-breaking, disruptive technology, the Pneuron Platform™, which accelerates creation, deployment and management of new products, analytics and operational best practices at fraction of the cost of alternative solutions. This critical, real-time connection of the global enterprise occurs without traditional IT, large data integration or deployment risk concerns prevalent in today's centralized data projects. For more information, visit www.pneuron.com.

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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. The Company's forward-looking statements are subject to risks and uncertainties. The risks and uncertainties that could cause actual results to differ materially, include, among others, managing rapidly changing technologies, limited access to capital, competition, the ability to attract and retain qualified employees, the ability to execute our strategy, the uncertainty of the future performance of our partner companies, acquisitions and dispositions of partner companies, the inability to manage growth, compliance with government regulations and legal liabilities, additional financing requirements, the effect of economic conditions in the business sectors in which our partner companies operate, and other uncertainties described in the Company's filings with the Securities and Exchange Commission. 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. The Company does not assume any obligation to update any forward-looking statements or other information contained in this news release.

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