

NUPATHE CLOSSES \$15 MILLION FINANCING

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Series A financing positions company to advance development of new therapeutic approach to treat migraine and other CNS disorders using novel transdermal delivery technology

Conshohocken, PA (September 13, 2006) – NuPathe Inc., a privately held specialty pharmaceutical company, has completed a \$15 million round of private equity financing. The Series A financing will support NuPathe’s clinical programs related to therapeutic products to treat migraine and other CNS disorders.

The private equity financing was co-led by Birchmere Ventures of Pittsburgh, Pennsylvania and BioAdvance Ventures, an early stage venture fund managed by Quaker BioVentures, and included significant additional funding from Safeguard Scientifics, Inc. (NYSE: SFE) of Wayne, Pennsylvania, and from other institutional investors.

“This financing represents an important milestone for NuPathe,” said Jane Hollingsworth, CEO and co-founder of NuPathe. “Our delivery technologies position us to advance promising clinical programs targeting migraine and other CNS disorders. We are delighted that several of the leading investors in life sciences today have recognized the promise of NuPathe’s innovative technologies and therapeutic approach,” she added.

NuPathe specializes in the development of therapeutics for the treatment of neurological and psychiatric disorders including migraine, Parkinson’s disease and schizophrenia. NuPathe’s lead product, NP101, uses SmartRelief™, the company’s novel, transdermal patch technology, to deliver sumatriptan to treat migraine. Pending regulatory review and approval, NP101 would be the first ever migraine treatment based on a transdermal patch delivery. Phase I clinical results for NP101 have thus far demonstrated rapid delivery of migraine medication and improved pharmacokinetics compared to current standard of care.

“NuPathe’s experienced management team and portfolio of delivery technologies and development stage products provide a strong foundation for success. These products have great potential to represent important commercial opportunities for the company and significant clinical advantages for patients,” said Geeta Vemuri, vice president at Quaker BioVentures.

“We are proactively targeting selected markets to bring Safeguard together with exciting specialty pharma companies like NuPathe,” said Gary Kurtzman, MD, vice president of life sciences at Safeguard. “We believe that NuPathe’s approach presents an impressive opportunity to compete effectively in the \$2 billion plus migraine market.”

About NuPathe

NuPathe is a specialty pharmaceutical company developing innovative therapies for the treatment of neurological and psychiatric diseases. Early-stage investors in NuPathe included BioAdvance, the Biotechnology Greenhouse of Southeastern Pennsylvania, Ben Franklin Technology Partners, and two significant angel investors. The company is currently developing products to address acute migraine, Parkinson's disease and schizophrenia. NuPathe's lead product, NP101, is a transdermal patch in clinical development as a potential treatment for migraine. For additional information visit www.nupathe.com.

About Birchmere

Headquartered in Pittsburgh, Pennsylvania, Birchmere Ventures has approximately \$150 million under management. Birchmere Ventures' third fund, Birchmere Ventures III, LP, focuses on early-stage technology and life sciences companies throughout the mid-Atlantic region. It is jointly managed by Birchmere Ventures and Bay City Capital, a San Francisco-based life sciences investment fund with over \$600 million under management.

About BioAdvance Ventures

BioAdvance Ventures was founded in the fall of 2004 to invest in early stage biomedical companies in southeastern Pennsylvania. Some investors in BioAdvance Ventures include Cephalon, Merck, GlaxoSmithKline, Wyeth, AquaAmerica, the Pennsylvania Tobacco Settlement Investment Board and major academic and economic development institutions in the region. BioAdvance Ventures is managed by Quaker BioVentures, a \$280 million family of funds based in the Philadelphia area, and is sponsored by BioAdvance, the BioTechnology Greenhouse of Southeastern Pennsylvania.

About Safeguard

Safeguard Scientifics, Inc. (NYSE: SFE) builds value in high-growth, revenue-stage information technology and life sciences businesses. Safeguard provides growth capital as well as a range of strategic, operational and management resources to our partner companies. Safeguard participates in expansion financings, corporate spin-outs, management buyouts, recapitalizations, industry consolidations and early-stage financings. For additional information, visit www.safeguard.com

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