



## **HATCHTECH RAISES \$6.3M FOR DeOvo™ HEAD LICE PHASE 2b CLINICAL TRIAL**

**MELBOURNE, VICTORIA. (Oct 26, 2010)** – Venture-backed pharmaceutical company Hatchtech Pty Ltd has concluded a \$6.3 million capital raising to conduct a Phase 2b clinical trial for its very promising head lice treatment.

Investors included existing and new investors including the University of Melbourne Endowment Trust, GBS Venture Partners through an Australian Government IIFF program, Uniseed and Queensland BioCapital Funds (QBF). A new investor is OneVentures which this year launched a new Australian Government IIF-backed fund the OneVentures Innovation Fund.

Hatchtech's lead product DeOvo™ is a novel therapy for treating head lice infestations. Following the recent successful completion of a Phase 2a study in adult populations, this new funding will go to Phase 2 development of DeOvo™ including a Phase 2b clinical trial in the target paediatric population.

"Hatchtech is delighted to have secured involvement from its existing strong investor base and from OneVentures. We look forward to completing a successful Phase 2b trial with DeOvo," said Stewart Washer, retiring chairman of the board.

Dr Paul Kelly, executive director of OneVentures and Cherrell Hirst, QBF CEO, will join the Hatchtech board with Dr Kelly appointed as chairman replacing Stewart Washer.

Peter Devine, CEO of Uniseed, will replace John Kurek as the Uniseed representative.

"This \$6.3m investment into Hatchtech demonstrates the willingness of Australian venture capital to fund high-quality technologies. The board is grateful to Stewart for his leadership and guidance since joining the Hatchtech board, and John for his invaluable assistance. We have an exceptional executive team in Vern Bowles (founder and CSO) and Lewis Schulz (COO and head of development) and are now looking to recruit a CEO," said Dr Kelly.

"DeOvo is supported by convincing phase 2a data and a compelling competitive position compared with existing products addressing this large and growing global market," said Dr Ross Macdonald, non-executive director.

"We look forward to working with the company to complete a successful Phase 2b study which we believe will deliver opportunities for strategic partnerships as the product moves to market. OneVentures regards Hatchtech as a strong first investment for the fund," said Dr Kelly.

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### *About Pediculosis*

*In the United States (US) alone, it is estimated that several million people, mainly children aged 3-12, are infected each year with head lice (*Pediculus humanus capitis*). The direct cost of treatment is estimated at several hundreds of millions of dollars. Added to this direct economic burden are the indirect costs of infestation, such as a child's missed days from school, lost work productivity by parents who stay home to treat their children and costs borne by the school itself in trying to control or prevent this problem. These indirect costs are also substantial and it has been estimated that the total cost of this problem, direct and indirect, is at least \$367 million USD in the US alone.*

### *About DeOvo™*

*Despite its prevalence and high cost to the community, there have been few major advances in controlling head lice infestation in recent years. Most pediculicide products have little ovicidal activity and require two treatments (approximately 7 days apart), with the second application designed to treat those lice which have hatched from eggs that survive the first treatment. Non-compliance with this regimen and the difficulty in choosing the optimal time for the second application, are major difficulties in using these products. Hatchtech's DeOvo™, which has shown both ovicidal and lousicidal activity, offers the potential for a more effective treatment following a single application.*

### *About Hatchtech*

*Hatchtech Pty Ltd is a venture-backed specialty pharmaceutical product company that is developing technology for the control of invertebrate pests. The company's investors include Biocomm, GBS Venture Partners, Queensland Biotechnology Fund, Uniseed, University of Melbourne Endowment Trust, Westscheme and OneVentures Innovation Fund.*

*The company's lead product is DeOvo™, a class leading head lice control agent that will potentially overcome the frustrating, costly and inconvenient cycles of re-treatment experienced currently by children and their parents.*

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### *About GBS Venture Partners Limited*

*GBS Venture Partners is Australia's leading life science venture capital group with in excess of \$400million under management. GBS invests from seed through early expansion stage and has invested in more than 30 life science companies.*

*[www.gbsventures.com.au](http://www.gbsventures.com.au)*



#### *About Uniseed Management*

*Uniseed is a \$61 million commercialisation fund operating at the Universities of Melbourne, New South Wales and Queensland. Apart from these three universities, Western Australia's largest non-government superannuation fund, Westscheme, is also a member. Uniseed has made over 30 investments in technologies arising from its three partner universities including Vintela (AVCAL Best Early-Stage Deal 2005) and QRxPharma Ltd (largest biotech IPO in ASX history).*

#### *About Queensland BioCapital Funds*

*Queensland BioCapital Funds was founded in 2002 and manages \$135m in the Queensland BioCapital and Innovis Australia funds. The funds have invested in 20 early stage life science companies in Australia and the USA. [www.qbf.qic.com](http://www.qbf.qic.com)*

#### *About OneVentures Innovation Fund*

*The OneVentures Innovation Fund is a \$40m fund whose principal activities are to invest in high growth Australian early stage technology companies with global potential. The Fund launched in February this year and is an ESVCLP supported in part by a \$20M investment from the Australian Government under the AusIndustry managed Industry Innovation Fund (IIF) program. The aim of OneVentures is to support the management team of investee companies to build great businesses through a combination of capital, expertise, alignment of interests and our investor and commercial networks. [www.one-ventures.com](http://www.one-ventures.com)*