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Hatchtech completes financing round; commences Phase 3 program for novel highly effective single application head lice treatment

- **AUD6m raised**
- **Head lice treatment DeOvo moving into Phase 3**

Melbourne, Australia: Specialty pharmaceutical company Hatchtech Pty Ltd has completed a \$6 million financing led by OneVentures Innovation Fund. This will enable the Company to commence the final stage of development of its novel head lice treatment product, DeOvo.

During 2012 Hatchtech successfully completed the Phase 2 program demonstrating that a single ten minute application of DeOvo has an excellent safety profile and highly competitive efficacy against head lice and their eggs. Moreover, the Company recently published further data on the unique activity of Ha44, the active compound in DeOvo, in killing insects at several development stages from eggs through to adults by disrupting metal dependent targets within the insect.

"The compelling outcome of our Phase 2 program and the strong commercial opportunity for DeOvo has further enhanced investor confidence and ensured the success of this financing round," said Dr Ross Macdonald, Chief Executive Officer of Hatchtech.

"We are delighted to report another excellent year for Hatchtech and we thank our shareholders for their continued support."

The Company will now begin the Phase 3 development program comprising a range of manufacturing, clinical and non-clinical studies directed toward filing a New Drug Application (NDA) with the US FDA in 2014.

This latest financing round attracted strong interest from new investors, including Brisbane Angels and investors introduced by OneVentures, in addition to the ongoing participation of OneVentures and the Company's existing, long-term investors, University of Melbourne and Queensland Biotechnology Fund. Hatchtech Chairman Dr Paul Kelly stated, "we are excited about the latest developments at Hatchtech, and this further injection of capital positions the Company well to complete the clinical development of DeOvo and to proceed with product commercialization."

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About Hatchtech

Hatchtech Pty Ltd is a venture-backed specialty pharmaceutical product company that is developing technology for the control of invertebrate pests, with DeOvo as its lead product. The Company's investors include GBS Venture Partners, Queensland Biotechnology Fund, Uniseed, University of Melbourne Endowment Trust, Australian

Super, and OneVentures Innovation Fund. The OneVentures Innovation Fund is supported by the Australian Government through the IIF program.

Hatchtech Pty Ltd

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About DeOvo™

Hatchtech's DeOvo™ is a topically-applied head lice treatment product that has shown both ovicidal and lousicidal activity and offers the potential for a highly effective treatment following a single application. 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 survived 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. Despite its prevalence and high cost to the community, there have been few major innovations in controlling head lice infestation in recent years.

About Pediculosis

It is estimated that 6-12 million people in the United States, mainly children aged 3-12, are infested 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 including 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. The total costs have been estimated to be 1 billion USD in the US alone.

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