



Media Release

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SUCCESSFUL COMPLETION OF HATCHTECH'S PHASE 2B CLINICAL TRIAL IN HEAD LICE

DeOvo™ demonstrates safety and clear efficacy against head lice and their eggs from one single application and is now positioned to accelerate into Phase 3.

MELBOURNE, VICTORIA. (15 Dec, 2011) – Specialty pharmaceutical company Hatchtech Pty Ltd today announced positive results for its Phase 2b clinical trial in subjects with head lice infestation. The results confirmed that DeOvo™, a topical head lice treatment, is both safe and highly effective following a single application. The Phase 2b trial evaluated efficacy, safety and tolerability at two dose levels of a single application of DeOvo™ compared to vehicle. The study was conducted in 140 healthy subjects with head lice infestation, 2 years of age and older, at two study centers in the United States.

The primary efficacy results demonstrated a statistically significant ($p < 0.001$) and clinically relevant outcome in both the 0.74% w/v (85.7% treatment success) and 0.37% w/v (67.4% treatment success) treatment groups compared to the vehicle control group (23.4% clearance). Treatment success was defined as subjects who were lice-free 14 days post a single 10-minute treatment with DeOvo.

No serious adverse events were reported in any of the three groups. The majority of adverse events were classified as mild and occurred within the control group; the most common being scalp pruritus (itchiness) which was associated with the continued presence of lice.

Hatchtech's CSO and Founder, Associate Professor Vern Bowles from The University of Melbourne said:

"These exciting clinical results further build on an extensive body of preclinical and clinical data that have confirmed the effectiveness of a single ten minute treatment of DeOvo™ against both lice (lousicidal activity) and more importantly their eggs or nits (ovicidal activity). DeOvo™ is the only known lousicidal and ovicidal agent requiring a single application for effective treatment. An outcome of essentially 9 of 10 patients being cleared of their lice infestation is an outstanding result."

Hatchtech's proprietary DeOvo™ is a topical formulation of an inhibitor of metalloproteinases that are key to biological processes involved in egg development and in survival of the crawling lice.

Recently appointed Hatchtech CEO, Mr Tim Waugh, commented:

“This is very promising news for the many parents and children who constantly face the challenge of head lice outbreaks. There is currently no effective product available offering the ease and convenience of a single application regimen. We now look forward to progressing DeOvo™ through Phase 3 clinical development and bringing this next generation product to the marketplace.”

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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. The Company's investors include, GBS Venture Partners, Queensland Biotechnology Fund, Uniseed, University of Melbourne Endowment Trust, AustralianSuper, and OneVentures Innovation Fund. The OneVentures Innovation Fund is supported by the Australian Government through the IIF program.

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

Hatchtech Pty Ltd

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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 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. Hatchtech's DeOvo™, a topical formulation of an inhibitor of metalloproteases, has shown both ovicidal and lousicidal activity and offers the potential for a more effective treatment following a single application.

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.