



HATCHTECH

Safer, more effective head lice treatment

Customer Story

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Founded in 2001 by Dr Vern Bowles, whilst at the University of Melbourne and with seed funding from Uniseed, Hatchtech first undertook research in animal parasites and later pivoted into human headlice studies. Its Xeglyze™ Lotion is a next generation human head lice treatment.

A single application safely and effectively kills both lice and eggs while being safe for use with children.

In September 2015, the Melbourne-based company announced that it had signed an agreement with integrated pharmaceutical company Dr Reddy's Laboratories for up to \$279 million, including milestone payments, to commercialise its Xeglyze™ Lotion in Australia, Canada, India, Russia and its satellites in the Commonwealth of Independent States, New Zealand, the United States, and Venezuela.



Louse and egg

Hatchtech will retain global rights for non-human applications of the lotion, as well as the right to commercialise the product for humans in territories outside of its agreement with Dr Reddy's.



Head lice can be a common problem in childhood and difficult to treat

The company also announced that it would be filing a New Drug Application for Xeglyze™ with the Food and Drug Administration (FDA) in the United States.

Hatchtech has been supported by venture capital fund managers OneVentures, GBS Venture Partners and Blue Sky Alternative Investments, licensed and registered under the Australian Government's venture capital programmes including the Early Stage Venture Capital Limited Partnerships (ESVCLP) programme.

Sydney-based fund manager OneVentures is Hatchtech's largest shareholder and has led each of the funding rounds since it first invested in the company in 2010.

The funding rounds have contributed \$26 million to the development of the Xeglyze™ Lotion, out of \$33 million in total invested capital. New investors include private sophisticated investors and Brisbane-based Blue Sky Alternative Investments.

"Venture capital has been integral to Hatchtech's growth and successful outcome, in particular through the significant involvement of Dr Paul Kelly, Chairman of Hatchtech and OneVentures Partner who served as Executive Chairman for several years," said Dr Michelle Deaker, CEO and Managing Director of OneVentures.

“OneVentures accelerated the company’s development through phase 2 and 3 human trials ensuring the company has been adequately resourced both in terms of capital and hiring the management team, bringing in corporate advisors and building the strategic business plan necessary to achieve the company’s impressive licensing deal”.

Since 2004 Hatchtech has also received significant venture capital investment from GBS Venture Partners, including through funds managed on behalf of the University of Melbourne as well as its funds licensed under two of the Australian Government’s venture capital programmes.

Melbourne University continues to be a significant shareholder in the company.

Mr Hugh Alsop, CEO of Hatchtech said: “Venture capital remains an important source of funding for the biotech industry, and has allowed Hatchtech to progress from early stage development right through to Phase III clinical trials. Hatchtech has benefited significantly not only from the capital invested, but also from the expertise and access to networks the venture firms have provided.”



Hatchtech team: Mr Hugh Alsop, Dr Vern Bowles and Dr Paul Kelly, Chairman