

**NOVOGEN LIMITED**  
37 063 259 754



23 February 2015

Mr Elvis Onyura

Senior Adviser, Listings Compliance (Sydney)  
ASX Compliance Pty Ltd  
20 Bridge St, Sydney NSW 2000

By electronic lodgement

Dear Elvis,

**Novogen Limited (ASX:NRT) – Erratum to Half Yearly Report and Accounts**

It was brought to our attention that the Half Yearly Report and Accounts released to the market on the 20<sup>th</sup> of February 2015 contained an error on its page 22 “Independent Auditor’s Review Report”, which was missing the reference to the “consolidated entity”. The error was corrected and the report re-issued on the 20<sup>th</sup> of February 2015 after the market closed.

A correct version of the review report is attached.

Please do not hesitate to contact me if you require any additional information.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Lionel Mateo", written in a cursive style.

**Lionel Mateo**  
Company Secretary

# **Novogen Limited**

**ABN 37 063 259 754**

## **Interim Report - 31 December 2014**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Novogen Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

### Directors

The following persons were directors of Novogen Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Prof. Graham E Kelly  
Steven Coffey  
John O'Connor  
Dr Peter Gunning  
Iain Ross (resigned on 20 November 2014)

### Principal activities

During the financial half-year the principal continuing activity of the consolidated entity consisted of drug discovery. The consolidated entity is a biotechnology company engaged in the development of novel therapeutics across a wide range of human diseases and disorders.

### Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$2,247,407 (31 December 2013: \$3,055,263).

The operations of the consolidated entity revolve around two technology platforms that are proprietary to the consolidated entity and which are being investigated as sources of novel therapeutics for a range of degenerative diseases.

The key points of progress made in the last half-year are:

- Identification of the 4 lead anti-cancer drug candidates
- Confirmation that the consolidated entity has the basis of a regenerative medicine program

#### 1. Super-benzopyran (SBP) drug technology

##### 1.1 Oncology

The consolidated entity identified by the end of 2014 its 3 lead anti-cancer SBP drug candidates. The underlying principal of this program of drug discovery is the ability to kill the full hierarchy of cells within a tumor, including the cancer stem cells and the cancer progenitor cells.

The three lead candidates are: TRXE-002, TRXE-009 and TRXE-0025.

TRXE-002 is the active ingredient in Cantrixil, a construct designed to be injected into body cavities such as the peritoneal cavity and the pleural cavities. The last 6 months saw Cantrixil commence its formal pre-clinical work-up ahead of entering the clinic in 2015. Both large-scale manufacturing and animal toxicology study contracts were entered into. The decision was made to target malignant ascites in the first-in-man study. Two Australian hospitals were selected as study sites and the supervising Investigators appointed.

TRXE-009 was confirmed as having strong anti-cancer activity against the paediatric cancers, medulloblastoma, diffuse intrinsic pontine glioma and neuroblastoma, adding to the known potency against glioblastoma cells, and confirming a preferential activity against neural tumors. Strong activity also was identified against melanoma, leading the consolidated entity to the belief that the action of this drug represented a therapeutic link between tumours of cells with an embryonic lineage extending back to the neural tube and the neural crest. Up until this point, the planned use of TRXE-009 was in both paediatric and adult primary brain cancers; with the revealed activity against melanoma, the consolidated entity made the decision to extend first-in-man studies into malignant melanoma, and metastatic melanoma of the brain in particular.

TRXE-0025 emerged from the consolidated entity's medicinal chemistry program as a drug with a high preference for prostate cancer cells. This molecule will enter a formal pre-clinical program, in particular to assess its ability to kill prostate cancer stem cells, in 2015.

### 1.2 Degenerative Diseases Program

This program (known as Project Jacob Hope) continued with the aim of identifying SBP compounds with the ability to promote the activity of stem cells with success in a number of exploratory studies. The key progress in this area was the decision to focus on 3 areas:

- Fascioscapulohumeral Disease (FSHD)
- Alzheimer's Disease
- San Filippo Syndrome

### 1.3 Regenerative Medicine Program

The purpose of this program is to identify SBP compounds with the ability to promote the growth of stem cells in the brain and spinal cord to repair injury. A significant discovery in this reporting period was the identification of an SBP pharmacophore that promoted in vitro the division of brain stem cells. Animal studies designed to assess the ability of this pharmacophore to promote repair to traumatic injury of the brain will commence in early 2015.

### 2. Anti-tropomyosin technology

The significant development with this second drug technology platform was the identification of the lead drug candidate – ATM3507 ('Anisina'). The selection of this lead candidate was based on the three criteria of (i) ease of manufacture, (ii) high on-target specificity, and (iii) ability to synergize the anti-cancer activity of anti-microtubule drugs.

### Significant changes in the state of affairs

There were 4 significant changes in the state of affairs of the consolidated entity during the financial half-year:

1. Successful capital-raising of \$1,855,000 (excluding transaction costs) in November 2014 through placement of shares and options to Australian investors;
2. Successful capital-raising of \$5,862,600 (excluding transaction costs) in December 2014 through placement of shares and options to US institutional investors;
3. Appointment of Chief Operating Officer (Finance and Administration); and
4. Amendment to the Deed Poll Agreement signed on 5 December 2014, which voided the debt component of the Deed and transferred the liability into equity. It reduced the liability of the company by approximately \$1,500,000.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Graham Kelly  
Chairman

20 February 2015  
Sydney

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### **Auditor's Independence Declaration To The Directors of Novogen Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Novogen Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Louise Worsley  
Partner - Audit & Assurance

Sydney, 20 February 2015

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**Novogen Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2014**



	Note	Consolidated 31 Dec 2014 \$	31 Dec 2013 \$
<b>Revenue</b>	3	5,565	29,206
Other income	4	1,950,364	290,988
<b>Expenses</b>			
Research and development expense		(1,947,504)	(596,625)
General and administrative expense		(2,159,505)	(1,793,611)
Net fair value loss on convertible note derivative		(222,095)	(461,460)
Finance costs	5	(61,219)	(538,396)
<b>Loss before income tax expense</b>		(2,434,394)	(3,069,898)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year</b>		(2,434,394)	(3,069,898)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net exchange difference on translation of financial statements of foreign controlled entities, net of tax		(280,316)	(8,404)
(Loss)/gain on the revaluation of available-for-sale financial assets, net of tax		(10,696)	4,389
Other comprehensive income for the half-year, net of tax		(291,012)	(4,015)
<b>Total comprehensive income for the half-year</b>		<u>(2,725,406)</u>	<u>(3,073,913)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		(186,987)	(14,635)
Owners of Novogen Limited		(2,247,407)	(3,055,263)
		<u>(2,434,394)</u>	<u>(3,069,898)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(217,902)	(15,110)
Owners of Novogen Limited		(2,507,504)	(3,058,803)
		<u>(2,725,406)</u>	<u>(3,073,913)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	15	(1.274)	(2.108)
Diluted earnings per share	15	(1.274)	(2.108)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Novogen Limited**  
**Statement of financial position**  
**As at 31 December 2014**



	<b>Note</b>	<b>Consolidated</b> <b>31 Dec 2014</b> <b>\$</b>	<b>30 Jun 2014</b> <b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	8,028,673	2,502,125
Trade and other receivables		82,331	65,969
Income tax refund due		6,055	2,654
Other		86,203	67,277
<b>Total current assets</b>		<u>8,203,262</u>	<u>2,638,025</u>
<b>Non-current assets</b>			
Available-for-sale financial assets		36,531	47,227
Property, plant and equipment		15,713	13,627
Intangibles		1,675,166	1,960,218
<b>Total non-current assets</b>		<u>1,727,410</u>	<u>2,021,072</u>
<b>Total assets</b>		<u>9,930,672</u>	<u>4,659,097</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		899,779	258,759
Borrowings	7	931,697	2,707,189
Derivative financial instruments		315,327	173,225
Provisions		97,957	107,890
<b>Total current liabilities</b>		<u>2,244,760</u>	<u>3,247,063</u>
<b>Total liabilities</b>		<u>2,244,760</u>	<u>3,247,063</u>
<b>Net assets</b>		<u>7,685,912</u>	<u>1,412,034</u>
<b>Equity</b>			
Contributed equity	8	149,954,800	142,585,975
Other contributed equity	9	1,716,101	-
Reserves	10	(115,411)	230,328
Accumulated losses		(143,552,940)	(141,305,533)
Equity attributable to the owners of Novogen Limited		8,002,550	1,510,770
Non-controlling interest		(316,638)	(98,736)
<b>Total equity</b>		<u>7,685,912</u>	<u>1,412,034</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Novogen Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2014**



<b>Consolidated</b>	<b>Contributed equity</b> \$	<b>Other contributed equity</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 July 2013	137,662,915	-	216,101	(133,838,214)	-	4,040,802
Loss after income tax expense for the half-year	-	-	-	(3,055,263)	(14,635)	(3,069,898)
Other comprehensive income for the half-year, net of tax	-	-	(3,540)	-	(475)	(4,015)
Total comprehensive income for the half-year	-	-	(3,540)	(3,055,263)	(15,110)	(3,073,913)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 8)	3,815,929	-	-	-	17	3,815,946
Balance at 31 December 2013	<u>141,478,844</u>	<u>-</u>	<u>212,561</u>	<u>(136,893,477)</u>	<u>(15,093)</u>	<u>4,782,835</u>
<b>Consolidated</b>	<b>Contributed equity</b> \$	<b>Other contributed equity</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 July 2014	142,585,975	-	230,328	(141,305,533)	(98,736)	1,412,034
Loss after income tax expense for the half-year	-	-	-	(2,247,407)	(186,987)	(2,434,394)
Other comprehensive income for the half-year, net of tax	-	-	(260,097)	-	(30,915)	(291,012)
Total comprehensive income for the half-year	-	-	(260,097)	(2,247,407)	(217,902)	(2,725,406)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 8)	7,368,825	-	-	-	-	7,368,825
Share-based payments	-	-	130,459	-	-	130,459
Recognition of equity component of compound financial instrument	-	1,500,000	-	-	-	1,500,000
Transfers	-	216,101	(216,101)	-	-	-
Balance at 31 December 2014	<u>149,954,800</u>	<u>1,716,101</u>	<u>(115,411)</u>	<u>(143,552,940)</u>	<u>(316,638)</u>	<u>7,685,912</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*



	Consolidated	
Note	31 Dec 2014	31 Dec 2013
	\$	\$
<b>Cash flows from operating activities</b>		
Loss before income tax expense for the half-year	(2,434,394)	(3,069,898)
Adjustments for:		
Depreciation and amortisation	287,238	287,569
Share-based payments	-	124,918
Foreign exchange differences	(554,756)	(8,054)
Net fair value loss on derivative	222,095	461,460
Imputed interest on convertible note	60,959	139,089
	<u>(2,418,858)</u>	<u>(2,064,916)</u>
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(38,689)	21,656
Increase/(decrease) in trade and other payables	991,850	(78,683)
Increase/(decrease) in employee benefits	(9,933)	21,129
	<u>(1,475,630)</u>	<u>(2,100,814)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(4,272)	(11,357)
Payments for security deposits	-	(68,519)
	<u>(4,272)</u>	<u>(79,876)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	8 7,722,881	-
Share issue transaction costs	(640,040)	-
Proceeds from borrowings	-	5,500,000
	<u>7,082,841</u>	<u>5,500,000</u>
Net cash from financing activities		
Net increase in cash and cash equivalents	5,602,939	3,319,310
Cash and cash equivalents at the beginning of the financial half-year	2,502,125	2,738,435
Effects of exchange rate changes on cash and cash equivalents	(76,391)	-
	<u>8,028,673</u>	<u>6,057,745</u>
Cash and cash equivalents at the end of the financial half-year		

The above statement of cash flows should be read in conjunction with the accompanying notes

## Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 31 December 2014 and are not expected to have any significant impact for the full financial year ending 30 June 2015. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## Note 2. Operating segments

### Identification of reportable operating segments

The consolidated entity's operating segment is based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Following the discontinued operations of the Oncology Drug Program and Wound Healing sectors and the consumer business in the prior year, the consolidated entity now operates in the Drug development business. There are no operating segments for which discrete financial information exists.

The information reported to the CODM, on at least a monthly basis, is the consolidated results as shown in the statement of profit or loss and other comprehensive income and statement of financial position.

## Note 3. Revenue

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$	\$
Bank interest	5,565	29,206

## Note 4. Other income

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$	\$
Net foreign exchange gain	366,768	290,988
Subsidies and grants	45,455	-
Research and development rebate	1,538,141	-
Other income	1,950,364	290,988

**Note 5. Expenses**

**Consolidated**  
**31 Dec 2014    31 Dec 2013**  
**\$                    \$**

Loss before income tax includes the following specific expenses:

*Depreciation*

Property, plant and equipment

2,186      2,517

*Amortisation*

Patents and intellectual property

285,052      285,052

Total depreciation and amortisation

287,238      287,569

*Finance costs*

Interest and finance charges paid/payable

260                    -

Imputed interest on convertible note

60,959              139,089

Convertible loan fee

-                      399,307

Finance costs expensed

61,219              538,396

**Note 6. Current assets - cash and cash equivalents**

**Consolidated**  
**31 Dec 2014    30 Jun 2014**  
**\$                    \$**

Cash at bank and on hand

8,028,673      2,486,405

Short-term deposits

-                      15,720

8,028,673      2,502,125

**Note 7. Current liabilities - borrowings**

**Consolidated**  
**31 Dec 2014    30 Jun 2014**  
**\$                    \$**

Convertible loan note - HBMF

931,697              1,207,189

Convertible loan note - Triaxial

-                      1,500,000

931,697              2,707,189

## Note 7. Current liabilities - borrowings (continued)

### Convertible note to Hudson Bay Master Fund ('HBMF')

The convertible note issued to HBMF was in four tranches, as follows:

- Tranche 1 face value of \$1,100,000, issued 4 July 2013
- Tranche 2 face value of \$1,100,000, issued 21 October 2013
- Tranche 3 face value of \$2,200,000, issued 15 November 2013
- Tranche 4 face value of \$1,650,000, issued 24 December 2013

The notes were issued at a discount of 10% on face value and are repayable between 21 days and 24 months after the date of issue, provided that the amount converted in each tranche is no less than \$25,000 and no more than 50% of the face value of the most recently issued note. The convertible notes do not bear interest and are unsecured. The conversion price for the convertible securities is either 90% of the average of 3 daily volume-weighted average price ('VWAP') per share, during the 20 consecutive trading days immediately prior to the relevant conversion notice day, or a limited number at 130% of the average of the daily VWAP per share for the 20 consecutive trading days immediately prior to execution of the agreement.

The remaining unconverted notes as at 31 December 2014 are as follows:

- Tranche 2 face value of \$30,000 (repayable 21 October 2015)
- Tranche 3 face value of \$300,000 (repayable 15 November 2015)
- Tranche 4 face value of \$695,000 (repayable 24 December 2015)

Tranche 2, tranche 3 and tranche 4 are only repayable to the extent that the notes have not been converted by the 21 October 2015, 15 November 2015 and 24 December 2015 respectively. There is the additional option to force the noteholder to convert if the share price hits the \$0.35 threshold.

As at 31 December 2014 tranche 5 remains undrawn.

Refer to note 14 for conversions subsequent to the reporting date.

Refer to note 9 for details on the convertible loan note - Triaxial.

## Note 8. Equity - contributed equity

	31 Dec 2014 Shares	Consolidated 30 Jun 2014 Shares	31 Dec 2014 \$	30 Jun 2014 \$
Ordinary shares - fully paid	237,224,162	168,557,834	149,954,800	142,585,975

### Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 July 2014	168,557,834		142,585,975
Part conversion of convertible note tranche 2	18 November 2014	242,719	\$0.091	21,996
Issue of shares	18 November 2014	16,859,988	\$0.110	1,854,599
Part conversion of convertible note tranche 4	20 November 2014	963,856	\$0.076	73,416
Part conversion of convertible note tranche 4	5 December 2014	986,843	\$0.072	71,287
Issue of shares	18 December 2014	46,900,800	\$0.097	5,862,600
Issue of shares on exercise of options	18 December 2014	45,455	\$0.125	5,682
Part conversion of convertible note tranche 4	22 December 2014	2,666,667	\$0.094	249,744
Less: share issue transaction costs		-		(770,499)
Balance	31 December 2014	237,224,162		149,954,800

### Share buy-back

There is no current on-market share buy-back.

### Note 9. Equity - Other contributed equity

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$	\$
Convertible loan note - Triaxial	1,716,101	-

On 4 December 2014, the consolidated entity and the convertible note holder ('Triaxial') signed a Convertible Note Deed Poll ('Deed') which superseded the precedent Loan Agreement between Triaxial shareholders and the consolidated entity. The Deed extinguishes the liability created by the Loan Agreement and allows Triaxial to convert their debt into ordinary shares instead of receiving a cash settlement, providing that the company achieves defined milestones established in the schedule of the Deed. Accordingly the convertible note has been reclassified as an equity instrument rather than debt instrument.

The convertible note may be exercised at the holders discretion as follows:

- on completion of Phase 1a clinical trials: \$400,000 converted into 16,000,000 ordinary shares in the company;
- on receipt of Investigational New Drug approval from the US Food and Drug Administration \$500,000 converted into 20,000,000 ordinary shares in the company; and
- on completion of Phase II clinical trials: \$600,000 converted into 24,000,000 ordinary shares in the company.

### Note 10. Equity - reserves

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$	\$
Available-for-sale reserve	(22,096)	(11,400)
Foreign currency reserve	(223,774)	25,627
Convertible note reserve	-	216,101
Share-based payments reserve	130,459	-
	<u>(115,411)</u>	<u>230,328</u>

### Note 11. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

### Note 12. Fair value measurement

#### *Fair value hierarchy*

The carrying values of financial assets and financial liabilities presented in these financial statements represent a reasonable approximation of fair value unless otherwise stated.

## Note 12. Fair value measurement (continued)

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Consolidated - 31 Dec 2014</b>				
<i>Assets</i>				
Available for sale financial assets	36,531	-	-	36,531
Total assets	36,531	-	-	36,531
<i>Liabilities</i>				
Derivative financial instruments on convertible note	-	-	315,327	315,327
Total liabilities	-	-	315,327	315,327
<b>Consolidated - 30 Jun 2014</b>				
<i>Assets</i>				
Available for sale financial assets	47,227	-	-	47,227
Total assets	47,227	-	-	47,227
<i>Liabilities</i>				
Derivative financial instruments on convertible note	-	-	173,225	173,225
Total liabilities	-	-	173,225	173,225

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

## Note 13. Contingent liabilities

The consolidated entity is continuing to prosecute its Intellectual Property ('IP') rights and in June 2007 announced that the Vienna Commercial Court had upheld a provisional injunction against an Austrian company, APO trend. The consolidated entity has provided a guarantee to the value of €250,000 (\$371,000) with the court to confirm its commitment to the ongoing enforcement process. As at 31 December 2014, the receivable balance has been fully impaired on the basis that it is unlikely to be recovered. The receivable balance and the corresponding provision for impairment are included in trade and other receivables.

On 27 January 2015, the consolidated entity attempted to reach settlement on reasonable terms with APO Trend during a hearing, which was rejected by the latter. The Court will convene another hearing on a date to be confirmed.

## Note 14. Events after the reporting period

The company will hold a general meeting on 4 March 2015 in order to pass the following resolutions:

- approve issue of shares to US investors in order to renew the company's discretionary placement capacity;
- approve the issue of options to US investors; and
- approve the Employee Share Option Plan.

For more details please refer to the Notice of Meeting released on 30 January 2015.

#### Note 14. Events after the reporting period (continued)

On 9 January 2015, 9,266,667 ordinary shares were issued on the part conversion of \$695,000 convertible note (tranche 4). This conversion exhausted the whole value that was remaining in tranche 4. Consequently the value remaining for the other tranches was as follows:

- Tranche 2: \$30,000
- Tranche 3: \$300,000

On 16 January 2015 the company announced that it terminated the agreement with HBMF. However the provisions regarding any outstanding amount to convert and the options issued to HBMF (4,000,000 options for ordinary shares, exercisable by 3 July 2016 at \$0.1906 per share) survived the termination until, either the full conversion of the remaining value of each tranche or their expiry.

On 10 February 2015, 3,586,957 ordinary shares were issued on the final conversion of \$330,000 convertible notes (\$30,000 for tranche 2 and \$300,000 for tranche 3). This conversion exhausted the remaining value of all tranches, therefore the convertibles notes have expired as of the day of conversion.

Due to the termination of the agreement tranche 5 remains undrawn.

##### *Issue of options to US investors*

As part of the capital raising conducted in December 2014, the US investors will be issued 47 million options to acquire ordinary shares at \$0.15 per share. The options will be issued in March 2015, pending the approval of the members at a general meeting scheduled 4 March 2015.

##### *Issue of option to H.C. Wainwrights*

Following the capital raising in December 2014, H.C. Wainwrights which acted as placement agent, was promised the issue of 1,876,032 options (based on engagement letter signed with Novogen) to acquire ordinary shares at \$0.15 per share. The options will be issued in March 2015, pending the approval of the members at a general meeting scheduled 4 March 2015.

No other matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### Note 15. Earnings per share

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	\$	\$
Loss after income tax	(2,434,394)	(3,069,898)
Non-controlling interest	186,987	14,635
Loss after income tax attributable to the owners of Novogen Limited	<u>(2,247,407)</u>	<u>(3,055,263)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>176,356,169</u>	<u>144,949,785</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>176,356,169</u>	<u>144,949,785</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(1.274)	(2.108)
Diluted earnings per share	(1.274)	(2.108)

60,000,000 unlisted convertible notes with a face value of \$1,500,000, 3 tranches of unlisted convertible note with a face value of \$1,025,000 and 20,814,533 unlisted options have been excluded from the above calculations as they were anti-dilutive.

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Graham Kelly  
Chairman

20 February 2015  
Sydney



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## **Independent Auditor's Review Report To the Members of Novogen Limited**

We have reviewed the accompanying half-year financial report of Novogen Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

### **Directors’ responsibility for the half-year financial report**

The directors of Novogen Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor’s responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Novogen Limited consolidated entity’s financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations

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Regulations 2001. As the auditor of Novogen Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Novogen Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



L M Worsley  
Partner - Audit & Assurance

Sydney, 20 February 2015