ASX:NRT
NASDAQ:NVGN

Novogen Ltd
(Company)

ABN 37 063 259 754

Capital Structure

Ordinary Shares on issue:

483 M

Board of Directors

Mr Iain Ross
Chairman
Non-Executive Director

Mr Bryce Carmine
Non-Executive Director

Mr Steven Coffey
Non-Executive Director

Dr James Garner
Chief Executive Officer
Managing Director

ASX RELEASE

16 October 2017

ANNUAL REPORT AND CORPORATE GOVERNANCE STATEMENT

Sydney, 16 October 2017 – Australian oncology-focused biotechnology company Novogen Limited (ASX: NRT; NASDAQ: NVGN) is pleased to provide its Annual Report and Corporate Governance Statement for the year ended 30 June 2017.

About Novogen Limited

Novogen Limited (ASX: NRT; NASDAQ: NVGN) is an emerging oncology-focused biotechnology company, based in Sydney, Australia. Novogen has a portfolio of development candidates, diversified across several distinct technologies, with the potential to yield first-in-class and best-in-class agents in a range of oncology indications.

The lead program is GDC-0084, a small molecule inhibitor of the PI3K / AKT / mTOR pathway, which is being developed to treat glioblastoma multiforme. Licensed from Genentech in late 2016, GDC-0084 is anticipated to enter phase II clinical trials in 2017. A second clinical program, TRXE-002-01 (Cantrixil) commenced a phase I clinical trial in ovarian cancer in December 2016. In addition, the company has several preclinical programs in active development, the largest of which is substantially funded by a CRC-P grant from the Australian Federal Government.

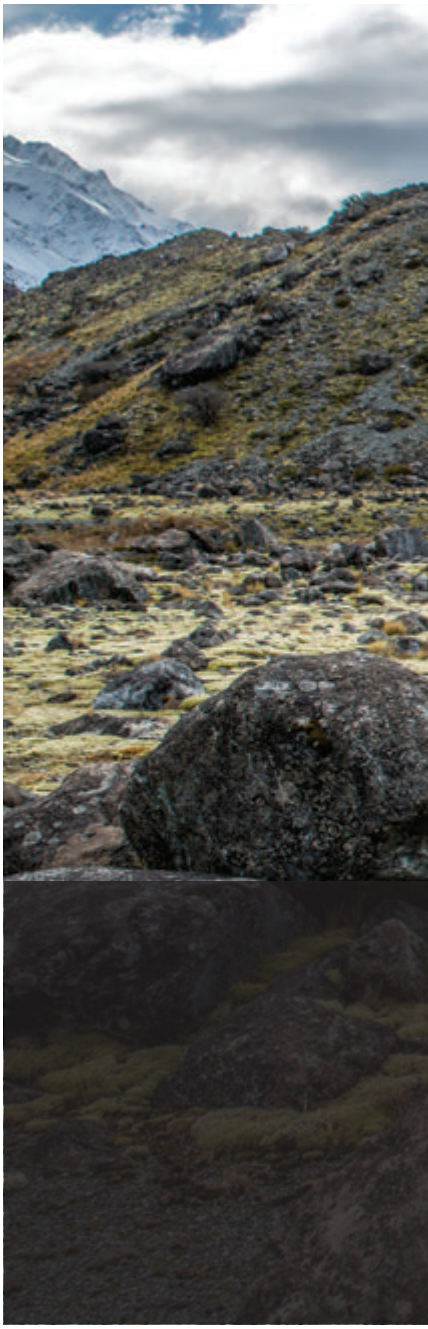
For more information, please visit: www.novogen.com

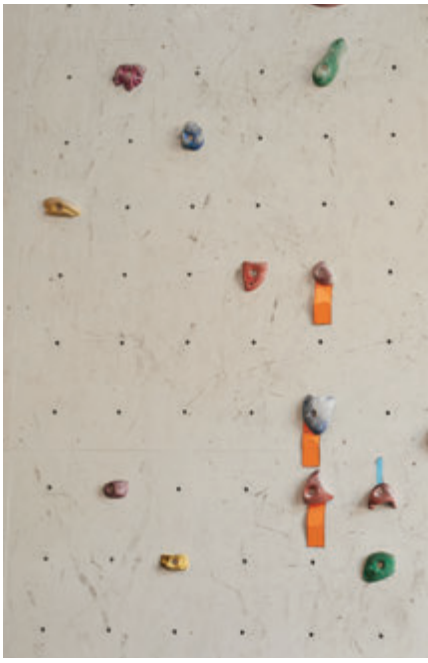
NOVOGEN

Annual Report

2017

Contents





> Novogen partners with the world's leading researchers and drug developers to bring forward a diversified portfolio of new cancer therapies. Our programs are scientifically innovative and commercially valuable. Above all, we work for the benefit of patients with the greatest unmet need.

Chairman's letter

FY2017: a year of transformation

Over the last 12 months Novogen has become a very different company and, your Board believes, a company with a much greater long-term potential. There have been changes in our Research and Development (R&D) portfolio, which now includes two clinical-stage assets, as well as changes in our personnel, our organisational culture, and the way we do business. This is not the Novogen of old.

In particular, this year has seen us move from strategy to execution. Key successes of the year include the in-licensing of GDC-0084 from Genentech, initiation of the phase I study for Cantrixil, which occurred exactly in line with guidance, and a restructuring of the organisation and its capabilities to reflect the more advanced status of the portfolio.

The Board has also transformed so that we move forward with a much leaner and more streamlined organisation. In addition to reducing the absolute number of directors on the Board, the remaining directors have committed to operating under a reduced fee structure, and to actively investing in the Company, as appropriate, in order to further align ourselves with our shareholders.

Since becoming Chairman, I have spent considerable time listening to investors, and I believe the Company needs to do three things in order to succeed:

Continue to provide excellent execution of projects, especially in relation to the phase II study of GDC-0084

Maintain the very highest standards of corporate governance, so that all shareholders can be confident in the Company's conduct

Focus on providing real and impactful new treatments for patients, using the best available science, in order to build a sustainable business for the future

In addition, I would like to acknowledge the post period announcement regarding changes to the treatment of unvoted proxies, which are associated with our NASDAQ listed American Depository Receipts (ADRs). Following extensive consultation with shareholders, the decision was made to no longer vote unvoted proxies at the discretion of the Chairman. While this is a common practice, and one that is used by many ASX listed companies which also hold ADRs, we recognised that the practice had become a matter of concern to our shareholders and quickly moved to rectify it leading into the 2017 AGM.

Your Board remains cognisant of the need to ensure we have sufficient funds to progress the development of the key programs and therefore we continue to consider the most appropriate ways to finance the Company including a capital raising and/or licensing transactions.

As the organisation has evolved, we have seen a number of changes in personnel. Founders Dr Andrew Heaton and Dr David Brown have departed to focus on a new venture and we wish them well. Cristyn Humphreys, CFO, left to further her career in a different industry, and went with our good wishes. Concurrently our senior leadership team has been strengthened by a number of key appointments and we are confident that we are well positioned to execute our strategy.

More recently directors John O'Connor and Ian Phillips stepped down from the Board, and on behalf of the Board and Management I would like to thank them and to acknowledge their significant contribution during the transition of this business.

> **Our immediate goal is to execute on our clinical programs and deliver on our commitments to shareholders.**

As we look ahead, 2018 will clearly be an important year for Novogen as we progress the development of our key clinical-staged programs. We expect that positive progress in the clinic, combined with an active investor relations strategy should translate to positive interest from the market. Ideally we'll see a positive move in the share price, which at currents levels doesn't reflect the significant and true value of the Company's assets. The Board and Management are committed through a strong commercial program to ensuring that the value proposition of Novogen is better recognised.

Finally, I would like to extend my personal thanks to our CEO, James Garner, together with his leadership team, and to our patient shareholders for your support and contribution to our Company during a very challenging period.

Novogen is now a leaner, more efficient and focused organisation, better equipped to deal with the challenges ahead. With the dedication of our experienced management team, I am confident we can deliver on our attractive long-term growth potential.

I look forward to engaging with all stakeholders as we build our Company.

Yours sincerely,

Iain Ross
Chairman of the Board

CEO's report
FY2017: From transformation to implementation

Dear Fellow Shareholders,

The 2017 financial year has represented a coming of age for Novogen. The transition from early stage, preclinical drug discovery to commercially-focused drug development is one of the great milestones in the evolution of a successful biotech, and I am pleased to report that our company has made this dramatic leap with great success.

No doubt the flagship event of the past year has been the deal we struck with Genentech in October 2016. GDC-0084, now our lead development candidate, had successfully completed a phase I clinical trial under Genentech's stewardship. The phase I trial showed evidence of favourable safety and tolerability, together with promising signals of clinical efficacy. We undertook a careful evaluation of GDC-0084, in the context of other opportunities available to us, and with the benefit of extensive input from external experts, formed the conclusion that this would be a tremendous opportunity for Novogen.

It is our expectation to take the drug into a phase II trial this calendar year, which will provide substantial evidence to support its use in glioblastoma, the most common and most aggressive form of primary brain cancer, and preparation for this trial has been an important area of focus for much of FY2017. If GDC-0084 is successful, we hope it may provide an important new treatment option for patients with this devastating disease.

This transaction has transformed Novogen in a very short period of time from a laboratory-based, research-focused company into a mid-stage clinical company, with the potential for commercial revenue within a period of little more than a few years. We have been obliged to grow up fast. In parallel with designing a world-class phase II clinical program for GDC-0084, we have been working hard to develop the infrastructure, systems, business relationships, and resources to deliver on the investment we made in GDC-0084. I can say with pride that Novogen is now well-equipped to make a success of this tremendously promising asset.

Central though GDC-0084 may be to the Company's future, we see it as ultimately one step in Novogen's broader journey. Our goal has been nothing less than to build a different kind of biotech company, one which unites great science with an understanding of commercial value. We recognise the challenges of traditional drug development for investors: the extensive timelines to take a novel drug from the bench to the bedside, the substantial costs of doing so, and the enormous risk of failure.

Our approach is different. We want to partner with titans of the industry such as Genentech, so that we can benefit from their first-class drug discovery capabilities. We want to take on great assets, such as GDC-0084, where some of the work has already been done, some of the risk has been taken out, and some of the investment made. We want to do work, such as our impending phase II study, that defines and demonstrates the value of our assets in the treatment of patients, that answers key questions, solves critical problems, and provides the essential data to move forward. Finally, and perhaps most importantly, we want to work with larger, experienced pharmaceutical companies to bring these exciting new drugs to market for the benefit of patients.

We hope, therefore, that GDC-0084 will not be the last such opportunity we bring into Novogen. Over time, we aspire to develop a portfolio of great development candidates, each with their own potential, and isolated from each other in terms of risk. If we are successful in this objective, we expect that Novogen will be able to generate value for its shareholders more swiftly and at lower risk than would otherwise be the case.

> "The transition from early stage, preclinical drug discovery to commercially-focused drug development is one of the great milestones in the evolution of a successful biotech, and I am pleased to report that our company has made this dramatic leap with great success."

The corollary to such a business model is that a company must have the courage to make difficult decisions when circumstances require. Our decision to terminate the Anisina program earlier this year was taken with a heavy heart, but with the certainty that our efforts could be allocated elsewhere for greater benefit to patients and shareholders. We have learned much from working with great scientists, and with partners such as The Kids' Cancer Project, and we will apply those lessons carefully in the future.

Notwithstanding the disappointment of Anisina, we are excited that Cantrixil, the most advanced development candidate from Novogen's legacy portfolio, is progressing well through an international phase I clinical trial in ovarian cancer. We await further results from this study, but our ambition is to find a capable and committed partner to work with on Cantrixil's future development.

Novogen ends the year with two tremendously promising clinical-stage assets, each of which have the potential to transform the standard of care in cancers with enormous unmet medical need. We have a clear strategy to grow the business over time and to build a sustainable drug development powerhouse with the potential to provide significant value to shareholders. All of us associated with Novogen share a common purpose - to develop important new medicines and to build a company that is both successful and innovative. We are grateful for your support in pursuing this vision, and we look forward to sharing our progress.

Yours sincerely

James Garner

Dr James Garner
Chief Executive Officer

Key milestones and highlights

2016 / 2017

August

- **11 August 2016**
  Novogen's Investigational New Drug (IND) application for ovarian cancer chemotherapeutic, Cantrixil, is submitted to the US Food and Drug Administration (FDA) in line with forecast.
- **29 August 2016**
  Management team strengthens with two key appointments. Dr Gordon Hirsch, formerly of Takeda and Sanofi, appointed Chief Medical Officer, and Dr Peng Leong, formerly at Merck Serono and Piper Jaffray, appointed Chief Business Officer.

September

- World-class Scientific Advisory Board (SAB) appointed to further drive Novogen's transformation towards being a clinical-stage drug development company. SAB made up of highly experienced thought leaders and global experts in drug development, including clinicians, industry executives and academic scientists: Professor Sir Murray Brennan, GNZM, Dr Karen Ferrante, Professor Peter Gunning and Professor Alex Matter.
- Novogen receives confirmation from the US FDA that the phase I study of Cantrixil in patients with ovarian cancer may proceed as planned.

October

- **31 October 2016**
  Novogen enters into a worldwide licensing agreement with Genentech, a member of the Roche Group, to develop and commercialise GDC-0084, whose lead indication is glioblastoma multiforme (GBM) - the most common and most aggressive form of primary brain cancer.
- **31 October 2016**
  As part of the GDC-0084 deal, privately-held, neuro-oncology-focused Australian biotechnology company Glioblast Pty Ltd was also acquired, with an upfront payment of AU$ 2.1 million, comprising AU$ 600,000 in cash and ordinary fully-paid shares valued at AU$ 1.5 million.

December

- **6 December 2016**
  The first patient is enrolled into the first in-human, phase 1 clinical study for Cantrixil (TRX-E-002-1) in ovarian cancer, representing an important clinical and commercial milestone.

February

- **9 February 2017**
  The Australian Department of Industry Innovation and Science (DIIS) awards a grant of up to $3 million over three years to Novogen and two partners, under the Cooperative Research Centre Project (CRC-P) scheme, to fund the development of a next-generation anti-tropomyosin program to provide potential new therapies for cancer.

March

- **10 March 2017**
  Changes made to senior management structure to further support Novogen's transformation from a discovery research organisation to one focused on clinical development, with several senior executives moving to new opportunities.
- **27 March 2017**
  Receipt of $4.4 million from the Australian Taxation Office under the R&D Tax Incentive Program for the financial year ending 30 June 2016, with funds to be utilised to support ongoing clinical programs.

April

- **6 April 2017**
  ATM-3507 (Anisina) preclinical program is terminated following a careful review by the Scientific Committee of the Board of Directors, which concluded that the balance of available preclinical data did not support a transition into clinical trials, and that the future commercial potential of the asset was likely to be low.
- **10 April 2017**
  Phase II development plans for GDC-0084 announced, with a plan to enrol approximately 200 patients with glioblastoma multiforme (GBM), who are largely resistant to temozolomide, the existing standard of care treatment, with commencement planned for the second half of calendar 2017.

June

- **8 June 2017**
  Board of Directors is streamlined, with Chairman John O'Connor and Non-Executive Director Ian Phillips stepping down. Iain Ross appointed as new Chairman, with Dr James Garner remaining as CEO and Executive Director, and both Bryce Carmine and Steven Coffey continuing as Non-Executive Directors.
- **9 June 2017**
  As part of Novogen's annual review of corporate governance processes and documentation, the Company's Securities Trading Policy was reviewed, updated and provided to shareholders.

August (post period)

- **7 August 2017**
  Cantrixil progress update confirms that the phase I clinical trial in ovarian cancer is progressing as planned. Confirms a second batch of Cantrixil is planned to be manufactured in third quarter of 2017 to support trial continuation. Patents granted to protect Cantrixil in US and Europe.
- **14 August 2017**
  Costs streamlined, with $1.8 million of overheads removed, including a reduction in director fees. Board charters also being streamlined in line with current best practice. Ratio at which NASDAQ ADRs consolidate ASX stock changed from 25:1 to 100:1.
- **22 August 2017**
  GDC-0084 progress update confirms that the phase II clinical trial remains on track to commence in fourth quarter of 2017. Master services agreement signed with Chiltern Oncology, with the intent to appoint Chiltern as contract research organisation for GDC-0084 trial. Patents granted across five further territories for GDC-0084. GDC-0084 drug substance undergoing manufacturing and stability testing in preparation for trial commencement.

Operations review

Becoming a clinical-stage drug development company

FY2017 saw Novogen complete its transition from an early-stage drug discovery company to a clinical-stage drug developer. The Company now has two high-quality assets in clinical trials, and a clear strategy to expand its portfolio over the medium term.

			Lead Optimisation	Preclinical Proof-of-Concept	IND-Enabling Tox & CMC	Phase I Clinical Trials	Phase II Clinical Trials	Patent Expiry
Clinical Development								
PI3K	GDC-0084	Glioblastoma Multiforme	→	→	→	→	Phase II 2H 2017	2032
Licensed from Genentech in late 2016 after completion of phase I clinical trial								
SBP	TRX-E-002-1 Cantrixil	Ovarian Cancer	→	→	→	→	Data 1H 2018	2035
Derived from historical in-house discovery program								
Preclinical Development & Discovery								
SBP	TRX-E-009-1 Trilexium	Solid Tumours	→					2035
ATM	Next-Gen ATM	Solid Tumours	→					TBD
Discovery program largely co-funded by Australian Government grant of AU$ 3 million over three years								

GDC-0084

Novogen in-licensed GDC-0084 from Genentech, Inc in October 2016. Genentech, a member of the Roche Group, is one of the world's leading biotech companies, and has created an enviable portfolio of commercial cancer therapies, including Avastin (bevacizumab), which is responsible for approximately US$ 8 billion per annum in revenues.

GDC-0084 inhibits the PI3K pathway, a critical cellular control mechanism that is thought to be disordered in a number of different tumours. In particular, the PI3K pathway is activated in approximately 85-90% of cases of glioblastoma, the most common and most aggressive primary brain tumour in adults. PI3K inhibitors are under development for several kinds of cancer, and there is one marketed PI3K inhibitor, Zydelig (idelalisib), which has been developed by Gilead, Inc for certain haematological malignancies. GDC-0084 is well-differentiated from these other molecules, not least by its ability to cross the blood-brain barrier, which is thought to be one of the key challenges in the development of drugs for brain cancer.

Under Genentech's stewardship, GDC-0084 completed a large phase I clinical study in 47 patients. In the phase I study, GDC-0084 was shown to have a favourable safety profile, with mouth ulcers and elevated blood sugar being the main side effects. It also provided promising signals of efficacy, with 40% of patients achieving 'stable disease', and 26% of patients showing a 'metabolic partial response' when their tumours were viewed using FDG-PET, an experimental imaging biomarker which measured the activity of the tumours.

Novogen has announced its plans to take GDC-0084 into a phase II clinical trial in glioblastoma. This is a form of cancer which affects approximately 130,000 patients per annum worldwide. Although it can occur at any age, it becomes more common in the sixth decade of life onwards, and is a little more common in men than women. Untreated, life expectancy from diagnosis is typically three to four months, and with best available care, patients survive for an average of approximately 12-15 months. Patients are most commonly treated by first having as much of their tumours surgically removed as possible, then being given radiotherapy and a kind of chemotherapy, called temozolomide. Unfortunately, only about one third of patients respond to temozolomide, so there is a strong need for additional treatment options.

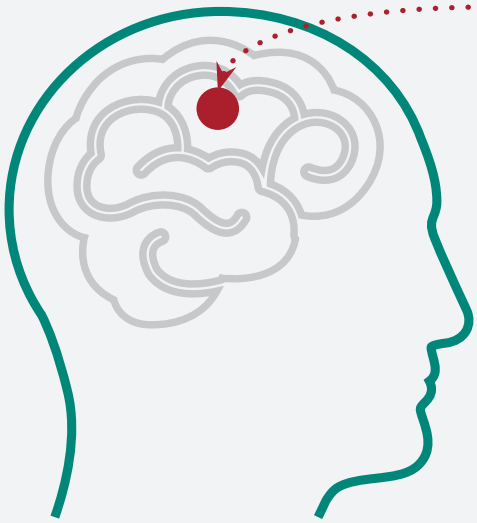
> In Phase I clinical studies, GDC-0084 showed promising signals of efficacy, with 40% of patients achieving 'stable disease', and 26% of patients showing a 'metabolic partial response'.

The planned phase II study will compare GDC-0084 to temozolomide in patients who would not be expected to respond to temozolomide, and will explore the comparative efficacy of the drug in approximately 220 patients in several countries, including Australia and the United States. During the first half of calendar 2017, Novogen worked with expert clinicians in the United States and its own Scientific Advisory Board to design an effective study, and it expects to initiate this study prior to the end of calendar 2017. If the study is successful, it may be possible for Novogen to seek 'accelerated approval' from the United States Food & Drug Administration, a mechanism whereby drugs in indications with a high unmet medical need can be considered for approval prior to completion of a definitive phase III study.

In preparation for the study, Novogen has manufactured GDC-0084 capsules for oral administration, and has entered into a Master Services Agreement with Chiltern Oncology, a leading contract research organisation with a specialist focus on cancer studies. The Company has also secured patents for GDC-0084 in a number of key territories, including the United States and Australia.

Glioblastoma

About GBM: The most common and most aggressive form of primary brain cancer in adults.



Symptoms:
Headache, nausea, drowsiness and impaired vision.

Treatment:
Treatment path usually consists of surgical resection of the tumour, followed by radiation. Patients then usually have a course of temozolomide (chemotherapy). Unfortunately temozolomide is only effective in about 35% of patients.

How common is it:
About 133,000 patients per annum worldwide.

Untreated survival rate:
3-4 months

Median survival rate with best available care:
12-15 months

Cantrixil

Novogen commenced a phase I clinical trial of Cantrixil (TRX-E-002-1) in December 2016, on schedule and in accordance with its prior guidance to the market. This study is designed to establish the safety and tolerability of Cantrixil when administered via the intraperitoneal route in patients with ovarian cancer.

Ovarian cancer is a disease that affects approximately 240,000 women per annum worldwide. One challenge of the disease is that it has already spread outside the ovary in more than 60% of patients by the time of diagnosis. Existing chemotherapy is only curative in about 20% of cases, so there remains a need for new therapeutic options.

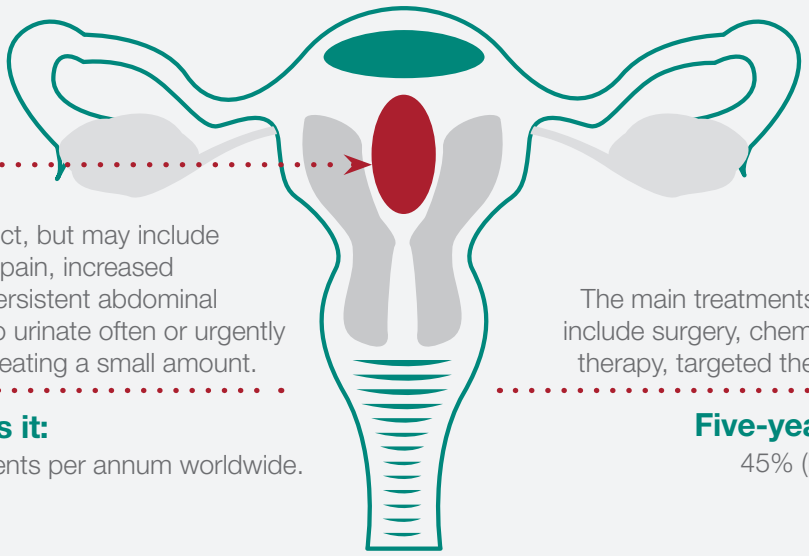
Dosing of patients is underway and Novogen expects to provide an update once a maximally-tolerated dose is reached.

Once fully recruited, the trial will involve up to 60 patients across five hospitals and research centres in the US and Australia. The trial is expected to yield phase I data in first half calendar 2018

On the basis of results from the trial, Novogen will consider options for further development, which may include early partnering of the asset.

Ovarian cancer

What is this: Ovarian cancer is the seventh most common cancer in women and has the lowest survival rate of any women's cancer. It affects about one in 100 women worldwide, with about 240,000 new cases each year.



Symptoms:
Can be hard to detect, but may include abdominal or pelvic pain, increased abdominal size or persistent abdominal bloating, the need to urinate often or urgently and feeling full after eating a small amount.

How common is it:
About 240,000 patients per annum worldwide.

Treatment:
The main treatments for ovarian cancer include surgery, chemotherapy, hormone therapy, targeted therapy and radiation.

Five-year survival rate:
45% (breast cancer 90%)

Preclinical programs

Novogen terminated the development of Anisina (ATM-3507) in April 2017, on the basis of unpromising preclinical data. While acknowledging the high quality of work that had been undertaken in relation to the program, Novogen took the view that funds allocated to a potential phase I study of Anisina would be more productively deployed on other programs. As a result of the termination, rights relating to the intellectual property reverted to Genscreen Pty Ltd, relieving Novogen of the substantial costs associated with maintenance of the associated patents.

Trilexium (TRX-E-009) remains in development, but the Company anticipates that substantial investment will depend on outcomes from the Cantrixil phase I study, given the relative similarity of the two molecules. In parallel, Novogen will actively explore opportunities to partner Trilexium and associated early-stage assets.

In February 2017, Novogen announced that it had successfully been granted a CRC-P grant by the Australian Federal Government, to a value of $3 million over three years. The Novogen project is the first novel pharmaceutical drug discovery program funded by the CRC-P scheme.

The grant funding will be allocated to an early-stage discovery project for a next-generation anti-tropomyosin program. The research will be directed towards finding new cancer therapies which target the cancer cytoskeleton, using a distinctly different approach from that used in the terminated Anisina program.

Key milestones for FY2018

Novogen expects to report several value-driving events over the course of FY2018. Key among these will be commencement of the phase II clinical study for GDC-0084, which will mark a critical inflection inflection point for Novogen's portfolio. The Company is also actively exploring potential collaborations and partnerships that may help to extend the use of GDC-0084 if it should prove successful in the primary indication of glioblastoma.

The Cantrixil phase I clinical study is expected to report data early in calendar 2018, and these data should provide a firm basis on which to determine next steps for the asset.

In parallel, Novogen continues a very active business development program, aimed at expanding the Company's pipeline of high-quality assets, in accordance with its new strategy.

> "Novogen commenced a phase I clinical trial of Cantrixil (TRX-E-002-1) in December 2016, on schedule and in accordance with its prior guidance to the market."

FINANCIAL REPORT FY17

1. COMPANY DETAILS

Name of entity:	Novogen Limited
ABN:	37 063 259 754
Reporting period:	For the year ended 30 June 2017
Previous period:	For the year ended 30 June 2016

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$
Revenues from ordinary activities	down	38.7%	to	248,837
Loss from ordinary activities after tax attributable to the owners of Novogen Limited	down	11.5%	to	(10,670,377)
Loss for the year attributable to the owners of Novogen Limited	down	11.5%	to	(10,670,377)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $10,670,377 (30 June 2016: $12,062,656).

3. NET TANGIBLE ASSETS

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.95	7.70

4. CONTROL GAINED OVER ENTITIES

Name of entities (or group of entities)	Glioblast Pty Ltd
Date control gained	31 October 2016

	$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. LOSS OF CONTROL OVER ENTITIES

Name of entities (or group of entities)	Triaxial Pharmaceuticals Pty Ltd
Date control lost	20 December 2016

	$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	-

6. DIVIDENDS

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. DIVIDEND REINVESTMENT PLANS

Not applicable.

8. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable.

9. FOREIGN ENTITIES

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. AUDIT QUALIFICATION OR REVIEW

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

11. ATTACHMENTS

Details of attachments (if any):

The Directors' report and financial statements of Novogen Limited for the year ended 30 June 2017 is attached.

12. SIGNED

Mr Iain Ross
Chairman

Date: 29 August 2017

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 year ended 30 June 2017.

DIRECTORS

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

Bryce Carmine

Steven Coffey

James Garner

Peter Gunning (resigned 5 September 2016)

John O'Connor (resigned 8 June 2017)

Ian Phillips (resigned 8 June 2017)

Iain Ross - Note 1

Note 1- Iain Ross was appointed as a Non-Executive Director on 22 July 2015 and acted in an executive capacity until the appointment of James Garner on 1 February 2016. He was appointed as Chairman on 8 June 2017.

PRINCIPAL ACTIVITIES

During the financial year the principal continuing activity of the consolidated entity consisted of pharmaceutical research and development.

DIVIDENDS

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

REVIEW OF OPERATIONS

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $10,670,377 (30 June 2016: $12,062,656).

The attached financial statements detail the performance and financial position of the consolidated entity for the year ended 30 June 2017.

Cash resources

At 30 June 2017, the consolidated entity had total funds of $14,454,784, comprising cash in hand and at bank of $8,454,784 and short term deposits of $6,000,000.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered this to be appropriate. Refer to 'Going concern' in note 2 to the financial statements for further details.

Rounding of amounts

The Company is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

Research and development report

The company's lead development candidate is GDC-0084, a small molecule inhibitor of the PI3K / Akt / mTor pathway, that is being developed as a potential therapy for glioblastoma multiforme (GBM), the most common malignant and highly aggressive form of primary brain tumor in adults.

GDC-0084 was developed by Genentech, Inc (South San Francisco, California) and the company entered into a worldwide exclusive license for the asset in October 2016. Prior to this transaction, Genentech had completed an extensive preclinical development program that provided convincing validation for GDC-0084 as a potential drug for brain cancer. Genentech also completed a phase I clinical trial in 47 patients with advanced grade III and grade IV glioma. The most common adverse events were oral mucositis and hyperglycemia. Per RANO criteria, 40% of patients exhibited a best observable response of stable disease, and 26% demonstrated a metabolic partial response on FDG-PET.

Since completing the license transaction, the company has transferred all relevant data from Genentech, has assumed responsibility for prosecuting the intellectual property associated with the asset, and has taken over the open Investigational New Drug (IND) application with the United States Food and Drug Administration (FDA). The company intends to commence a phase II clinical trial in GBM during calendar 2017, and has been in consultation with expert neuro-oncologists in the United States to develop an appropriate study design. The company has also commenced manufacture of capsules for use in the clinical trial, having received 48.8kg of drug substance as part of the transaction with Genentech.

Cantrixil (TRX-E-002-1) is the company's second clinical asset, and is derived from a proprietary drug discovery program. It is being developed as a potential therapy for ovarian cancer.

Research undertaken by Yale University (New Haven, Connecticut) has provided preclinical evidence that Cantrixil is active against both differentiated cancer cells and tumour-initiating cells (sometimes referred to as 'cancer stem cells'). The latter are thought to be an important component of chemotherapy resistance and disease recurrence in diseases such as ovarian cancer, and thus Cantrixil has potential to offer benefit to the approximately three-quarters of ovarian cancer patients who are not adequately managed by conventional chemotherapy treatments.

In December 2016, the company commenced a phase I clinical trial of Cantrixil in patients with ovarian cancer. The study will seek to establish the safety and tolerability of the development candidate, to determine a Maximum Tolerated Dose (MTD), and to explore indicative signals of clinical efficacy. Five trials sites in the United States and Australia are currently recruiting to the study, and the company anticipates being in a position to disclose initial data in late 2017 or early 2018, subject to ongoing progress of the trial.

The company maintains two active preclinical programs. Trilexium (TRX-E-009-1) is chemically related to Cantrixil and has shown in vitro and in vivo evidence of activity against a range of cancer cell lines and tumor models. The company continues to explore a range of opportunities to realize value from this asset in the context of emerging data from the Cantrixil program.

In February 2017, the company announced that it had been successfully awarded a CRC-P grant by the Federal Government in the amount of AU$ 3 million over three years to support an additional preclinical program focused on development of a 'next-generation anti-tropomyosin' agent. A significant body of research has validated tropomyosin as a potential anti-cancer target, and the company will devote the grant funds to exploring novel approaches to developing anti-cancer agents based on this mechanism.

In April 2017, the company announced termination of its pre-IND development candidate, Anisina (ATM-3507), on the basis of unpromising emergent preclinical data.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Resignation of Company Secretary and appointment of new Company Secretary

Mr Lionel Mateo resigned as Company Secretary on 9 September 2016 and Ms Kate Hill was appointed as Interim Company Secretary on the same day. She was then appointed as Company Secretary on 6 March 2017.

Appointment of Scientific Advisory Board (SAB)

On 5 September 2016 Novogen announced the appointment of a Scientific Advisory Board, a consultative advisory body, providing input and guidance to scientific programs but with no formal governance role. Reporting to the CEO, members of the SAB are appointed for two-year terms, with appointments renewable by mutual agreement.

The SAB initially includes four newly-appointed members, including Professor Peter Gunning, who stepped down as a Non-Executive Director of Novogen at this time. The inaugural membership of the SAB includes:

- Professor Sir Murray Brennan, GNZM – Chairman Emeritus of the Department of Surgery, Benno C Schmidt Chair in Clinical Oncology, and Vice President of International Programs, at Memorial Sloan Kettering Cancer Center, New York.
- Dr Karen Ferrante – former Chief Medical Officer at Millennium Pharmaceuticals and former Head of Oncology Development at Pfizer Inc (NYSE: PFE).
- Professor Alex Matter, Chairman and Chief Executive Officer of the Experimental Therapeutics Centre, and also Chief Executive Officer of the D3 Platform, both part of A*STAR, the Agency for Science, Technology, and Research, in Singapore. Emeritus Professor of the Medical Faculty of the University of Basel, and an Honorary Adjunct Professor of the Department of Pharmacology in the Yong Loo Lin School of Medicine at the National University of Singapore.
- Professor Peter Gunning, Head of the School of Medical Sciences at the University of New South Wales.

Changes in Key Management Personnel

Dr Gordon Hirsch was appointed as Chief Medical Officer in November 2016, with responsibility for overseeing the planning and conduct of the clinical studies for the consolidated entity's assets.

Dr Peng Leong was appointed as Chief Business Officer in September 2016, with responsibility for overseeing the business development of the consolidated entity.

Gabrielle Heaton was appointed as Director, Finance and Administration in March 2017.

During the year the following Key Management Personnel tendered their resignations: Dr Andrew Heaton, Head of Discovery and President and CEO of Novogen North America, Dr David Brown, Chief Scientific Officer and Cristyn Humphreys, Chief Financial Officer.

Listing of options

On 30 September 2015, the consolidated entity applied for the listing of options issued pursuant to the rights entitlement offer completed on 6 June 2015. A total of 29,485,999 were listed under the ticker NRTO on the ASX.

On 11 July 2016, the consolidated entity added 2,000,000 options to the NRTO listing by amending the expiry date of options issued on 30 June 2015. The expiry dates of these options was changed to 4 June 2020, instead of 30 June 2020, in order to merge them with the NRTO listed options.

Both listing of options were approved by ASX following the grant of a waiver for each application.

Submission and approval of Investigational New Drug application to FDA

On 11 August 2016 the consolidated entity announced an Investigational New Drug (IND) application had been lodged to the United States Food and Drug Administration (FDA) for Cantrixil (TRX-E-002-1) in ovarian cancer. The IND application is the key regulatory filing to initiate clinical trials in the USA. On 12 September 2016, the consolidated entity announced it had received confirmation from the FDA that the application had been successfully opened, and the phase 1 study of Cantrixil in patients with ovarian cancer could proceed as planned.

Inlicensing of GDC-0084 and acquisition of Glioblast Pty Ltd

On 31 October 2016, the consolidated entity entered into a worldwide licensing agreement with Genentech, a member of the Roche Group, to develop and commercialise GDC-0084, a small molecule inhibitor of the phosphoinositide-3-kinase (PI3K) pathway.

Under the terms of the agreement, Novogen paid Genentech an upfront payment of US$ 5 million. In addition the terms of the agreement call for performance-related consideration linked to regulatory and commercial outcomes and royalty payments in-line with industry benchmarks.

On 31 October 2016, the consolidated entity also acquired 100% of the issued shares of Glioblast Pty Ltd, a privately-held, neuro-oncology-focused Australian biotechnology company. The transaction included an upfront payment of AU$ 2.1 million, comprising AU$ 600,000 in cash and ordinary fully-paid shares valued at AU$1.5 million, with the actual number of shares determined on the basis of the volume-weighted average price of Novogen shares on the ASX in the seven days prior to this announcement.

The shareholders of Glioblast will be eligible for further payments in cash or equity on the achievement of performance-related milestones.

Conversion of convertible notes and issue of Options

During the year ended 30 June 2013 the Company issued Convertible Notes with a face value of $1,500,000 in consideration of the acquisition of patents and intellectual property assets. The terms of these Convertible Notes was amended on 4 December 2014 (note 25). During the financial year, Novogen reached two milestones which triggered the conversion of a portion of its Convertible Notes. On 14 September 2016 the directors approved the issue of 20,000,000 ordinary shares as a consequence of a conversion of a portion of the Convertible Notes, and on 31 October 2016 a further 16,000,000 ordinary shares were issued as a result of the conversion of a further portion of the Convertible Notes.

Enrolment of First Patient into Phase I Study of Cantrixil

On 6 December 2016, The consolidated entity enrolled the first patient into its first-in-human, phase I clinical study for Cantrixil (TRX-E-002-1) in ovarian cancer. Opening the study represents an important clinical and commercial milestone for Novogen.

Novogen awarded grant of up to $3m for novel drug discovery

In February 2017 the consolidated entity was awarded a cash grant of up to $3 million over three years to fund a collaboration led by Novogen, the University of New South Wales and a privately held contract research organisation. The grant has been awarded to fund development of a next-generation anti-tropomyosin program, which is intended to provide potential new therapies for cancer. This research is distinct from Novogen's existing anti-tropomyosin program, ATM-3507.

Novogen terminates ATM-3507 preclinical development program

In April 2017, the company announced termination of its pre-IND development candidate, Anisina (ATM-3507), on the basis of unpromising emergent preclinical data.

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Novogen issued 2,240,000 unlisted Options with exercise price of $0.0668 on 7 August 2017. Options vest in four equal tranches on the anniversary of the issue date and will be fully vested on 7 August 2021. The Options expire on 7 August 2022. Upon exercise, Options convert into Ordinary Shares.

No other matter or circumstance has arisen since 30 June 2017 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The consolidated entity has a reasonable expectation that over the course of the coming 12 months:

- Results reported from the phase I clinical trial of Cantrixil (TRX-E-002-1)
- Commencement of a phase II clinical trial for GDC-0084

ENVIRONMENTAL REGULATION

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

INFORMATION ON DIRECTORS

Name:	Bryce Carmine
Title:	Non-Executive Director
Qualifications:	B.Sc., Biochemistry, Microbiology & Genetics
Experience and expertise:	Bryce spent 36 years working for Eli Lilly & Co. and retired as Executive Vice President for Eli Lilly & Co, and President, Lilly Bio-Medicines. Prior to this he lead the Global Pharmaceutical Sales and Marketing and was a member of the company's Executive Committee. Mr Carmine previously held a series of product development portfolio leadership roles culminating when he was named President, Global Pharmaceutical Product Development, with responsibility for the entire late-phase pipeline development across all therapeutic areas for Eli Lilly. During his career with Lilly, Bryce held several country leadership positions including President Eli Lilly Japan, Managing Dir. Australia/NZ & General Manager of a JV for Lilly in Seoul, Korea. Bryce has been CEO and Chairman of HaemaLogiX Pty Ltd since March of 2015, a Sydney based biotech company.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Remuneration and Nominations Committee, Chair of Scientific Committee, Member of Audit, Risk and Governance Committee, Member of Strategy and Innovation Committee.
Interests in shares:	318,181 ordinary shares
Interests in options:	None
Contractual rights to shares:	None
Name:	Steven Coffey
Title:	Non-Executive Director
Qualifications:	B. Comm., CA
Experience and expertise:	Steven is a Chartered Accountant, having spent his career in public practice since graduating from the University of New South Wales in 1983. He has been a partner in the chartered accounting firm Watkins Coffey Martin since 1993. He is a registered company auditor and audits a number of large private companies as well as a number of not-for-profit entities. He has previously served on the board of an Australian listed public company. Steve is currently a board member of a private family foundation.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Audit, Risk and Governance Committee, Member of Remuneration and Nomination Committee, Member of Strategy and Innovation Committee.
Interests in shares:	1,420,000 ordinary shares
Interests in options:	58,747 listed options (NRTO)
Name:	John O'Connor
Title:	Chairman (resigned on 8 June 2017)
Qualifications:	BEc, MAICD
Experience and expertise:	John has spent his working life in the financial industry. In this time he has worked both in funds management and as a stockbroker. He has worked in the UK, USA and in Australia. He has held management roles and been a partner in securities businesses. He served on the Board of Lonsec Securities, a Zurich Insurance owned business, for several years. He has been a consultant to several biotech businesses, including MEI Pharma, Inc. assisting with fundraising.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None

Interests in shares:	325,035 ordinary shares
Interests in options:	23,218 listed options (NRTO)
Name:	Prof Peter Gunning
Title:	Non-Executive Director (resigned on 5 September 2016)
Qualifications:	B.SC (Hons), Ph.D
Experience and expertise:	Peter is the current Head of the School of Medical Sciences and was, until September 2015, Deputy Dean (Research) in the Faculty of Medicine at the University of NSW, Sydney, Australia. His research is focused on the development of new therapeutic strategies for the treatment of childhood cancer. These strategies target the skeleton of the cancer cell and build on the principles of cell architecture that Professor Gunning's group has discovered over the last 20 years. Professor Gunning has published over 150 primary research articles and he edited the first book devoted to his field of research. Previous appointments have included leadership roles as Chair of the Division of Research at The Children's Hospital at Westmead, Chair of the Westmead Research Hub Executive and Chair, Board of Bio-Link, a company established by the NSW Government to support commercialisation of biomedical intellectual property. Peter is currently a member of the Board of the Cancer Institute NSW.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit, Risk and Governance Committee, Member of Scientific Committee, Member of the Strategy and Innovation Committee
Interests in shares:	None
Interests in options:	None
Name:	Dr James Garner
Title:	Chief Executive Officer, Managing Director
Qualifications:	MA, MBA, MBBS, BSc (Hons)
Experience and expertise:	Dr Garner is an experienced life sciences executive who has previously worked with companies ranging from small biotechs to multinational pharmaceutical companies such as Biogen and Takeda. His career has focused on regional and global development of new medicines from preclinical to commercialisation.Dr Garner is a physician by training and holds an MBA from the University of Queensland. He began his career in hospital medicine and worked for a number of years as a corporate strategy consultant with Bain & Company before entering the pharmaceutical industry. Prior to joining Novogen in 2016, he led R&D strategy for Sanofi in Asia-Pacific and was based in Singapore.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Scientific Committee, Member of Strategy and Innovation Committee
Interests in shares:	500,000 ordinary shares
Interests in options:	7,500,000 options with various exercise prices and expiring 1 February 2021.
Name:	Ian M. Phillips, MNZM
Title:	Non-Executive Director (resigned on 8 June 2017)
Experience and expertise:	Ian M. Phillips, MNZM, has been involved with International Banking, global financial markets and Corporate Finance for over 30 years having worked in New York (20 years plus), London (5 years), Singapore (6 months), Sydney (5 years) and Wellington (4 years). Ian is the President of KUMARA, Chairman of NNP, Deputy Chairman of the American Australian Association, Immediate past President of the American Friends of the NGA, Chairman of ANZA, an Advisory Board of the US-NZ Council and a Board member of the American friends of Christchurch. Ian studied at Otago University, University of Colorado and London School of economics. He holds dual citizenship USA & NZ. In 2013, Ian was awarded the NZ Order of Merit.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Remuneration and Nomination Committee, Chairman of Strategy and Innovation Committee

Interests in shares:	70,000 ordinary shares
Interests in options:	None
Name:	Iain Ross
Title:	Non-Executive Director, Chairman (appointed on 8 June 2017)
Qualifications:	B.Sc (Hons), C.Dir
Experience and expertise:	Iain, based in the UK, is an experienced Director on a number of Australian company boards. He is Chairman of e-Therapeutics plc (LSE:ETX), Redx Pharma plc (LON:REDX) and Biomer Technology Limited. In his career he has held senior positions in Sandoz AG, Fisons Plc, Hoffmann-La Roche AG and Celltech Group Plc and also undertaken a number of start-ups and turnarounds on behalf of banks and private equity groups. His track record includes multiple financing transactions having raised in excess of £300 million, both publicly and privately, as well as extensive experience of divestments and strategic restructurings and has over 20 years in cross-border management as a Chairman and CEO. He has led and participated in four London Stock Exchange ('LSE') Initial Public Offerings, and has direct experience of mergers and acquisitions transactions in Europe, USA and the Pacific Rim.
Other current directorships:	Anatara Lifesciences Limited, e-Therapeutics plc (LSE: ETX), Premier Veterinary Group Plc (LSE: PVG), Redx Pharma plc (LON:REDX)
Former directorships (last 3 years):	Coms Plc, Tissue Therapies Limited, Benitec Biopharma Limited
Special responsibilities:	Member of Remuneration and Nomination Committee, Member of Scientific Committee, Member of Audit, Risk and Governance Committee, Member of Strategy and Innovation Committee
Interests in shares:	2,200,000 ordinary shares
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

COMPANY SECRETARY

Mr Lionel Mateo resigned as Company Secretary 9 September 2016. Ms Kate Hill (ACA, GAICD, BSc (Hons)) was appointed Interim Company Secretary on 9 September 2016. She was appointed as Company Secretary on 6 March 2017.

Kate has over 20 years' experience as an audit partner with Deloitte Touche Tohmatsu, working with ASX listed and privately owned clients. She has worked extensively in regulated environments including assisting with Initial Public Offerings, capital raising and general compliance, as well as operating in an audit environment. She is also a Non-executive Director of Countplus Limited(ASX:CUP) and a small not-for-profit organisation.

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Full Board		Audit, Risk & Governance Committee		Remuneration & Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Bryce Carmine	16	16	2	2	-	-
Ian Phillips (resigned 8 June 2017)	15	15	2	2	-	-
Iain Ross	16	16	1	1	1	2
James Garner	16	16	-	-	2	3
John O'Connor (resigned 8 June 2017)	15	15	-	-	-	-
Peter Gunning (resigned 5 September 2016)	3	3	1	1	-	-
Steven Coffey	16	16	-	-	3	3

	Strategy & Innovation Committee		Scientific Committee	
	Attended	Held	Attended	Held
Bryce Carmine	2	2	5	5
Ian Phillips (resigned 8 June 2017)	2	2	-	-
Iain Ross	2	2	4	5
James Garner	2	2	5	5
John O'Connor (resigned 8 June 2017)	2	2	-	-
Peter Gunning (resigned 5 September 2016)	2	2	2	2
Steven Coffey	2	2	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

The Committees of the Board were re-organised and members were re-appointed following the appointment of CEO, Deputy Chairman and Chairman, in February 2016, and again after the re-structuring of the Board in June 2017.

REMUNERATION REPORT (AUDITED)

The remuneration report, which has been audited, outlines the Key Management Personnel ('KMP') remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

Remuneration philosophy

Remuneration for Directors and Senior Executives is based on the overall objective of attracting and retaining people of high quality who will make a worthwhile contribution to the consolidated entity in the short, medium and long term, and thereby contribute to long term shareholder value. The Board and its Remuneration and Nomination Committee take a balanced position between the need to pay market rates to attract talent, and the financial resources of the consolidated entity, in determining remuneration. In particular, during the year ended 30 June 2017, the Board and the Remuneration and Nomination Committee have focused on hiring Senior Executives with appropriate global experience in the pharmaceutical industry so that the entity is best placed to deliver on the revised strategy. The Board and the Remuneration and Nomination Committee note that there is a level of overlap of KMP during the financial year, with certain executives leaving the Company and other new executives joining the team. Such overlap is not anticipated to exist in future years.

The Board and the Remuneration and Nomination Committee have put in place both short term (cash bonus) and long term (employee share options) incentives for its employees.

Non-Executive Directors remuneration

The Constitution of the consolidated entity and the ASX listing rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by General Meeting. The last determination for the consolidated entity was at the Annual General Meeting held on 28 October 2005 when the shareholders approved an aggregate remuneration of $560,000.

Non-Executive Directors' fees are reviewed periodically by the Board and are regularly compared with those of companies of comparable market capitalisation and stage of development. The Chairman and Deputy Chairman's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The Non-Executive Directors fee structure is a fixed fee model (inclusive of superannuation). Since the end of the financial year the Non-Executive fee structure has been further reviewed and simplified, with an overall reduction in the number of Non-Executive Directors and their individual fee arrangements. Non-Executive Directors fees for the year ending 30 June 2018 are anticipated to amount to less than $300,000.

Executive Directors and other KMP

The Board, the Remuneration and Nomination Committee in consultation with the Managing Director have put in place a performance based short-term incentive, in addition to the fixed remuneration, and long-term incentive based on tenure via the ESOP. The Board determines an appropriate level of fixed remuneration for the CEO and Group Executives, as well as the proportion of performance based remuneration. Fixed remuneration, consisting of base salary and superannuation, is reviewed annually at the end of each calendar year.

The executive remuneration and reward framework has three components:

- fixed remuneration
- short-term performance incentives
- share-based payments

Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee based on individual performance, the overall performance of the consolidated entity and comparable market remunerations.

The short-term incentives program is designed to align the targets of the consolidated entity with the performance hurdles of executives. Short-term incentive payments are granted to executives based on specific annual performance objectives, metrics and performance appraisals. Annual performance reviews are conducted at the end of each calendar year and bonuses are paid shortly after the performance reviews are completed.

The Board or the Remuneration and Nomination Committee may, at its discretion, award bonuses for exceptional performance.

The long-term incentive comprises equity-based payments. The consolidated entity aims to attract and retain high calibre executives, and align their interests with those of the shareholders, by granting equity-based payments based on tenure. The share-options issued to executives are governed by the ESOP.

Employee share option plan

The Employee Share Option Plan ('ESOP') was approved by shareholders on 4 March 2015.

The ESOP provides for the issue of options to eligible individuals, being employees or Officers of the consolidated entity, however it excludes Non-Executive Directors.

Each option issued under the ESOP entitles its holder to acquire one fully paid ordinary share and is exercisable at a price based on a formula, which includes the weighted average price of such shares at the close of trading on the Australian Securities Exchange for the seven days prior to the date of issue. The number of options offered, the amount payable, the vesting period, the option period, the conditions of exercise or any other factors are at the discretion of the Board of Directors.

The consolidated entity issued 5,120,000 share options under the ESOP during the financial year that ended 30 June 2017.

Any change to the ESOP will require approval by shareholders.

Use of remuneration consultants

During the financial year ended 30 June 2017, the consolidated entity did not engage remuneration consultants.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The KMP of the consolidated entity consisted of the following directors of Novogen Limited:

- Bryce Carmine - Non-Executive Director, Deputy Chairman
- Steven Coffey - Non-Executive Director
- Dr James Garner - Managing Director, CEO
- Prof Peter Gunning - Non-Executive Director (resigned 5 September 2016)
- John O'Connor - Non-Executive Director, Chairman (resigned 8 June 2017)
- Ian Phillips - Non-Executive Director (resigned 8 June 2017)
- Iain Ross - Non-Executive Director, Chairman (appointed 8 June 2017)

And the following persons:

- Dr David Brown - Chief Scientific Officer (resigned 10 March 2017)
- Dr Andrew Heaton - CEO and President of Novogen North America, Inc. (resigned 10 March 2017)
- Gabrielle Heaton - Director of Finance and Administration (appointed 13 March 2017)
- Kate Hill - Interim Company Secretary (appointed 9 September 2016), Company Secretary (appointed 6 March 2017)
- Dr Gordon Hirsch - Chief Medical Officer (appointed 21 November 2016)
- Cristyn Humphreys - Chief Financial Officer (resigned 15 March 2017)
- Dr Peng Leong - Chief Business Officer (appointed 1 September 2016)
- Lionel Mateo - Company Secretary (resigned 9 September 2016)

2017	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Movements in accrued leave Non-monetary $	Short-term benefits: Health Insurance $	Short-term benefits: Termination $	Post-employment benefits: Super-annuation $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:								
B Carmine	117,123	-	-	-	-	11,127	-	128,250
S Coffey	46,338	-	-	-	-	35,000	-	81,338
P Gunning*	12,639	-	-	-	-	1,201	-	13,840
J O'Connor*,***	145,685	-	-	-	-	17,403	-	163,088
I Phillips*,***	79,713	-	-	-	-	-	-	79,713
I Ross	84,822	-	-	-	-	-	-	84,822
Executive Directors:								
J Garner	410,412	90,000	25,755	3,758	-	35,283	259,454	824,662
Other Key Management Personnel:								
A Heaton*,**,****	238,241	37,883	(34,442)	6,146	174,592	-	-	422,420
C Humphreys*	141,191	23,760	(4,934)	-	-	14,470	11,884	186,371
D Brown*, ****	203,754	32,588	(21,096)	-	140,780	13,797	-	369,823
G Heaton*	52,308	-	4,024	-	-	4,969	-	61,301
G Hirsch*	215,857	6,904	16,621	-	-	18,861	46,055	304,298
K Hill*	113,200	-	-	-	-	-	-	113,200
L Mateo*	25,192	-	1,095	-	-	2,364	-	28,651
P Leong*, **	394,811	-	15,001	28,717	-	-	85,864	524,393
	2,281,286	191,135	2,024	38,621	315,372	154,475	403,257	3,386,170

* Remuneration for the duration of appointment as KMP

** Salary paid in US dollars, but disclosed in Australian dollars using a conversion rate of .7545.

*** In addition to the above amounts, consultancy fees of $20,531 were paid to Kumara Inc, a corporation in which Ian Phillips is a Director and has a beneficial interest, and consultancy fees of $37,500 were paid to John O'Connor. These fees were incurred in respect of executive duties performed during the year and, in accordance with the Company's Constitution, fall outside of the cap on Non-Executive Directors fees.

**** Consistent with their contractual terms, amounts of $140,780 and $174,592 were paid to D Brown and A Heaton respectively, in lieu of notice.

The table above does not include long service leave as no KMP have been employed by the consolidated entity for more than 5 years.

2016	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Other $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
B Carmine*	73,483	-	-	3,167	-	-	76,650
S Coffey	30,700	-	-	35,000	-	-	65,700
P Gunning	60,000	-	-	5,700	-	-	65,700
J O'Connor	97,084	-	-	9,223	-	-	106,307
I Phillips*	133,861	-	-	-	-	-	133,861
I Ross*	65,700	-	-	-	-	-	65,700
Executive Directors:							
G Kelly *	72,795	-	(63,178)	9,891	199,875	-	219,383
*J Garner *	166,663	-	10,752	15,833	-	120,543	313,791
Other Key Management Personnel:							
L Mateo	120,416	4,824	(4,548)	11,898	-	24,199	156,789
D Brown	279,574	11,876	9,733	19,308	-	-	320,491
A Heaton**	348,414	14,961	(13,641)	3,902	-	-	353,636
C Humphreys	162,399	7,306	(3,451)	16,122	-	38,718	221,094
	1,611,089	38,967	(64,333)	130,044	199,875	183,460	2,099,102

* Remuneration for the duration of appointment as KMP
** Salary paid in US dollars, but disclosed in Australian dollars using a conversion rate of .7283
*** In addition to the above amounts, consultancy fees of $266,247 were paid to Gladstone Consultancy Partnership, an entity in which Iain Ross has a beneficial interest. Furthermore, consultancy fees of $120,137 were paid to Kumara Inc, a corporation in which Ian Phillips is a Director and has a beneficial interest. These fees were incurred in respect of executive duties performed during the year and, in accordance with the Company's Constitution, fall outside of the cap on Non-Executive Directors fees.

The table above does not include long service leave as no KMP have been employed by the consolidated entity for more than 5 years.

The relative proportions of remuneration that are linked to performance and those that are at risk

Name	Fixed remuneration 2017	Fixed remuneration 2016	At risk - STI 2017	At risk - STI 2016	At risk - LTI 2017	At risk - LTI 2016
Executive Directors:						
James Garner	**58%**	62%	**11%**	-	**31%**	38%
Other Key Management Personnel:						
Andrew Heaton	**91%**	96%	**9%**	4%	**-**	-
Cristyn Humphreys	**81%**	79%	**13%**	3%	**6%**	18%
David Brown	**91%**	96%	**9%**	4%	**-**	-
Gabrielle Heaton	**100%**	-	**-**	-	**-**	-
Gordon Hirsch	**83%**	-	**2%**	-	**15%**	-
Kate Hill	**100%**	-	**-**	-	**-**	-
Lionel Mateo	**100%**	81%	**-**	3%	**-**	16%
Peng Leong	**84%**	-	**-**	-	**16%**	-

Consequences of performance on shareholder wealth

The earnings of the consolidated entity for the five years to 30 June 2017 are summarised below:

	2013 $	2014 $	2015 $	2016 $	2017 $
Loss after income tax	(784,560)	(7,568,725)	(7,306,045)	(12,154,527)	**(10,670,377)**

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2013	2014	2015	2016	2017
Share price at financial year end ($)	0.19	0.14	0.22	0.10	**0.05**
Basic earnings per share (cents per share)	(0.90)	(4.76)	(2.99)	(2.82)	**(2.28)**

Voting and comments made at the consolidated entity's last Annual General Meeting

The consolidated entity received 83.58% of "yes" votes on its Remuneration Report for the financial year ending 30 June 2016. The consolidated entity received no specific feedback on its Remuneration Report at the Annual General Meeting.

Bonuses included in remuneration

Details of the short-term incentive cash bonuses awarded as remuneration to each key management personnel, the percentage of the possible amount that was paid in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. No part of the bonus is payable in future years.

	Included in Remuneration ($)	Percentage possible amount paid during the year	Percentage of possible amount forfeited during the year
Executive Director			
James Garner	$90,000	75%	25%
Other Key Management Personnel			
Andrew Heaton	$37,883	93%	7%
Cristyn Humphreys	$23,760	100%	-
David Brown	$32,588	99%	1%
Gordon Hirsch	$6,904	100%	-

Service agreements

It is the Remuneration and Nomination Committee policy that employment contracts are entered into with each of the executives who is considered to be KMP. Under the terms of the contracts, remuneration is reviewed at least annually (or more often at the discretion of the Remuneration and Nomination Committee). The employment contracts of KMPs include a termination clause whereby a party can terminate the agreement on notice. Such notice may vary between 4 weeks and 6 months. Under the terms of each contract, payment in lieu can be made by the consolidated entity to substitute the notice period. In the event of the consolidated entity terminating without cause, under the terms of some contracts, the amount payable on termination is equal to six months remuneration, in addition to any amount payable in lieu of notice. The consolidated entity may terminate the contracts at any time without cause if serious misconduct has occurred. In the event that employment is terminated for cause, no severance pay or other benefits are payable by the consolidated entity.

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	James Garner
Title:	Chief Executive Officer, Managing Director
Agreement commenced:	1 February 2016
Term of agreement:	Full-time employment
Details:	Base salary from 1 February 2017 of $425,000 (previously $400,000), to be reviewed annually by the Remuneration and Nomination Committee. James's appointment with the consolidated entity may be terminated with the consolidated entity giving 6 months' notice or by James giving 6 months' notice. The consolidated entity may elect to pay James equal amount to that proportion of his salary equivalent 6 months' pay in lieu of notice, together with any outstanding entitlements due to him.
Name:	Gabrielle Heaton
Title:	Director of Finance and Administration
Agreement commenced:	13 March 2017
Term of agreement:	Full time employment
Details:	Base salary for the year ending 30 June 2017 of $170,000, to be reviewed annually by the Remuneration and Nomination Committee. Gabrielle's appointment with the consolidated entity may be terminated with the consolidated entity giving 4 weeks' notice or by Gabrielle giving 4 weeks' notice. The consolidated entity may elect to pay Gabrielle equal amount to that proportion of her salary equivalent 4 weeks' pay in lieu of notice, together with any outstanding entitlements due to her.
Name:	Gordon Hirsch
Title:	Chief Medical Officer
Agreement commenced:	21 November 2016
Term of agreement:	Full-time employment
Details:	Base salary for the year ending 30 June 2017 of $351,841, to be reviewed annually by the Remuneration and Nomination Committee. Gordon's appointment with the consolidated entity may be terminated with the consolidated entity giving 12 weeks' notice or by Gordon giving 4 weeks' notice. The consolidated entity may elect to pay Gordon equal amount to that proportion of his salary equivalent 12 weeks' pay in lieu of notice, together with any outstanding entitlements due to him.
Name:	Kate Hill
Title:	Company Secretary
Agreement commenced:	9 September 2016
Term of agreement:	Part-time contractor
Details:	Base remuneration for the year ending 30 June 2017 of $113,200, to be reviewed annually by the Remuneration and Nomination Committee. The contract is open ended. Kate's appointment with the consolidated entity may be terminated with the consolidated entity giving 60 days' notice or by Kate giving 60 days' notice.
Name:	Peng Leong
Title:	Chief Business Officer
Agreement commenced:	1 September 2016
Term of agreement:	Full-time employment
Details:	Base salary for the year ending 30 June 2017 of US$300,000 to be reviewed annually by the Remuneration and Nomination Committee. Peng also receives an annual stipend of USD 26,000 to provide health cover. Peng's appointment with the consolidated entity may be terminated with the consolidated entity giving 90 days' notice or by Peng giving 90 days' notice. The consolidated entity may elect to pay Peng equal amount to that proportion of his salary equivalent 90 days' pay in lieu of notice, together with any outstanding entitlements due to him.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2017.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other Key Management Personnel in this financial year or future reporting years are as follows:

Grant date	Number Of options	Vesting Date	Exercisable Date	Expiry date	Exercise Price	Fair value per option at grant date
15-October-2015	266,667	16-11-16	16-11-17	16-November-2020	$0.220	$0.128
01-February-2016	750,000	01-08-16	01-08-16	1-February-2021	$0.198	$0.081
01-February-2016	750,000	01-02-17	01-02-17	1-February-2021	$0.198	$0.081
01-February-2016	750,000	01-08-17	01-08-17	1-February-2021	$0.198	$0.081
01-February-2016	750,000	01-02-18	01-02-18	1-February-2021	$0.198	$0.081
01-February-2016	2,000,000	01-02-19	01-02-19	1-February-2021	$0.198	$0.086
01-February-2016	2,500,000	01-02-20	01-02-20	1-February-2021	$0.260	$0.087
05-September-2016	500,000	05-09-17	05-09-17	5-September-2021	$0.163	$0.051
05-September-2016	500,000	05-09-18	05-09-18	5-September-2021	$0.163	$0.051
05-September-2016	500,000	05-09-19	05-09-19	5-September-2021	$0.163	$0.051
05-September-2016	500,000	05-09-20	05-09-20	5-September-2021	$0.163	$0.051
31-October-2016	166,667	01-11-17	01-11-17	5-September-2021	$0.138	$0.044
31-October-2016	166,667	01-11-18	01-11-18	5-September-2021	$0.138	$0.044
31-October-2016	166,666	01-11-19	01-11-19	5-September-2021	$0.138	$0.044
21-November-2016	500,000	23-11-17	23-11-17	23-November-2021	$0.138	$0.046
21-November-2016	500,000	23-11-18	23-11-18	23-November-2021	$0.138	$0.046
21-November-2016	500,000	23-11-19	23-11-19	23-November-2021	$0.138	$0.046
21-November-2016	500,000	23-11-20	23-11-20	23-November-2021	$0.138	$0.046

None of the options listed in the table above were exercised during the year ended 30 June 2017.

Options granted carry no dividend or voting rights. Each option is convertible to one ordinary share upon exercise.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of Key Management Personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
B Carmine	318,181	-	-	-	318,181
S Coffey	822,460	-	597,540	-	1,420,000
J O'Connor (resigned 8 June 2017)*	325,035	-	-	-	325,035
J Garner	150,000	-	350,000	-	500,000
I Ross	750,000	-	1,450,000	-	2,200,000
I Phillips (resigned 8 June 2017)*	70,000	-	-	-	70,000
A Heaton (resigned 10 March 2017)*	5,165,098	-	17,298,662	(2,842,633)	19,621,127
C Humphreys (resigned 15 March 2017)*	183,683	-	-	(183,683)	-
D Brown (resigned 10 March 2017)*	3,497,795	-	8,166,651	-	11,664,446
K Hill (appointed 9 September 2016)*	-	-	300,000	-	300,000
	11,282,252	-	28,162,853	(3,026,316)	36,418,789

* Number of shares as at last day of employment with Novogen

Option holding

The number of options over ordinary shares in the company held during the financial year by each Director and other members of Key Management Personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as remuneration	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
J O'Connor*	23,218	-	-	-	23,218
S Coffey*	58,747	-	-	-	58,747
J Garner***	7,500,000	-	-	-	7,500,000
C Humphreys*	7,592	-	-	-	7,592
C Humphreys**	800,000	-	-	(533,333)	266,667
L Mateo**	500,000	-	-	(500,000)	-
G Hirsch***	-	2,000,000	-	-	2,000,000
P Leong***	-	2,500,000	-	-	2,500,000
	8,889,557	4,500,000	-	(1,033,333)	12,356,224

* The above listed options were not issued as part of remuneration.
** Options issued under the Employee Share Option Plan. Unvested options are forfeited upon cessation of employment with the consolidated entity.
*** Options issued under the Employee Share Option Plan.

Other transactions with key management personnel and their related parties

There was no other transaction with KMP and their related parties, other than those disclosed in note 35.

This concludes the remuneration report, which has been audited.

SHARES UNDER OPTION

Unissued ordinary shares of Novogen Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise Price	Closing Balance
16 December 2014	16 December 2019	$0.150	466,470
18 December 2014	18 December 2019	$0.150	199,521
4 June 2015	4 June 2020	$0.400	29,484,002
30 June 2015	4 June 2020	$0.400	2,000,000
30 June 2015	30 June 2020	$0.400	29,065,000
16 November 2015	16 November 2020	$0.220	3,633,334
18 March 2016	1 February 2021	$0.199	5,000,000
18 March 2016	1 February 2021	$0.261	2,500,000
5 September 2016	5 September 2021	$0.163	2,000,000
31 October 2016	1 November 2021	$0.138	500,000
12 October 2016	17 October 2021	$0.156	620,000
21 November 2016	23 November 2021	$0.138	2,000,000
			77,468,327

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Novogen Limited issued on the exercise of options during the year ended 30 June 2017 and up to the date of this report.

INDEMNITY AND INSURANCE OF OFFICERS

The consolidated entity has not indemnified the Directors and Executives of the consolidated entity for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the consolidated entity paid a premium in respect of a contract to insure the Directors and Executives of the consolidated entity against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The consolidated entity has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the consolidated entity or any related entity against a liability incurred by the auditor.

During the financial year, the consolidated entity has not paid a premium in respect of a contract to insure the auditor of the consolidated entity or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 32 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 32 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

All services have been pre-approved by the Audit, Risk and Governance Committee.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF GRANT THORNTON AUDIT PTY LTD

There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

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 immediately after this directors' report.

AUDITOR

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Mr Iain Ross

Chairman

Dr James Garner

Managing Director, Chief Executive Officer

29 August 2017

Sydney

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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 audit of Novogen Limited for the year ended 30 June 2017, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S M Coulton
Partner - Audit & Assurance

Sydney, 29 August 2017

Contents

GENERAL INFORMATION

The financial statements cover Novogen Limited as a consolidated entity consisting of Novogen Limited and the entities it controlled at the end of or during the year. The financial statements are presented in Australian dollars, which is Novogen Limited's functional and presentation currency.

Novogen Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5
20 George St
Hornsby NSW 2077

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2017. The directors have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Revenue	5	**248,837**	405,701
Other income	6	**8,563,431**	3,665,331
Expenses			
Research and development expense		**(11,136,178)**	(9,893,982)
General and administrative expense		**(7,764,491)**	(5,760,396)
Loss on disposal of fixed assets		**(15,885)**	(2,303)
Loss on disposal of CanTx, Inc. after income tax expense		**-**	(568,842)
Finance costs	7	**(764,635)**	(36)
Loss before income tax benefit		**(10,868,921)**	(12,154,527)
Income tax benefit	8	**198,544**	-
Loss after income tax benefit for the year		**(10,670,377)**	(12,154,527)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain on the revaluation of available-for-sale financial assets, net of tax		**8,952**	(2,773)
Net exchange difference on translation of financial statements of foreign controlled entities, net of tax		**24,805**	(1,469)
Derecognition of foreign currency reserve relating to CanTx		**-**	178,073
Other comprehensive income for the year, net of tax		**33,757**	173,831
Total comprehensive income for the year		**(10,636,620)**	(11,980,696)
Loss for the year is attributable to:			
Non-controlling interest		**-**	(91,871)
Owners of Novogen Limited		**(10,670,377)**	(12,062,656)
		(10,670,377)	(12,154,527)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		**-**	(95,452)
Owners of Novogen Limited		**(10,636,620)**	(11,885,244)
		(10,636,620)	(11,980,696)
		Cents	**Cents**
Basic earnings per share	41	**(2.28)**	(2.82)
Diluted earnings per share	41	**(2.28)**	(2.82)

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

Statement of financial position
As at 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Assets			
Current assets			
Cash and cash equivalents	9	**14,454,784**	33,453,140
Trade and other receivables	10	**4,262,512**	198,924
Income tax refund due	11	**4,963**	4,274
Other	12	**758,082**	433,358
Total current assets		**19,480,341**	34,089,696
Non-current assets			
Available-for-sale financial assets	13	**21,803**	12,851
Property, plant and equipment	14	**489,605**	591,763
Intangibles	15	**15,918,354**	822,241
Total non-current assets		**16,429,762**	1,426,855
Total assets		**35,910,103**	35,516,551
Liabilities			
Current liabilities			
Trade and other payables	16	**1,872,554**	1,300,045
Provisions	17	**155,149**	131,884
Unearned revenue	18	**41,003**	-
Contingent consideration	19	**3,315,401**	-
Total current liabilities		**5,384,107**	1,431,929
Non-current liabilities			
Deferred tax	20	**4,314,435**	-
Provisions	21	**63,878**	62,224
Trade and other payables	22	**106,398**	91,473
Contingent consideration	23	**703,599**	-
Total non-current liabilities		**5,188,310**	153,697
Total liabilities		**10,572,417**	1,585,626
Net assets		**25,337,686**	33,930,925
Equity			
Contributed equity	24	**193,769,409**	191,301,217
Other contributed equity	25	**600,000**	1,716,101
Reserves	26	**1,929,338**	1,420,392
Accumulated losses	27	**(170,961,061)**	(160,506,785)
Total equity		**25,337,686**	33,930,925

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

Statement of changes in equity
For the year ended 30 June 2017

Consolidated	Issued capital $	Other contributed equity $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2015	190,404,198	1,716,101	989,721	(148,444,129)	(303,838)	44,362,053
Loss after income tax expense for the year	-	-	-	(12,062,656)	(91,871)	(12,154,527)
Other comprehensive income for the year, net of tax	-	-	173,831	-	-	173,831
Total comprehensive income for the year	-	-	173,831	(12,062,656)	(91,871)	(11,980,696)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	781,651	-	-	-	-	781,651
Share based payment	-	-	372,208	-	-	372,208
Derecognition of non-controlling interest	-	-	-	-	392,128	392,128
Derecognition of foreign currency reserve	-	-	-	-	3,581	3,581
Expired options	115,368	-	(115,368)	-	-	-
Balance at 30 June 2016	191,301,217	1,716,101	1,420,392	(160,506,785)	-	33,930,925

Statement of changes in equity (continued)
For the year ended 30 June 2017

Consolidated	Issued capital $	Other contributed equity $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2016	191,301,217	1,716,101	1,420,392	(160,506,785)	-	33,930,925
Loss after income tax benefit for the year	-	-	-	(10,670,377)	-	(10,670,377)
Other comprehensive income for the year, net of tax	-	-	33,757	-	-	33,757
Total comprehensive income for the year	-	-	33,757	(10,670,377)	-	(10,636,620)
Transactions with owners in their capacity as owners:						
Share issue costs	(17,662)	-	-	-	-	(17,662)
Transfers	-	(216,101)	-	216,101	-	-
Conversion of convertible note	900,000	(900,000)	-	-	-	-
Employee share-based payment options	-	-	475,189	-	-	475,189
Share based payment	1,585,854	-	-	-	-	1,585,854
Balance at 30 June 2017	193,769,409	600,000	1,929,338	(170,961,061)	-	25,337,686

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

Statement of cash flows
For the year ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Cash flows from operating activities			
Loss after income tax benefit for the year		**(10,670,377)**	(12,154,527)
Adjustments for:			
Depreciation and amortisation		**1,419,673**	643,035
Net loss on disposal of non-current assets		**15,885**	2,303
Share-based payments		**517,189**	372,209
Foreign exchange differences		**453,578**	(796,000)
Make good credit and rental adjustment		**14,925**	101,287
Disposal of CanTx		**-**	568,807
Interest income accrued		**360**	(1,026)
Release of discount on the contingent consideration		**764,359**	-
		(7,484,408)	(11,263,912)
Change in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables		**(3,968,220)**	14,605
Increase in income tax refund due		**(689)**	(4,358)
Increase in prepayments		**(324,724)**	(306,783)
Increase/(decrease) in trade and other payables		**572,509**	(327,547)
Increase/(decrease) in other provisions		**23,265**	(28,681)
Increase/(decrease) in deposit paid		**(95,727)**	(61,653)
Decrease in deferred tax liability		**(197,707)**	-
Increase in unearned revenue		**41,003**	-
Net cash used in operating activities		**(11,434,698)**	(11,978,329)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	37	**(7,097,152)**	-
Payments for property, plant and equipment	14	**(11,649)**	(522,373)
Payments for intangibles	15	**(8,445)**	(2,625)
Proceeds from disposal of property, plant and equipment		**-**	3,059
Net cash used in investing activities		**(7,117,246)**	(521,939)
Cash flows from financing activities			
Proceeds from issue of shares	24	**-**	852,866
Share issue transaction costs		**(17,662)**	(71,215)
Net cash from/(used in) financing activities		**(17,662)**	781,651
Net decrease in cash and cash equivalents		**(18,569,606)**	(11,718,617)
Cash and cash equivalents at the beginning of the financial year		**33,453,140**	44,371,486
Effects of exchange rate changes on cash and cash equivalents		**(428,750)**	800,271
Cash and cash equivalents at the end of the financial year	9	**14,454,784**	33,453,140

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

NOTE 1. GENERAL INFORMATION

The financial statements cover Novogen Limited as a consolidated entity consisting of Novogen Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Novogen Limited's functional and presentation currency.

Novogen Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5
20 George Street
Hornsby NSW 2077

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 August 2017. The Directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended 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.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated entity incurred a loss after income tax of $10,670,377 (2016: $12,154,527), was in a net current asset position of $14,096,234 (2016: net current asset position of $32,657,767) and had net cash outflows from operating activities of $11,434,698 (2016: $11,978,329) for the year ended 30 June 2017.

As at 30 June 2017 the consolidated entity had cash in hand and at bank of $14,454,784.

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business. As is often the case with drug development companies, the ability of the consolidated entity to continue its development activities as a going concern is dependent upon it deriving sufficient cash from investors, from licensing and partnering activities and from other sources of revenue such as grant funding.

The directors have considered the cash flow forecasts and the funding requirements of the business and are confident that the strategies in place are appropriate to generate sufficient funding to allow the consolidated entity to continue as a going concern.

Accordingly the directors have prepared the financial statements on a going concern basis. Should the above assumptions not prove to be appropriate, there is material uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in these financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, which are at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 36.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Novogen Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. Novogen Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference is between the consideration transferred and the book value.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation is disposed of.

Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. In determining the economic benefits, provisions are made for certain trade discounts and returned goods. The following specific recognition criteria must also be met:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The R&D Tax Incentive is a government run program which helps to offset some of the costs of R&D. Annually, the consolidated entity claims a refundable tax offset and has disclosed this as other income in the statement of profit or loss and other comprehensive income. The group accounts for the R&D Tax Incentive when a reliable estimate of the amounts receivable can be made.

Novogen Limited (the 'parent entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. Novogen Limited as the parent entity discloses all of the deferred tax assets of the tax consolidated group in relation to tax losses carried forward (after elimination of inter-group transactions). The tax consolidated group has applied the 'separate taxpayer in the group' allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

As the tax consolidation group continues to generate tax losses there has been no reason for the company to enter a tax funding agreement with members of the tax consolidation group.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 to 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives from 2.5 to 10 years.

Leasehold improvements and plant and equipment under lease are depreciated over the 9-year period of the lease (including options to extend) or the estimated useful life of the assets, whichever is shorter.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Patents and trademarks

Significant costs associated with patents and intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of 5 years.

Software

Amortisation is calculated on a straight-line basis to write off the net cost of each item of software over their expected useful lives from 2.5 to 10 years.

Licensing agreement

Significant costs associated with the Licensing Agreement are deferred and amortised on a straight-line basis over the period of its expected benefit, being its remaining useful life of 15 years.

Impairment of non-financial assets

Non-financial assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Compound financial instruments

Compound financial instruments issued by the consolidated entity comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares does not vary with changes in fair value. The liability component of a financial liability is recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method, whereas the equity component is not remeasured. Interest, gains and losses relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees under the terms of the Employee Share Option Plan ('ESOP') and consultants as compensation for services performed.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options, including share based payments relating to the issue of shares are, shown in equity as a deduction, net of tax, from the proceeds.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Novogen Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks.

In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

The consolidated entity will adopt this standard and the amendments from 1 July 2018. The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

IFRS 15 Revenue from Contracts with Customers

This standard is expected to be applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The consolidated entity will adopt this standard and the amendments from 1 July 2018. Based on the entity's assessment, when this Standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements. This is because the entity is still in the R&D stage of its development and is not anticipating generating material revenue streams during the year ending 30 June 2019.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, taking into account the leases in place, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed as follows:

Research and development expenses

The Directors do not consider the development programs to be sufficiently advanced to reliably determine the economic benefits and technical feasibility to justify capitalisation of development costs. These costs have been recognised as an expense when incurred.

Research and development expenses relate primarily to the cost of conducting human clinical and pre-clinical trials. Clinical development costs are a significant component of research and development expenses. Estimates have been used in determining the expense liability under certain clinical trial contracts where services have been performed but not yet invoiced. Generally the costs, and therefore estimates, associated with clinical trial contracts are based on the number of patients, drug administration cycles, the type of treatment and the outcome being measured. The length of time before actual amounts can be determined will vary depending on length of the patient cycles and the timing of the invoices by the clinical trial partners.

Clinical trial expenses

Estimates have been used in determining the expense liability under certain clinical trial contracts being performed but not yet invoiced.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Research and development tax rebate

The R&D Tax Incentive is recognised when a reliable estimate of the amounts receivable can be made. For the year ended 30 June 2017 the group has estimated the rebate which will be received in early 2018 and has accrued that amount as income in the statement of profit or loss and other comprehensive income.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Net investment in foreign operations

Intercompany loans are treated as net investment in foreign operations as repayment of such loans is neither planned nor likely to occur.

Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

Contingent consideration

Management uses valuation techniques in determining the fair values of the various elements of a business combination (see Note 37). Particularly, the fair value of contingent consideration is dependent on the key assumptions including probability of milestones occurring, timing of settlement and discount rates.

NOTE 4. 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.

The consolidated entity operates in the pharmaceutical research and 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.

Major customers

During the year ended 30 June 2017 and 30 June 2016 there were no major customers.

NOTE 5. REVENUE

	Consolidated	
	2017 $	**2016 $**
Bank interest	**248,837**	405,701

NOTE 6. OTHER INCOME

	Consolidated	
	2017 $	**2016 $**
Net foreign exchange gain	**-**	781,146
Payroll tax rebate	**7,000**	18,000
Subsidies and grants	**130,064**	-
Reimbursement of expenses	**17,031**	-
Research and development rebate	**8,409,336**	2,865,708
Other sundry income	**-**	477
Other income	**8,563,431**	3,665,331

NOTE 7. EXPENSES

	Consolidated 2017 $	2016 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	**52,179**	30,261
Property, plant and equipment	**47,373**	42,276
Total depreciation	**99,552**	72,537
Amortisation		
Patents and intellectual property	**570,104**	570,104
Software	**5,404**	394
GDC licensing agreement	**744,613**	-
Total amortisation	**1,320,121**	570,498
Total depreciation and amortisation	**1,419,673**	643,035
Finance costs		
Interest and finance charges paid/payable	**276**	36
Unwinding of the discount on contingent consideration	**764,359**	-
Finance costs expensed	**764,635**	36
Rental expense relating to operating leases		
Minimum lease payments	**334,673**	280,329
Superannuation expense		
Defined contribution superannuation expense	**287,656**	208,813
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	**4,077,811**	2,827,662

NOTE 8. INCOME TAX BENEFIT

	Consolidated 2017 $	2016 $
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	**(10,868,921)**	(12,154,527)
Tax at the statutory tax rate of 27.5% (2016: 30%)	**(2,988,953)**	(3,646,358)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impact of foreign tax rate differential	**(160)**	43,784
Research and Development claim	**1,281,771**	1,478,694
Capitalised expenses	**234,369**	79,432
Employee option plan	**130,677**	111,663
Other non-deductible expenses	**4,600**	(316,536)
	(1,337,696)	(2,249,321)
Prior year tax losses not recognised now recouped	**(678)**	-
Tax losses and timing differences not recognised	**1,139,830**	2,249,321
Income tax benefit	**(198,544)**	-

NOTE 8. INCOME TAX BENEFIT (CONTINUED)

	Consolidated	
	2017 $	2016 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised - Australia	**60,632,678**	59,908,633
Potential tax benefit @ 27.5% (2016: 30%) - Australia	**16,673,986**	17,972,590
Unused tax losses for which no deferred tax asset has been recognised - US	**2,090,188**	2,099,947
Potential tax benefit at statutory tax rates@34% - US	**710,664**	713,982

NOTE 9. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated	
	2017 $	2016 $
Cash at bank and on hand	**8,454,784**	20,437,493
Short-term deposits	**6,000,000**	13,015,647
	14,454,784	33,453,140

NOTE 10. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated	
	2017 $	2016 $
Trade receivables	**231,065**	235,024
Less: Provision for impairment of receivables	**(225,998)**	(225,998)
R&D tax rebate receivable	**3,973,052**	-
	3,978,119	9,026
Other receivables	**77,207**	78,439
Deposits held	**578,657**	484,649
Less: Provision for impairment of deposits held	**(371,471)**	(373,190)
	4,262,512	198,924

Deposits held included a guarantee to the value of €250,000 ($371,471) for the "APO Trend" case. Please refer to note 33 for further information on 'deposits held'.

Impairment of receivables

The consolidated entity has recognised a loss of nil (2016: loss of nil) in profit or loss in respect of impairment of receivables (excluding 'deposits held') for the year ended 30 June 2017.

The ageing of the impaired receivables provided for above are as follows:

	Consolidated	
	2017 $	2016 $
Trade receivables over 6 months overdue	**225,998**	225,998

NOTE 11. CURRENT ASSETS - INCOME TAX REFUND DUE

	Consolidated	
	2017 $	2016 $
Income tax refund due	**4,963**	4,274

NOTE 12. CURRENT ASSETS - OTHER

	Consolidated	
	2017 $	2016 $
Prepayments	**758,082**	433,358

NOTE 13. NON-CURRENT ASSETS - AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Consolidated	
	2017 $	2016 $
Listed ordinary shares	**21,803**	12,851

Refer to note 30 for further information on fair value measurement.

NOTE 14. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2017 $	2016 $
Leasehold improvements - at cost	**466,054**	464,404
Less: Accumulated depreciation	**(82,440)**	(30,261)
	383,614	434,143
Plant and equipment - at cost	**201,296**	216,930
Less: Accumulated depreciation	**(95,305)**	(59,310)
	105,991	157,620
	489,605	591,763

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvement $	Plant and equipment $	Total $
Balance at 1 July 2015	-	85,065	85,065
Additions	464,404	120,193	584,597
Disposals	-	(5,362)	(5,362)
Depreciation expense	(30,261)	(42,276)	(72,537)
Balance at 30 June 2016	434,143	157,620	591,763
Additions	7,218	6,061	13,279
Disposals	(5,568)	(10,317)	(15,885)
Depreciation expense	(52,179)	(47,373)	(99,552)
Balance at 30 June 2017	383,614	105,991	489,605

NOTE 15. NON-CURRENT ASSETS - INTANGIBLES

	Consolidated	
	2017 $	2016 $
Patents and intellectual property - at cost	**2,850,517**	2,850,517
Less: Accumulated amortisation	**(2,600,611)**	(2,030,507)
	249,906	820,010
Software - at cost	**11,070**	2,625
Less: Accumulated amortisation	**(5,798)**	(394)
	5,272	2,231
Licensing agreement - at acquired fair value (Note 37)*	**16,407,789**	-
Less: Accumulated amortisation	**(744,613)**	-
	15,663,176	-
	15,918,354	822,241

* Remaining amortisation period is 14.47 years as at 30 June 2017

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Software $	Patents and intellectual property $	GDC licensing agreement $	Total $
Balance at 1 July 2015	-	1,390,114	-	1,390,114
Additions	2,625	-	-	2,625
Amortisation expense	(394)	(570,104)	-	(570,498)
Balance at 30 June 2016	2,231	820,010	-	822,241
Additions	8,445	-	-	8,445
Additions through business combinations (note 37)	-	-	16,407,789	16,407,789
Amortisation expense	(5,404)	(570,104)	(744,613)	(1,320,121)
Balance at 30 June 2017	5,272	249,906	15,663,176	15,918,354

NOTE 16. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2017 $	2016 $
Trade payables	**1,248,890**	512,536
Accrued payables	**613,848**	777,693
Lease incentive liability	**9,816**	9,816
	1,872,554	1,300,045

Refer to note 29 for further information on financial instruments.

NOTE 17. CURRENT LIABILITIES - PROVISIONS

	Consolidated	
	2017 $	2016 $
Employee benefits	**155,149**	131,884

NOTE 18. CURRENT LIABILITIES - UNEARNED REVENUE

	Consolidated	
	2017 $	2016 $
Unearned revenue	41,003	-

NOTE 19. CURRENT LIABILITIES - CONTINGENT CONSIDERATION

	Consolidated	
	2017 $	2016 $
Contingent consideration	3,315,401	-

NOTE 20. NON-CURRENT LIABILITIES - DEFERRED TAX

	Consolidated	
	2017 $	2016 $
Deferred tax liability associated with Licensing Agreement	4,314,435	-

NOTE 21. NON-CURRENT LIABILITIES - PROVISIONS

	Consolidated	
	2017 $	2016 $
Lease make good	63,878	62,224

NOTE 22. NON-CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2017 $	2016 $
Liability for straight-lining	44,228	19,489
Lease incentive liability	62,170	71,984
	106,398	91,473

NOTE 23. NON-CURRENT LIABILITIES - CONTINGENT CONSIDERATION

	Consolidated	
	2017 $	2016 $
Contingent consideration	703,599	-

Contingent consideration is payable on the achievement of certain pre-determined milestones. Certain of the contingent payments are contracted to be satisfied by issue of shares, and other such payments may be settled by the issue of shares or the payment of cash, at the discretion of the consolidated entity.

NOTE 24. EQUITY - CONTRIBUTED EQUITY

	Consolidated			
	2017 Shares	2016 Shares	2017 $	2016 $
Ordinary shares - fully paid	**483,287,914**	429,733,982	**193,769,409**	191,301,217

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2015	423,116,465		190,404,198
Issue of shares on exercise of options	24 July 2015	1,000	$0.400	400
Issue of shares on exercise of options	24 July 2015	1,000,000	$0.150	150,000
Issue of shares on exercise of options	8 October 2015	109,309	$0.125	13,664
Issue of shares on exercise of options	23 November 2015	1,990,545	$0.125	248,818
Issue of shares on exercise of options	24 November 2015	3,514,370	$0.125	439,296
Issue of shares on exercise of options	09 December 2015	2,293	$0.300	688
Share issue transaction costs (including share-based payments)		-	$0.000	(71,215)
Share based payment fair value movement		-	$0.000	115,368
Balance	30 June 2016	429,733,982		191,301,217
Issue of shares - Note 1	05 September 2016	400,000	$0.105	42,000
Issue of shares - Note 2	14 September 2016	20,000,000	$0.025	500,000
Issue of shares - Note 3	31 October 2016	17,153,932	$0.090	1,543,854
Issue of shares - Note 4	01 November 2016	16,000,000	$0.025	400,000
Share issue transaction costs		-	$0.000	(17,662)
Balance	30 June 2017	483,287,914		193,769,409

Ordinary shares

Note 1 - Shares issued to the Company's Scientific Advisory Board for no consideration in respect of share based payments

Note 2 - Issue of shares in relation to the conversion of part of the Triaxial convertible note

Note 3 - Issue of shares in relation to the acquisition of Glioblast Pty Ltd to support the development of GDC-0084

Note 4 - Issue of shares in relation to the conversion of part of the Triaxial convertible note

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

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

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The capital structure of the consolidated entity consists of cash and cash equivalents and equity attributable to equity holders. Operating globally, the consolidated entity develops specialty pharmaceutical products. The overall strategy of the consolidated entity is to continue its drug development programs, which depends on raising additional equity.

The capital risk management policy remains unchanged from the prior year.

NOTE 25. EQUITY - OTHER CONTRIBUTED EQUITY

	Consolidated	
	2017 $	2016 $
Convertible note - Triaxial	**600,000**	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, which previously allowed for a cash settlement and now allows Triaxial to convert their debt into ordinary shares during the current financial year, 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.

During the Financial year ended 30 June 2017, the Company reached two milestones triggering the conversion of a portion of its convertible note as follows;

- on 11 August 2016 the Company announced the submission of an IND application. On 10 September 2016, the Company received a letter from the FDA advising the study may proceed triggering conversion of 20,000,000 ordinary shares.
- on 31 October 2016, the Company announced it had licensed a Phase II ready molecule triggering the conversion of 16,000,000 ordinary shares.

The remaining portion of the convertible note may be exercised at the holders' discretion as follows;

- on completion of Phase II clinical trial or achieving Breakthrough Designation. Completion will be deemed to occur upon the receipt by the consolidated entity of a signed study report or notification of the designation: $600,000 converted into 24,000,000 ordinary shares in the consolidated entity.

There is a possibility for an early conversion of the convertible notes if a third party acquires more than 50% of the issued capital of the consolidated entity.

NOTE 26. EQUITY - RESERVES

	Consolidated	
	2017 $	2016 $
Available-for-sale reserve	**(36,824)**	(45,776)
Foreign currency reserve	**(111,350)**	(136,155)
Share-based payments reserve	**2,077,512**	1,602,323
	1,929,338	1,420,392

Available-for-sale reserve

The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

NOTE 26. EQUITY - RESERVES (CONTINUED)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payment reserve $	Available-for-sale reserve $	Foreign currency reserve $	Convertible note reserve $	Total $
Balance at 1 July 2015	1,345,483	(43,003)	(312,759)	-	989,721
Transfer to equity for expired options	(115,368)	-	-	-	(115,368)
-Foreign currency translation	-	-	(1,469)	-	(1,469)
-Loss on the revaluation of available-for-sale financial assets	-	(2,773)	-	-	(2,773)
Share based payment expense	372,208	-	-	-	372,208
Derecognition of FCTR of CanTx	-	-	178,073	-	178,073
Balance at 30 June 2016	1,602,323	(45,776)	(136,155)	-	1,420,392
-Foreign currency translation	-	-	24,805	-	24,805
-Gain on the revaluation of available-for-sale financial assets	-	8,952	-	-	8,952
Share based payment expense	475,189	-	-	-	475,189
Balance at 30 June 2017	2,077,512	(36,824)	(111,350)	-	1,929,338

NOTE 27. EQUITY - ACCUMULATED LOSSES

	Consolidated	
	2017 $	2016 $
Accumulated losses at the beginning of the financial year	**(160,506,785)**	(148,444,129)
Loss after income tax benefit for the year	**(10,670,377)**	(12,062,656)
Transfer from other contributed equity	**216,101**	-
Accumulated losses at the end of the financial year	**(170,961,061)**	(160,506,785)

NOTE 28. EQUITY - DIVIDENDS

Dividends

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

Franking credits

There were no franking credits available at the reporting date.

NOTE 29. FINANCIAL INSTRUMENTS

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The consolidated entity uses different methods to measure and manage the different types of risks to which it is exposed. These methods include monitoring the levels of exposure to interest rates and foreign exchange, ageing analysis and monitoring of specific credit allowances to manage credit risk, and, rolling cash flow forecasts to manage liquidity risk.

Market risk

Foreign currency risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollars ('USD'). Foreign exchange risk arises from future transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

As of 30 June 2017, the consolidated entity did not hold derivative financial instruments in managing its foreign currency, however, the consolidated entity may from time to time enter into hedging arrangements where circumstances are deemed appropriate. The consolidated entity used natural hedging to reduce the foreign currency risk, which involved processing USD payments from cash held in USD. Foreign subsidiaries with a functional currency of Australian Dollars ('AUD') have exposure to the local currency of these subsidiaries and any other currency these subsidiaries trade in.

NOTE 29. FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
Consolidated	2017 $	2016 $	2017 $	2016 $
US dollars	**5,797,242**	15,314,044	**1,009,619**	702,244
Euros	**-**	-	**-**	4,935
Pound Sterling	**-**	19,748	**84,475**	58,549
Indian Rupee	**75**	75	**-**	-
	5,797,317	15,333,867	**1,094,094**	765,728

The consolidated entity had net assets denominated in foreign currencies of $4,703,223 as at 30 June 2017 (2016: net assets $14,568,139).

If the AUD had strengthened against the USD by 10% (2016: 10%) , Euro by 10% (2016: 10%), GBP by 10% (2016: 10%) and INR by 10% (2016: 10%) respectively then this would have had the following impact:

	AUD strengthened			AUD weakened		
Consolidated - 2017	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
US dollars	10%	(478,762)	(478,762)	(10%)	478,762	**478,762**
Euros	10%	-	-	(10%)	-	**-**
Pound Sterling	10%	8,448	8,448	(10%)	(8,448)	**(8,448)**
Indian Rupee	10%	(8)	(8)	(10%)	8	**8**
		(470,322)	(470,322)		470,322	**470,322**

	AUD strengthened			AUD weakened		
Consolidated - 2016	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
US dollars	10%	(1,461,180)	(1,461,180)	(10%)	1,461,180	1,461,180
Euros	10%	494	494	(10%)	(494)	(494)
Pound Sterling	10%	3,880	3,880	(10%)	(3,880)	3,880
Indian Rupee	10%	(8)	(8)	(10%)	8	8
		(1,456,814)	(1,456,814)		1,456,814	1,464,574

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity's exposure to market interest rates relate primarily to the investments of cash balances.

The consolidated entity has cash reserves held primarily in Australian dollars and United States dollars and places funds on deposit with financial institutions for periods generally not exceeding three months.

As at the reporting date, the consolidated entity had the following variable interest rate balances:

	2017		2016	
Consolidated	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Cash at bank and in hand	**0.10%**	**8,454,784**	0.31%	20,437,493
Short term deposits	**2.40%**	**6,000,000**	2.60%	13,015,647
Net exposure to cash flow interest rate risk		**14,454,784**		33,453,140

NOTE 29. FINANCIAL INSTRUMENTS (CONTINUED)

The consolidated entity has cash and cash equivalents totalling $14,454,784 (2016: $33,453,140). An official increase/decrease in interest rates of 100 basis points (2016: 100 basis points) would have a favourable/adverse effect on profit before tax and equity of $144,548 (2016: $334,531) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The entity is not exposed to significant credit risk on receivables.

The consolidated entity places its cash deposits with high credit quality financial institutions and by policy, limits the amount of credit exposure to any single counter-party. The consolidated entity is averse to principal loss and ensures the safety and preservation of its invested funds by limiting default risk, market risk, and reinvestment risk. The consolidated entity mitigates default risk by constantly positioning its portfolio to respond appropriately to a significant reduction in a credit rating of any financial institution.

There are no significant concentrations of credit risk within the consolidated entity. The credit risk on liquid funds is limited as the counter parties are banks with high credit ratings.

Credit risk is managed by limiting the amount of credit exposure to any single counter-party for cash deposits.

Liquidity risk

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. In particular, contingent consideration as set out in Note 37 may be satisfied either by payment of cash or by issue of shares, at the discretion of the entity.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2017	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Trade payables	-	1,248,890	-	-	-	**1,248,890**
Accrued payables	-	613,848	-	-	-	**613,848**
Contingent consideration	-	4,250,000	-	4,650,000	1,394,000	**10,294,000**
Total non-derivatives		6,112,738	-	4,650,000	1,394,000	**12,156,738**

Consolidated - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Trade payables	-	512,536	-	-	-	512,536
Accrued payables	-	777,693	-	-	-	777,693
Total non-derivatives		1,290,229	-	-	-	1,290,229

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

NOTE 30. FAIR VALUE MEASUREMENT

Fair value hierarchy

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

Consolidated - 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares	**21,803**	**-**	**-**	**21,803**
Contingent Consideration	**-**	**-**	**4,019,000**	**4,019,000**
Total assets	**21,803**	**-**	**4,019,000**	**4,040,803**

Consolidated - 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares	12,851	-	-	12,851
Total assets	12,851	-	-	12,851

There were no transfers between levels during the financial year.

The fair value of contingent consideration related to the acquisition of Glioblast Pty Ltd (see Note 37) is estimated using a present value technique. The fair value is estimated by probability-weighting the estimated future cash outflows, adjusting for risk and discounting. The effects on the fair value of risk and uncertainty in the future cash flows are dealt with by adjusting the estimated cash flows rather than adjusting the discount rate.

NOTE 31. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2017 $	2016 $
Short-term employee benefits	**2,513,066**	1,585,723
Post-employment benefits	**154,475**	130,044
Long-term benefits	-	199,875
Termination benefits	**315,372**	-
Share-based payments	**403,257**	183,460
	3,386,170	2,099,102

Please refer to note 35 for other transactions with key management personnel and their related parties.

NOTE 32. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2017 $	2016 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	**132,071**	139,999
Other services - Grant Thornton Audit Pty Ltd		
F3 review	**-**	1,432
Tax compliance services	**7,500**	11,500
	7,500	12,932
	139,571	152,931

NOTE 33. 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, APOtrend. The consolidated entity has provided a guarantee to the value of €250,000 ($371,471) with the court to confirm its commitment to the ongoing enforcement process. As at 30 June 2017, the receivable balance continues to be fully impaired on the basis that it is unlikely to be recovered. The receivable balance and the corresponding provision for impairment is classified as 'deposits held'. Refer to note 10. Due to the lengthy procedure, further delayed by the appointment of technical experts, the case did not progress and the status remained unchanged during the period.

NOTE 34. COMMITMENTS

	Consolidated	
	2017 $	2016 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	**249,704**	204,118
One to five years	**78,521**	289,524
	328,225	493,642

Operating lease commitments includes contracted amounts for leases of premises and plant and equipment under noncancellable operating leases expiring within three years. On renewal, the terms of the leases are renegotiated. Leases for premises include an annual review for CPI increases.

The Sydney office lease contains two renewal options, each for a three year period. These renewal options are not included in the commitments as they may be cancelled by the consolidated entity. The consolidated entity at this stage intends to exercise the two remaining options. In order to exercise an option, the consolidated entity must inform the lessor no later than 6 months prior to the end of the lease, by which time it must commit to the term of the option.

NOTE 35. RELATED PARTY TRANSACTIONS

Parent entity

Novogen Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 38.

Key management personnel

Disclosures relating to key management personnel are set out in note 31 and the remuneration report included in the directors' report.

NOTE 35. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2017 $	2016 $
Payment for other expenses:		
Accounting fees paid to Watkins Coffey Martin, an entity (partnership) in which Steven Coffey is a partner	-	6,800
Salary and ETP paid to Prue Kelly, the partner of Dr Graham Kelly, a Director	-	47,333
In addition to Director's fees, Consultancy fees for executive duties while Iain Ross was Acting CEO were paid to Gladstone Consultancy Partnership, a UK based consulting partnership in which he has a beneficial interest.	-	266,247
In addition to Director's fees, Consultancy fees for executive duties were paid to Kumara Inc, a corporation in which Ian Phillips is a Director and has a beneficial interest.	**20,531**	120,137
In addition to Director's fees, Consultancy fees for executive duties were paid to John O'Connor.	**37,500**	-

There was no other transaction with KMP and their related parties.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 36. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2017 $	2016 $
Loss after income tax	**(9,732,539)**	(12,160,583)
Total comprehensive income	**(9,732,539)**	(12,160,583)

Statement of financial position

	Parent	
	2017 $	2016 $
Total current assets	**17,355,670**	30,820,348
Total assets	**33,893,910**	36,331,871
Total current liabilities	**3,538,190**	3,313,983
Total liabilities	**8,556,224**	3,313,983
Equity		
Contributed equity	**193,769,408**	191,301,217
Other contributed equity	**600,000**	1,716,102
Reserves	**2,040,688**	1,556,547
Accumulated losses	**(171,072,410)**	(161,555,978)
Total equity	**25,337,686**	33,017,888

NOTE 36. PARENT ENTITY INFORMATION (CONTINUED)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

As a condition of the Class Order 98/1418 (as amended), Novogen Limited and the subsidiaries, entered into a Deed of Cross Guarantee on 28 May 1999. The effect of the deed is that Novogen Limited has guaranteed to pay any deficiency in the event of winding up of the controlled entities. The subsidiaries have also given a similar guarantee in the event that Novogen Limited is wound up. Refer to note 39.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016, except as detailed in note 33 and note 37.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2017 and 30 June 2016.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

NOTE 37. BUSINESS COMBINATIONS

Glioblast Pty Ltd

On 31 October 2016, Novogen announced it acquired 100% of the issued shares in Glioblast Pty Ltd, a privately-held, neuro-oncology-focused Australian biotechnology company. On the same day, Novogen entered into a worldwide licensing agreement with Genentech to develop and commercialise GDC-0084 ("the Molecule"). These events have been considered a business combination in accordance with AASB 3.

Details of the acquisition are as follows:

	Fair value $
Intellectual property	16,407,789
Deferred tax liability	(4,512,142)
Net assets acquired	11,895,647
Goodwill	-
Acquisition-date fair value of the total consideration transferred	11,895,647
Representing:	
Cash paid or payable to vendor	7,097,152
Novogen Limited shares issued to vendor	1,543,854
Contingent consideration	3,254,641
	11,895,647

	Consolidated	
	2017 $	2016 $
Cash used to acquire business, net of cash acquired:		
Acquisition-date fair value of the total consideration transferred	**16,407,789**	-
Less: contingent consideration	**(3,254,641)**	-
Less: shares issued by company as part of consideration	**(1,543,854)**	-
Less: Deferred Tax Liability	**(4,512,142)**	-
Net cash used	**7,097,152**	-

NOTE 37. BUSINESS COMBINATIONS (CONTINUED)

37.1 Consideration transferred

Acquisition-related costs amounting to $345,000 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of other expenses.

37.2 Goodwill

There is no goodwill arising from this business combination.

37.3 Glioblast's contribution to the Group's results

Glioblast contributed $nil to the Group's revenues and profits, respectively from the date of the acquisition to 30 June 2017. Had the acquisition occurred on 1 July 2016, the Group's revenue for the financial year ended 30 June 2017 would be unchanged.

37.4 Contingent consideration

The Glioblast acquisition contains four contingent milestone payments, the first two milestone payments are to be settled with Novogen shares, and the third and fourth milestone payments are to be settled with either cash or Novogen shares at the discretion of Novogen.

The Genentech Agreement comprises of one milestone payment payable on the first commercial licensed product sale.

The range of outcomes of contingent consideration are summarised below.

Milestone	Contingent consideration-Low	Contingent consideration-High
1	1,250,000	1,250,000
2	1,250,000	1,250,000
3	3,000,000	3,705,000
4	3,400,000	4,199,000
5	1,394,000	1,394,000
Total	10,294,000	11,798,000

The contingent considerations listed above are undiscounted.

Each milestone payment is probability weighted for valuation purposes. The milestone payments are discounted to present value, using a discount rate of 35% per annum, if they are expected to be achieved more than 12 months after the valuation date.

Novogen is also required to pay royalties to Genentech in relation to net sales. These payments are related to future financial performance, and are not considered as part of the consideration in relation to the Genentech Agreement.

NOTE 38. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	Principal place of business/ Country of incorporation	2017 %	2016 %
Novogen Laboratories Pty Ltd	Australia	**100.00%**	100.00%
Novogen Research Pty Ltd	Australia	**100.00%**	100.00%
Novogen North America, Inc.	United States of America	**100.00%**	100.00%
Glioblast Pty Ltd	Australia	**100.00%**	-
Triaxial Pharmaceuticals Pty Ltd	Australia	**-**	100.00%

The consolidated entity approved the dissolution of Triaxial Pharmaceuticals Pty Ltd., which is wholly owned by the consolidated entity. The dissolution of Triaxial Pharmaceuticals Pty Ltd was completed on 20 December 2016.

NOTE 39. DEED OF CROSS GUARANTEE

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Novogen Limited

Novogen Laboratories Pty Ltd

Novogen Research Pty Ltd

Triaxial Pharmaceuticals Pty Ltd

NOTE 39. DEED OF CROSS GUARANTEE (CONTINUED)

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Novogen Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	2017 $	2016 $
Other income	**9,407,434**	15,346,046
Research and development expense	**(10,656,315)**	(9,101,236)
General and administrative expense	**(8,737,360)**	(17,322,261)
Loss on disposal of fixed assets	**(11,103)**	(2,303)
Loss on disposal of CanTx, Inc. after income tax expense	**-**	(568,842)
Finance costs	**(764,635)**	(36)
Loss before income tax benefit	**(10,761,979)**	(11,648,632)
Income tax benefit	**197,707**	-
Loss after income tax benefit	**(10,564,272)**	(11,648,632)
Other comprehensive income		
Loss on the revaluation of available-for-sale financial assets, net of tax	**8,952**	(2,773)
Other comprehensive income for the year, net of tax	**8,952**	(2,773)
Total comprehensive income for the year	**(10,555,320)**	(11,651,405)

Equity - accumulated losses	2017 $	2016 $
Accumulated losses at the beginning of the financial year	**(160,724,240)**	(149,075,608)
Loss after income tax benefit	**(10,564,272)**	(11,648,632)
Transfer from other contributed equity	**216,101**	-
Accumulated losses at the end of the financial year	**(171,072,411)**	(160,724,240)

NOTE 39. DEED OF CROSS GUARANTEE (CONTINUED)

Statement of financial position	2017 $	2016 $
Current assets		
Cash and cash equivalents	**14,269,214**	33,326,797
Trade and other receivables	**5,184,820**	632,282
	19,454,034	33,959,079
Non-current assets		
Receivables	**-**	4,242
Available-for-sale financial assets	**21,803**	12,851
Other financial assets	**2**	1
Property, plant and equipment	**488,171**	587,333
Intangibles	**15,918,353**	822,241
	16,428,329	1,426,668
Total assets	**35,882,363**	35,385,747
Current liabilities		
Trade and other payables	**1,859,816**	1,285,501
Provisions	**140,147**	96,923
Unearned revenue	**41,003**	-
Contingent consideration	**3,315,401**	-
	5,356,367	1,382,424
Non-current liabilities		
Deferred tax	**4,314,435**	-
Other	**170,276**	153,697
Contingent consideration	**703,599**	-
	5,188,310	153,697
Total liabilities	**10,544,677**	1,536,121
Net assets	**25,337,686**	33,849,626
Equity		
Contributed equity	**193,769,409**	191,301,217
Other contributed equity	**600,000**	1,716,101
Reserves	**2,040,688**	1,556,548
Accumulated losses	**(171,072,411)**	(160,724,240)
Total equity	**25,337,686**	33,849,626

NOTE 40. EVENTS AFTER THE REPORTING PERIOD

Novogen issued 2,240,000 unlisted Options with exercise price of $0.0668 on 7 August 2017. Options vest in four equal tranches on the anniversary of the issue date and will be fully vested on 7 August 2021. The Options expire on 7 August 2022. Upon exercise, Options convert into Ordinary Shares.

No other matter or circumstance has arisen since 30 June 2017 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 41. EARNINGS PER SHARE

	Consolidated	
	2017 $	2016 $
Loss after income tax	**(10,670,377)**	(12,154,527)
Non-controlling interest	**-**	91,871
Loss after income tax attributable to the owners of Novogen Limited	**(10,670,377)**	(12,062,656)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	467,833,849	427,431,910
Weighted average number of ordinary shares used in calculating diluted earnings per share	467,833,849	427,431,910
	Cents	**Cents**
Basic earnings per share	(2.28)	(2.82)
Diluted earnings per share	(2.28)	(2.82)

24,000,000 unlisted convertible notes with a face value of $600,000, 45,984,325 unlisted options and 31,484,002 listed options have been excluded from the above calculations as they were antidilutive.

NOTE 42. SHARE-BASED PAYMENTS

The options in tranches 1 - 3 in the table below have been issued as consideration for services rendered in relation to capital raising conducted during the previous year by the consolidated entity.

The options in tranches 4 - 11 in the table below have been issued to employees under the ESOP. In total, $475,189 (2016: $372,208) of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss and credited to share-based payment reserve.

2017

Tranche	Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
1	04-03-2015	16-12-2019	$0.150	466,470	-	-	-	466,470
2	04-03-2015	18-12-2019	$0.150	199,521	-	-	-	199,521
3	24-06-2015	30-06-2020	$0.400	5,190,000	-	-	-	5,190,000
4	15-10-2015	16-11-2020	$0.220	5,200,008	-	-	(1,566,674)	3,633,334
5	18-03-2016	01-02-2021	$0.199	3,000,000	-	-	-	3,000,000
6	18-03-2016	01-02-2021	$0.199	2,000,000	-	-	-	2,000,000
7	18-03-2016	01-02-2021	$0.261	2,500,000	-	-	-	2,500,000
8	05-09-2016	05-09-2021	$0.163	-	2,000,000	-	-	2,000,000
9	12-10-2016	17-10-2021	$0.156	-	620,000	-	-	620,000
10	31-10-2016	01-11-2021	$0.138	-	500,000	-	-	500,000
11	21-11-2016	23-11-2021	$0.138	-	2,000,000	-	-	2,000,000
				18,555,999	5,120,000	-	(1,566,674)	22,109,325
Weighted average exercise price				$0.2680	$0.1500	$0.0000	$0.2200	$0.2440

* Options from Tranche 1 to Tranche 3 listed above were vested and exercisable at the end of the period.
Options from Tranche 4 listed above include 1/3 vested options at the end of the period.
Options from Tranche 5 listed above include 1/4 vested and exercisable options at the end of the period.
All remaining options are expected to vest in future periods.

The weighted average remaining contractual life of options outstanding at the 30 June 2017 is 3.55 years.

NOTE 42. SHARE-BASED PAYMENTS (CONTINUED)

2016

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
04-03-2015	16-12-2019	$0.150	466,470	-	-	-	466,470
04-03-2015	18-12-2019	$0.150	199,521	-	-	-	199,521
24-06-2015	30-12-2015	$0.300	1,380,000	-	-	(1,380,000)	-
24-06-2015	30-06-2020	$0.400	5,190,000	-	-	-	5,190,000
15-10-2015	16-11-2020	$0.220	-	5,500,008	-	(300,000)	5,200,008
18-03-2016	01-02-2021	$0.199	-	3,000,000	-	-	3,000,000
18-03-2016	01-02-2021	$0.199	-	2,000,000	-	-	2,000,000
18-03-2016	01-02-2021	$0.261	-	2,500,000	-	-	2,500,000
			7,235,991	13,000,008	-	(1,680,000)	18,555,999
Weighted average exercise price			$0.358	$0.220	$0.000	$0.286	$0.268

The weighted average remaining contractual life of options outstanding at the 30 June 2016 is 4.33 years.

Employee share options

During the year ended 30 June 2017, 5,120,000 options have been issued to the employees during the year by the consolidated entity pursuant to the Company's Employee Share Option Plan.

- Tranche 8 of 2,000,000 options vesting equally over 4 years
- Tranche 9 of 620,000 options vesting equally over 4 years
- Tranche 10 of 500,000 options vesting equally over 3 years
- Tranche 11 of 2,000,000 options vesting equally over 4 years.

An option will only vest if the option holder continues to be a full-time employee with the Company or an Associated Company during the vesting period relating to the option.

Conditions for an option to be exercised:

- The option must have vested and a period of 1 years from the date the option was issued must have expired;
- Option holder must have provided the Company with an Exercise Notice and have paid the Exercise Price for the option;
- The Exercise Notice must be for the exercise of at least the Minimum Number of Options;
- The Exercise Notice must have been provided to the Company and Exercise Price paid before the expiry of 5 years from the date the Option is issued.

Options Valuation

In order to obtain a fair valuation of these options, the following assumptions have been made:

The Black Scholes option valuation methodology has been used with the expectation that the majority of these options would be exercised towards the end of the term of these options. Inputs into the Black Scholes model includes the share price at grant date, exercise price, volatility, and the risk free rate of a five year Australian Government Bond on grant date.

The exercise prices and expiry dates of these options are disclosed in the table above.

Risk-free rate and grant date

For all tranches, the risk-free rate of a five-year Australian Government bond on grant date was used. Please refer to the table below for details.

The Tranche 8 to Tranches 11 options have various vesting periods and exercising conditions. These options are unlisted as at 30/06/2017.

No dividends are expected to be declared or paid by the consolidated entity during the terms of the options.

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time. No special features inherent to the options granted were incorporated into measurement of fair value.

NOTE 42. SHARE-BASED PAYMENTS (CONTINUED)

Based on the above assumptions, the table below sets out the valuation for each tranche of options:

Tranche	Grant date	Expiry date	Share price at Grant Date	Exercise price	Volatility (%)	Remaining Option Life	Fair value per option	Risk free Rate
1	04/03/2015	16/12/2019	$0.180	$0.150	120.00%	2.46	$0.150	2.07%
2	04/03/2015	18/12/2019	$0.180	$0.150	120.00%	2.47	$0.150	2.07%
3	24/06/2015	30/06/2020	$0.245	$0.400	150.00%	3.00	$0.217	2.02%
4	15/10/2015	16/11/2020	$0.140	$0.220	158.11%	3.38	$0.128	2.04%
5	18/03/2016	01/02/2021	$0.115	$0.199	130.00%	3.59	$0.081	2.00%
6	18/03/2016	01/02/2021	$0.115	$0.199	130.00%	3.59	$0.086	2.00%
7	18/03/2016	01/02/2021	$0.115	$0.261	130.00%	3.59	$0.087	2.00%
8	05/09/2016	05/09/2021	$0.105	$0.163	122.00%	4.19	$0.084	1.60%
9	12/10/2016	17/10/2021	$0.098	$0.156	122.00%	4.30	$0.078	1.89%
10	31/10/2016	01/11/2021	$0.090	$0.138	122.00%	4.34	$0.072	1.87%
11	21/11/2016	23/11/2021	$0.092	$0.138	122.00%	4.40	$0.073	2.10%

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 39 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Board of Directors

Mr Iain Ross
Chairman

Dr James Garner
Managing Director, Chief Executive Officer

29 August 2017

Sydney

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report to the Members of Novogen Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Novogen Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of $10,670,377 and net operating cash outflows of $11,434,698 during the year ended 30 June 2017. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recognition of R&D tax incentive (Notes 2 & 10)	
Under the research and development (R&D) tax incentive scheme, the Company receives a 43.5% refundable tax offset of eligible expenditure if its turnover is less than $20 million per annum, provided it is not controlled by income tax exempt entities. An R&D plan is filed with AusIndustry in the following financial year and, based on this filing, the Group receives the incentive in cash. Management engaged an R&D expert to perform a detailed review of the Group's total R&D expenditure to determine the potential claim under the R&D tax incentive legislation. The receivable at year-end for the incentive was $3.97m. This represents an estimated claim for the period 1 July 2016 to 30 June 2017. We focused on the R&D tax incentive due to the size of the receivable and because there is a degree of judgement and interpretation of the R&D tax legislation required by management to assess the eligibility of the R&D expenditure under the scheme. This area is a key audit matter due to recognition of the R&D tax incentive being a significant risk.	Our procedures included, amongst others: • enquiring with management to obtain and document an understanding of the process to estimate the claim; • evaluating the competence, capabilities and objectivity of management's expert; • utilising our internal R&D tax expert to consider the nature of the expenses against the eligibility criteria of the R&D tax incentive scheme to form a view about whether the expenses included in the estimate were likely to meet the eligibility criteria; • comparing the nature of the R&D expenditure included in the current year estimate to the prior year claim; • comparing the eligible expenditure used in the receivable calculation to the expenditure recorded in the general ledger; • considering the entity's history of successful claims; • inspecting copies of relevant correspondence with AusIndustry and the ATO related to the claims; and • reviewing relevant disclosures in the financial statements.
Acquisition accounting (Note 37)	
During the year, the Company completed a business combination consisting of the acquisition of Glioblast Pty Ltd. Simultaneously, the Company entered into a licensing agreement with Genentech to develop the GDC-0084 molecule. Accounting for business combinations can be complex as it requires a high degree of judgements and estimates. This area is a key audit matter due to the acquisition accounting being a significant risk.	Our procedures included, amongst others: • reading the acquisition and licensing agreements to understand the terms and conditions of the business combination and evaluating management's application of the relevant accounting standards; • obtaining the report prepared by management's experts to gain an understanding of the valuation methodology and key assumptions used; • evaluating the competence, capabilities and objectivity of management's expert; • assessing the estimation of the contingent consideration by challenging the key assumptions including discount rate and probability of achievement of future milestones, including comparing the actual performance since acquisition against the projected milestones; • engaging our internal valuation experts to assess the reasonableness of: - the underlying valuation methodology; and - the discount factor applied; • challenging the methodology and assumptions utilised to identify and determine the fair value of the assets and liabilities acquired; and • reviewing relevant disclosures in the financial statements.

Key audit matter, continued	How our audit addressed the key audit matter
Intangible asset impairment (Notes 2 & 37)	
The Company carries on its statement of financial position the Genentech Licensing Agreement which grants the Company the right to develop the GDC-0084 molecule. The asset is being amortised over the 20-year life of the underlying patent. The Company also carries an intangible asset relating to intellectual property for the super-benzopyran drug platform which arose from the purchase of Triaxial Pharmaceuticals Pty Ltd in a prior period. The asset was recognised at cost at acquisition and is being amortised over the life of the 5-year patent. AASB 136 *Impairment of Assets* requires that an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any indication exists, the entity shall estimate the recoverable amount of the asset. Assessing whether there is any indication that an asset may be impaired involves a high degree of judgement. This area is a key audit matter due to intangible asset impairment being a significant risk.	Our procedures included, amongst others: • obtaining an understanding of and evaluating management's process and controls related to assessment of the existence of impairment indicators; • assessing management's conclusions on the existence of impairment indicators for reasonableness based on the current status of the development factors; • considering each of the internal and external factors outlined by AASB 136 and assessing whether any indicators of impairment are present; and • reviewing relevant disclosures in the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 17 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Novogen Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S M Coulton
Partner - Audit & Assurance

Sydney, 29 August 2017

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 24 August 2017.

DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	1,415	700,951
1,001 to 5,000	1,389	3,928,620
5,001 to 10,000	709	5,618,732
10,001 to 100,000	1,592	58,499,777
100,001 and over	465	414,539,834
	5,570	483,287,914
Holding less than a marketable parcel	3,632	11,570,238

EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	173,903,059	35.98
HISHENK PTY LTD	26,900,000	5.57
D & G BROWN INVESTMENTS PTY LIMITED	9,029,446	1.87
KILINWATA INVESTMENTS PTY LIMITED	8,865,449	1.83
DR ANDREW HEATON	4,561,961	0.94
EL CORONADO HOLDINGS	4,531,633	0.94
PHYTOSE CORPORATION PTY LTD (BOUNDARY ONE SUPERFUND A/C)	4,426,970	0.92
MISS MI OK CHONG	4,288,483	0.89
PHYTOSE CORPORATION PTY LTD (BOUNDARY ONE S/F A/C)	3,919,192	0.81
C & L JACKSON INVESTMENTS PTY LTD (JACKSON FAMILY S/FUND A/C)	3,803,457	0.79
MR EVAN KNIGHT MORGAN + MRS CAROLYN MARY MORGAN (EVAN K MORGAN SUPER A/C)	3,250,000	0.67
MR MICHAEL MIHRAN ABOLAKIAN + MRS NAIRY ABOLAKIAN + MR STEPHEN ABOLAKIAN (HISHENK PTY LTD SF A/C)	3,232,858	0.67
MR MOHAMMED SHAHEED	2,768,754	0.57
VNA HOLDINGS PTY LTD	2,294,982	0.47
MR IAIN ROSS	2,200,000	0.46
A DI BELLA PTY LTD	2,095,191	0.43
SEVEN SANDS PTY LTD	1,855,000	0.38
BIONOVA PTY LTD	1,767,676	0.37
MRS ALISON LOUISE SUTERS + MR MARK GERARD SUTERS	1,613,111	0.33
CITICORP NOMINEES PTY LIMITED	1,601,678	0.33
	266,908,900	55.22

Unquoted equity securities

There are no unquoted equity securities.

SUBSTANTIAL HOLDERS

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
HISHENK PTY LTD	26,900,000	5.57

VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Corporate Directory

DIRECTORS

Mr Bryce Carmine

Mr Iain Ross

Dr James Garner

Mr Steven Coffey

COMPANY SECRETARY

Ms Kate Hill

REGISTERED OFFICE

Level 5

20 George St

Hornsby NSW 2077

Tel: +61 2 9472 4100

Fax: +61 2 9476 0388

PRINCIPAL PLACE OF BUSINESS

Level 5

20 George St

Hornsby NSW 2077

SHARE REGISTER

Computershare Investor Services Pty Limited

Level 4

60 Carrington Street

Sydney NSW 2000

Tel: 1300 787 272

AUDITOR

Grant Thornton Audit Pty Ltd

Level 17

383 Kent Street

Sydney NSW 2000

STOCK EXCHANGE LISTING

Novogen Limited shares are listed on the Australian Securities Exchange (ASX code: NRT)

Novogen Limited's ordinary shares trade in the United States in the form of ADRs on the NASDAQ Capital Market. Each ADR represents twenty-five ordinary Novogen shares. The trading symbol on NASDAQ is 'NVGN'. On 14 July 2017 this ratio was changed such that from that date each ADR represents one hundred ordinary Novogen shares.

Novogen Limited options are listed on the Australian Securities Exchange (ASX code NRTO)

WEBSITE

www.novogen.com


NOVOGEN

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Hornsby NSW 2077
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ABN 37 063 259 754

Novogen Limited – Corporate Governance Statement for the year ended 30 June 2017

As at 16 October 2017

The corporate governance arrangements for Novogen Limited ('**Company'**) are set by the Board having regard to the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations* (3rd Edition) ('**ASX Principles and Recommendations**'), corporate best practice and the best interests of all shareholders.

The principal features of the Company's governance framework are set out in this Corporate Governance Statement. This Statement reports the Company's compliance with the ASX Principles and Recommendations.

The Company is committed to adopting best practice in corporate governance where these practices are appropriate to the business and add value.

The documents that are underlined in this section are available on the Company's website at http://www.novogen.com/corporate-governance.html

Principle 1: Lay solid foundations for management and oversight.

A listed entity should establish and disclose the respective roles and responsibilities of its Board and management and how their performance is monitored and evaluated.

Recommendation		Statement Commentary	Company's Compliance
1.1	A listed entity should disclose: a) the respective roles and responsibilities of its Board and management; and b) those matters expressly reserved to the Board and those delegated to management.	The Company's Board Charter sets out the role, duties and responsibilities of the Board of Directors. It is available on the Company's website.	Complies

NOVOGEN LIMITED
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Australia
ABN 37 063 259 754

1.2	A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.	The Company conducts the appropriate due diligence prior to putting forward a person to be appointed as a Director. The Company constantly provides all material information to its shareholders via the explanatory statement included in the Notice of Meeting prior to its Annual General Meeting.	Complies
1.3	A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	When appointing a new Director, the Company requires that the newly appointed Director signs a written agreement setting out the terms of his/her appointment.	Complies
1.4	The Company Secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	The Board has access to the Company Secretary (who is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board) and has procedures for the provision of information, including requests for additional information. Disclosure is included in the Board charter, available on the Company's website.	Complies
1.5	A listed entity should: a) have a diversity policy which includes requirements for the Board or a relevant Committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant Committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either: i. the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation	The Company does not have a diversity policy in place with measurable objectives. The Company recognises that a diverse and inclusive workforce is not only good for our employees, it is also good for our business, including with respect to gender, ethnicity, geographical location, personal attributes and age. However, due to the current size of the Company, a Diversity Policy and measureable objectives for achieving gender diversity have not been established. The Board will seek to establish a Diversity Policy as the Company grows. The proportion of women employees in the consolidated entity as at 30 June 2017 are as follows: Women on the Board - 0% Women in Management position –36% Women in the Company - 43%	Does not comply

NOVOGEN LIMITED
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Australia
ABN 37 063 259 754

	(including how the entity has defined "senior executive" for these purposes); or ii. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		
1.6	A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Board undertakes an annual review of its performance. The Chairman conducts individual reviews of each Director every year. The performance of the Chairman is reviewed collectively by the Directors. The Board evaluated the performance of its committees and, following such review, restructured all the committees, their functions and memberships. Updated committee charters were made available on the Company's website. A Board performance review was carried out during the year.	Complies
1.7	A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Board undertakes an annual review and assessment of the Company's executive management. Formal performance and salary review occurs once a year for the senior executives by the Remuneration Committee. A review was carried out during the year.	Complies
Principle 2: <u>Structure the Board to add value</u> A listed entity should have a Board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.			
2.1	The Board of a listed entity should: a) have a Nomination Committee which: i. has at least three members, a majority of whom are independent Directors; and ii. is chaired by an independent Director,	The Company has a Remuneration and Nomination Committee. The Board may, from time to time, perform directly the role of the Nomination Committee. When evaluating potential director nominees, the Board or the committee consider the listing requirements of the ASX as well as a potential nominee's personal and professional integrity, experience in corporate management, time available for service, experience in the Company's industry, global business and social perspective, experience as a board member of another	Complies

NOVOGEN LIMITED
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Hornsby NSW 2077
Australia
ABN 37 063 259 754

	and disclose: iii. the charter of the Committee; iv. the members of the Committee; and v. as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a Nomination Committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	publicly-held Company, ability to make independent analytical inquiries and practical business judgment. The Board and the committee strive to nominate directors with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills, and expertise to oversee the Company's business. After potential nominees are evaluated, the Directors collectively assess a potential nomination to the Board. The Board may retain, at the Company's expense, any independent search firm, experts or advisors that it believes are appropriate in connection with the nomination process.	
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	The Board currently does not have Board skill matrix that is available to the public. However, the Board has undertaken a review of the mix of skills and experience of the Board in light of the Company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board and its senior management is sufficient to meet the requirements of the Company.	Does not comply
2.3	A listed entity should disclose: a) the names of the Directors considered by the Board to be independent Directors; b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and	The Directors are: • Mr Bryce Carmine is an independent Non-Executive Director, appointed on 3 June 2015. • Mr Steven Coffey is an independent Non-Executive Director, appointed on 6 November 2012. • Mr Iain Ross, Chairman, is a Non-Executive Director, appointed on 22 July 2015. Mr Ross acted as CEO from 22 July 2015 to 31 January 2016. He is now considered to be independent. • Dr James Garner is an Executive Director, appointed on 5 February 2016. Dr Garner is also Chief Executive Officer of the Company.	Complies

NOVOGEN LIMITED
Level 5, 20 George St
Hornsby NSW 2077
Australia
ABN 37 063 259 754

	c) the length of service of each Director.		
2.4	A majority of the Board of a listed entity should be independent Directors.	The majority of Directors on the Board are independent. The independent Directors are: • Mr Bryce Carmine; • Mr Steven Coffey; and • Mr Iain Ross.	Complies
2.5	The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	On 5 February 2016, Mr John O'Connor was appointed as Chairman of the Board of Directors and he remained in that role until 8 June 2017. He was an independent director during that period. Mr Iain Ross was appointed as Chairman on 8 June 2017.	Complies
2.6	A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.	The Board provides an appropriate induction program for new Directors, which includes onsite visits, meeting with other Directors, introduction to senior executives and management team, presentation of the Company's scientific programs. Directors have the opportunity for professional development through programs operated by the Australian Institute of Company Directors.	Complies
Principle 3: Act ethically and responsibly **A listed entity should act ethically and responsibly.**			
3.1	A listed entity should: a) have a code of conduct for its Directors, senior executives and employees; and b) disclose that code or a summary of it.	The Board has adopted a Code of Business Conduct and Ethics (the 'Code'). The Code establishes a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct. The Code confirms the Company's belief in treating all individuals with respect and recognises that different skills and diversity are essential to enrich the Company's perspective, improve corporate performance, increase shareholder value and maximise the achievement and goals of the Company. The Code of Business Conduct Ethics is available on the Company's website.	Complies

NOVOGEN LIMITED
Level 5, 20 George St
Hornsby NSW 2077
Australia
ABN 37 063 259 754

		Under the Company's Securities Trading Policy, Directors, officers and employees of the Company should not trade in the Company's securities when he or she is in possession of price sensitive information that is not generally available to the market. Directors and senior management are likely to be in possession of unpublished price sensitive information concerning the Company by virtue of their position within the Company. Therefore those persons are restricted from dealing in the Company's securities in the period from year end or half year end until the business day after the release of full year or half year results. Similarly, those persons are restricted from trading in the 28 day period prior to the Company's AGM and a similar period prior to the lodgement of a prospectus with ASX. In addition, Directors, officers and employees can only deal in the Company's securities after having first obtained clearance from the Company, and must notify the Company Secretary when a trade has occurred.	

Principle 4: Safeguard integrity in corporate reporting

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

NOVOGEN LIMITED
Level 5, 20 George St
Hornsby NSW 2077
Australia
ABN 37 063 259 754

4.1	The Board of a listed entity should: a) have an Audit Committee which: i. has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and ii. is chaired by an independent Director, who is not the chair of the Board, and disclose: iii. the charter of the Committee; iv. the relevant qualifications and experience of the members of the Committee; and v. in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or	The Board has established an Audit, Risk and Governance Committee which operates under an Audit, Risk and Governance Committee Charter to focus on issues relevant to the integrity of the Company's financial reporting. The Audit, Risk and Governance Committee Charter, and information on procedures for the selection and appointment of the external auditor, and for the rotation of the external audit engagement partner, which is determined by the Audit, Risk and Governance Committee, is available on the Company's website. The members of the Audit, Risk and Governance Committee are appointed by the Board and recommendations from the Committee are presented to the Board for further discussion and resolution. The members of the Audit, Risk and Governance Committee are independent non-executive Directors and the Chair of the Audit, Risk and Governance Committee is an independent non-executive Director. The Audit, Risk and Governance Committee meets as required. The members of the committee and the number of meetings held during the last financial year is disclosed in the Directors' Report. The external auditor, Grant Thornton, has declared its independence to the Board through its representations to the committee and provision of its Auditor's Independence Declaration to the Board, stating that there have been no contraventions of auditor independence requirements as set out in the Corporations Act or any auditors' professional code.	Complies

NOVOGEN LIMITED
Level 5, 20 George St
Hornsby NSW 2077
Australia
ABN 37 063 259 754

	b) if it does not have an Audit Committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	The Chief Executive Officer, Company Secretary and Director of Finance and Administration state in writing to the Board each reporting period that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with relevant accounting standards. The statements from the Chief Executive Officer, Company Secretary and Director of Finance and Administration are based on a formal sign off framework established throughout the Company and reviewed by the Audit Committee as part of the six-monthly financial reporting process. .	Complies
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The engagement partner (or his or her representative) of the Company's external auditor, Grant Thornton, attends the Company's annual general meetings and is available to answer questions from shareholders about the audit. The Chairman advises the shareholders of this at the commencement of each annual general meeting.	Complies
Principle 5: Make timely and balanced disclosure **A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.**			
5.1	A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.	The Company has adopted a Continuous Disclosure Policy, to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001. The policy is available on the Company's website. The Company Secretary is responsible for communications with the Australian Securities Exchange (ASX) including responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing information going to the ASX, shareholders and other interested parties.	Complies
Principle 6: Respect the rights of security holders			

NOVOGEN LIMITED
Level 5, 20 George St
Hornsby NSW 2077
Australia
ABN 37 063 259 754

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company publishes all the information about itself, its governance, its corporate actions and its operations on its website. The Company allows the general public to subscribe to the Company newsletter, which is designed to keep investors and other stakeholders abreast of the latest relevant information.	Complies
6.2	A listed entity should design and implement an investor relations program to facilitate effective two way communication with investors.	In the light of its size and resources, the Company has engaged an external partner to implement and manage its investor relation program and public relations. The Company has disclosed on its website a Shareholder Communications Policy, relevant to all the Company's stakeholders, including its security holders. The policy sets out the Company's commitments to its shareholders regarding the communication of information.	Complies
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Shareholders are also encouraged to participate in the Annual General Meeting (AGM) to ensure a high level of accountability and identification with the Company's strategies and goals. Important issues are presented to shareholders as separate resolutions. Shareholders who are unable to attend the AGM may vote by appointing a proxy using the form included with the Notice of Meeting or via the online facility. Shareholders have the possibility to submit their questions prior to any general meeting by contacting the Company directly.	Complies
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company always give its security holders the possibility to use electronic communication, whether it is to vote at a general meeting, receive various documentation, receive Company update or contact its representatives.	Complies
Principle 7: Recognise and manage risk **A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.**			
7.1	The Board of a listed entity should: a) have a Committee or Committees to oversee risk, each of which: i. has at least three members, a majority of whom are independent Directors; and ii. is chaired by an independent Director, and disclose:	The Board has established a, Audit Risk and Governance Committee which operates under an Audit, Risk and Governance Committee Charter to focus managing risk and review, discuss and approve the corporate governance policies. However, the ultimate responsibility for risk oversight and risk management rests with the Board. The Audit, Risk and Governance Committee Charter is available on the Company's website. The members of the committee are appointed by the Board and recommendations from the committee are presented to the Board for further discussion and resolution.	Complies

NOVOGEN LIMITED
Level 5, 20 George St
Hornsby NSW 2077
Australia
ABN 37 063 259 754

	iii. the charter of the Committee; iv. the members of the Committee; and v. as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a risk Committee or Committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	The members of the Audit, Risk and Governance Committee and the number of meetings held during the last financial year is disclosed in the Directors' Report. The members of the Risk and Governance Committee are independent non-executive Directors and the Chair of the Audit, Risk and Governance Committee is an independent non-executive Director.	
7.2	The Board or a Committee of the Board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place.	The Company has identified key risks within the business. In the ordinary course of business, management monitor and manage these risks. Key operational and financial risks are presented to and reviewed by the Board periodically. Senior executives report to the Directors at each meeting of the Board as to the risks that have been identified, how they are handled or mitigated and the evolution of such risk as the Company continues to operate. The identification, assessment and review process takes place at each board meeting throughout the reporting period. The Board will seek to establish a formal risk management framework as the Company grows.	Partially Complies
7.3	A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Due to its size and resources, the Company does not have a dedicated internal audit function. However it utilises internal and external processes in lieu of a dedicated internal audit program. A number of different approaches are utilised in that respect, such as: • Use of peer reviews, whether internal and external; • Engagement of highly qualified advisory panel (i.e. medical advisory boards); • Engagement of external experts such as legal and accounting firms to review compliance of the Company's operations and reporting processes; • Use of external audit firms to review international financial reporting;	Complies

NOVOGEN LIMITED
Level 5, 20 George St
Hornsby NSW 2077
Australia
ABN 37 063 259 754

		• Internal fraud control processes via policies (i.e. code of conduct and ethics, securities trading…).	
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Company has embraced responsibility for the Company's actions and encourages a positive impact through its activities on the environment, employees, communities and stakeholders. Due to its size, the Company's exposure to economic, environmental and social sustainability risks is very low and cannot be considered as material.	Complies
Principle 8: Remunerate fairly and responsibly **A listed entity should pay Director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.**			
8.1	The Board of a listed entity should: a) have a Remuneration Committee which: i. has at least three members, a majority of whom are independent Directors; and ii. is chaired by an independent Director, and disclose: iii. the charter of the Committee; iv. the members of the Committee; and v. as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a Remuneration Committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	The Board has established a Remuneration and Nomination Committee and has adopted a Remuneration Committee and Nomination Charter. This Charter is available on the Company's website. The members of the Remuneration and Nomination Committee and the number of meetings held during the last financial year is disclosed in the Directors' Report. The members of the Remuneration and Nomination Committee are in majority independent non-executive Directors and the Chair of the Remuneration Committee is a non-executive Director. The Company complies with the guidelines for executive remuneration packages and Non-Executive Director remuneration. The remuneration structure has been disclosed in the remuneration report, contained within the Directors' report. No senior executive is involved directly in deciding his or her own remuneration. The Company does not have any schemes for retirement benefits other than superannuation for Non-Executive Directors. The Directors receive superannuation payments included in their Directors' fee, as disclosed in the Directors' Report.	Complies
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-	The Company discloses its policies and practices in relation to the remuneration of non-executive Directors and the remuneration of executive Directors and other	Complies

NOVOGEN LIMITED
Level 5, 20 George St
Hornsby NSW 2077
Australia
ABN 37 063 259 754

	executive Directors and the remuneration of executive Directors and other senior executives.	senior executives in the Remuneration Report included in the Company's Annual Report.	
8.3	A listed entity which has an equity-based remuneration scheme should: a) Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) Disclose that policy or a summary of it.	The Shareholders have approved the Employee Share Options Scheme on 4 March 2015, which applies to the Company's employees, but excludes Directors. An extensive summary of the scheme was disclosed to the market in the Notice of Meeting preceding the General Meeting. The scheme does not allow those who are granted options from entering into arrangements that limit their exposure to share price decreases in relation to unvested options.	Complies