ASX:NRT

NASDAQ:NVGN

Novogen Ltd
(Company)

ABN 37 063 259 754

Capital Structure

Ordinary Shares on issue:

168 M

Board of Directors

Dr Graham Kelly
Chairman &
Executive Director

Steve Coffey
Non Executive Director

John O'Connor
Non Executive Director

Ian Ross
Non Executive Director

Prof Peter Gunning
Non Executive Director

ASX RELEASE
12 November 2014

ANNUAL GENERAL MEETING – CHAIRMAN'S ADDRESS

Fellow Shareholders,

Novogen has come an extraordinary distance in 12 months. Drug development is by its very nature a slow and thorough process. But to reach a point where we have developed 4 new drugs, each capable of changing the face of chemotherapy, is a truly remarkable achievement.

If the last 12 months has been about drug discovery, the next 12 months will be about bringing those drugs into the clinic. That means we are facing even greater change and growth over the next 2 years. So my address today will look at what changes and infrastructure the Board intends to put in place to manage this growth.

Let me start with the achievements of this past year.

This time last year we had just entered into a joint venture - CanTx Inc. - with Yale University and we had just started the process of identifying that company's lead candidate drug. We also had just bedded down the acquisition of the anti-tropomyosin drug technology and had initiated the long and complex process of turning theory into practice. Twelve months on these two opportunities have emerged as the two key value-drivers in the Company's portfolio.

CanTx now has its drug candidate, Cantrixil, and that product is well on its way into the clinic. Cantrixil has the potential to change the face of chemotherapy for tens of thousands of cancer patients around the world. We believe it is the first drug specifically developed to be injected into the body's two main cavities – the peritoneal cavity and the pleural cavity – with the capacity to seek out and destroy cancer stem cells, the cells responsible for starting cancer, spreading it, and reforming a cancer after therapy.

We are targeting late-stage ovarian cancer for our first Phase 1 study. We certainly aren't the only company working in this field, and some of those companies are reporting seeing some halting of the cancer process. But as yet nobody is achieving eradication of the cancer, which we believe is an achievable objective with Cantrixil, based on what we already know about the product.

A second Phase 1 study of Cantrixil will be tackling a broader, and arguably much more important, clinical target. This study will involve a condition known as malignant ascites. This is a terminal condition that involves cancer of the ovary, uterus, breast, pancreas, stomach and large bowel as well as lymphomas. This is a very common condition for which no effective anti-cancer therapy exists.

Both of these indications are associated with poor survival prospects. Both lack any effective therapies and therefore represent significant unmet clinical needs. We believe that Cantrixil represents an opportunity to deliver meaningful benefit to these patients.

Turning to the anti-tropomyosin (or ATM) drug technology. Dr Justine Stehn later will be reviewing where we stand with this program, and more particularly how we are no more than days away from identifying our lead candidate compound. The fact that we have reached this point in the space of 8 months, again, is testament to the skills and talents of the Novogen team of chemists and biologists. This drug may not have the anti-cancer power of Cantrixil and its super-benzopyran stablemates, but it has the potential to be just as widely used in the clinic.

The ATMs destroy one-half of a cancer cell's cytoskeleton. That's the half that the commonly-used drugs such as taxanes and vinca alkaloids don't destroy. But when put them together, the killing effect of an ATM + a taxane or a vinca alkaloid is profound, with the whole of the cancer cell's cytoskeleton being destroyed. With drugs such as docetaxel and vincristine already being among the most widely used drugs in chemotherapy, and the ability of an ATM drug to increase their effectiveness, you can see that the opportunity for an ATM drug is considerable.

It is worth noting that with these two technologies, we are moving cytotoxic chemotherapy into a new era. While other companies are exploring the as yet unproven areas of cancer vaccines, immune check-point inhibitors and gene silencing drugs, Novogen is working in a proven, validated area. We know cytotoxic chemotherapy works, because that has been the backbone of cancer therapy for the last 50 years. It just hasn't worked well enough to bring long-term remission for the majority of cancer patients. What we have seen with our two drug technologies to date makes us believe that we now have the potential to achieve that goal.

I want to point out that these achievements have been possible largely through a debt-equity facility that provided us with $6 million over this past year.

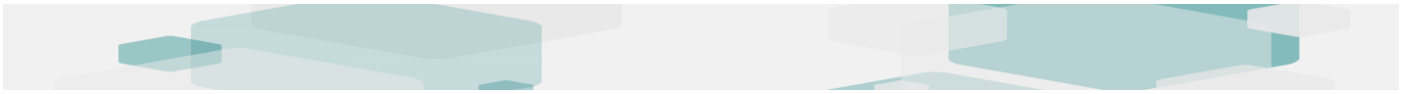
Which brings me to the matter of funding and how we are going to pay for the year ahead.

It's a challenging time for biotech. More so when you have a small market cap and are at the pre-clinical phase. But the story will strengthen as we move closer to, and then into the clinic, which should bring the Company more and more to the attention of the market.

The recent capital-raising via the ASX Bookbuild facility was meant to kick-start the funding process for the coming year. It was never going to provide everything that we would need, so we had taken the precaution of initiating various alternative sources of funding to provide a mix of funding sources. The Bookbuild was not as successful as we would have hoped, nevertheless we still managed to raise $1.8M despite the challenges in Australia of the Medibank Private float etc. When added to our anticipated Tax Incentive R&D rebate, this gives us the necessary capital to continue progressing our programs whilst considering the various funding offers on the table.

We have received a number of offers of debt-equity and we are considering these for the short-term. We also have various direct investment opportunities to consider in the medium-term.

Funding is going to be an increasing focus for us as we move into the clinic and the Board has adopted a number of changes to address this growing need.



The first of those is that our Deputy Chairman, John O'Connor, will be taking a more hands-on approach and will assume responsibility for raising funds from the capital markets. That will be combined with the efforts of one of the Novogen office staff dedicated to sourcing non-dilutive funding.

The second is that I am going to step down as Chairman before Christmas and hand that role to my fellow director, Iain Ross. Iain has extensive experience at the helm of companies, including biotech companies, and brings an enormous wealth of experience in steering young companies through their formative years.

What these two changes mean is that I am freed up to focus more on the day-to-day running of the Company, something that is becoming more pressing as we move into the clinic.

Novogen has enormous growth prospects. I have a vision in mind for where Novogen can be in 5 years' time. The strategies we are putting in place now are designed to get us there.

To long-standing shareholders, I thank you for your support and patience. To our newer shareholders, welcome aboard and share with us the excitement and satisfaction as we seek to make a meaningful difference to the lives of hundreds of thousands of patients with cancer around the world.

Yours faithfully,

Dr. Graham Kelly
Executive Chairman & CEO Novogen Group

Corporate Contact
Dr. Graham Kelly
Executive Chairman & CEO Novogen Group
Graham.Kelly@novogen.com
+61 (0) 2 9472 4100