



**Incannex Healthcare Limited
ACN 096 635 246**

NOTICE OF EXTRAORDINARY GENERAL MEETING

For an extraordinary general meeting of the Company to be held online at www.investor.automic.com.au and at the offices of Thomson Geer at Rialto South Tower, Level 39, 525 Collins Street, Melbourne on 17 September 2021 at 11:00am (Melbourne time).

The Board considers that the health, safety and welfare of the Company's staff, its Shareholders and other stakeholders to be paramount. Accordingly, the number of physical attendees at the Meeting will be limited to the maximum number of attendees permitted based on the relevant Government regulations and guidelines in force at the time of the Meeting. As it is unlikely that all Shareholders will be permitted to attend the Meeting in person should they choose to do so, the Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform, where Shareholders will be able to watch, listen, and vote online. Details of how to access the virtual Meeting are contained in the Notice of Meeting.

The Chair will adjourn the Meeting if the number of Shareholders attending the Meeting will lead to a violation of relevant Government laws and regulations on crowds and gatherings.

This Notice of Meeting and the accompanying Explanatory Memorandum do not constitute financial product advice, and do not constitute an offer to sell, or an offer to buy, securities in the United States or any other jurisdiction.

Any securities described in this Notice of Meeting and in the accompanying Explanatory Memorandum have not been registered under the US Securities Act of 1933 and may not be offered or sold in the United States unless the securities are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act and applicable US state securities laws is available.

This Notice of Meeting and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matters in this Notice of Meeting please do not hesitate to contact the Company Secretary by telephone on +61 417 935 552.

INCANNEX HEALTHCARE LIMITED
ACN 096 635 246

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an extraordinary general meeting of shareholders of Incannex Healthcare Limited (**Company**) will be held virtually and at the offices of Thomson Geer, Rialto South Tower, Level 39, 525 Collins Street, Melbourne on 17 September 2021 at 11:00am (Melbourne time) (**Meeting**).

Terms and abbreviations used in the Notice and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

BUSINESS OF THE MEETING

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form both form part of this Notice.

In light of the COVID-19 global pandemic, the implementation of social distancing requirements and the restrictions imposed by State Governments on gatherings of individuals and inter and intra state travel, the Board has decided that special arrangements will apply for the Meeting.

The Board considers that the health, safety and welfare of the Company's staff, the Shareholders, and other stakeholders to be paramount. Accordingly, the Meeting will have very limited numbers in person therefore also be held virtually and will be accessible to all Shareholders via a live webcast, further details of which are set out below.

Shareholder participation in the Meeting is important to the Company and while there will not be a physical location accessible to most Shareholders, Shareholders can participate online in real-time, including asking questions and voting during the Meeting. The Company strongly encourages all Shareholders who wish to vote to do so by:

- (a) participating in the virtual meeting and casting a vote online; or
- (b) appointing a proxy (and where desired, direct the proxy how to vote on the Resolution) by completion and returning the Proxy Form.

ATTENDING AND PARTICIPATING IN THE MEETING ONLINE

The Company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform, where Shareholders will be able to watch, listen, ask questions and vote online.

If you choose to participate online on the day of the Meeting you will be able to view a live webcast of the Meeting, ask the Directors questions online and submit your vote in real time.

Due to Governmental restrictions, only very limited numbers (if any) will be able to attend the Meeting in person. Therefore, virtual attendance is strongly encouraged.

To access the virtual meeting, you will need to:

- (a) Open your internet browser and go to www.investor.automic.com.au.
- (b) Login with your username and password or click “**register**” if you haven’t already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.**
- (c) After logging in, a banner will be displayed at the top once the meeting is open for registration, click on “**View**” when this appears.
- (d) Click on “**Register**” and follow the steps.
- (e) Click on the URL to join the webcast where you can view and listen to the virtual meeting.
- (f) Once the Chair of the Meeting has declared the poll open for voting click on “**Refresh**” to be taken to the voting screen.
- (g) Select your voting direction and click “**confirm**” to submit your vote. **Note that you cannot amend your vote after it has been submitted.**

A reasonable opportunity will be given to Shareholders as a whole to ask questions of the Directors in connection with the Resolution.

VOTING ELIGIBILITY

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 15 September 2021 at 7:00pm (Melbourne time).

QUESTIONS

Shareholders will have the opportunity to submit questions during the Meeting in respect to the formal items of business to be conducted at the Meeting.

VOTING AT THE MEETING

The passing of the Resolution arising at this Meeting will be decided by a poll. Upon a poll, every person who is present in person or by proxy, corporate representative, or attorney, will have one vote for each Share held by that person.

Shareholders are strongly urged to vote by proxy prior to the Meeting. Shareholders can complete the Proxy Form to provide specific instructions on how their vote is to be exercised on each Resolution. The Chair of the Meeting **MUST** and **WILL** follow the Shareholder’s instructions if the Chair is appointed as proxy. Instructions for voting by proxy are set out on the Proxy Form.

VOTING IN PERSON

Due to COVID-19 induced restrictions, attendance at the Meeting in person will be very limited (if allowable at all). Therefore, it is unlikely that you will be able to vote and attend the Meeting in person. To vote online during the Meeting via the virtual meeting, refer to the virtual meeting details above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61) 417 935 552.

AGENDA

Meeting Resolutions

Resolution – Approval for issue of Shares in connection with a US public offer and listing on Nasdaq

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution:

"THAT for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 180 million fully paid ordinary shares in the Company (represented by American Depositary Shares) in connection with the Company's proposed IPO and listing on Nasdaq on the terms as more particularly described in the Explanatory Memorandum."

Dated: 19 August 2021

By order of the Board

Madhukar Bhalla
Company Secretary

INCANNEX HEALTHCARE LIMITED
ACN 096 635 246

EXPLANATORY MEMORANDUM

Section 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held on 17 September 2021 at 11:00am (Melbourne time).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolution will be voted.

The Meeting referred to in the Notice is being held so that the Shareholders can consider the Resolution.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolution:

Section 1	Introduction
Section 2	Voting Exclusions
Section 3	Action to be taken by Shareholders
Section 4	Resolution – Approval for the issue of Shares in a US public offer with listing on Nasdaq
Schedule 1	Definitions

A Proxy Form is located at the end of this Explanatory Memorandum.

Section 2. Voting Exclusions

2.1 Resolution

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) any person (and/or their nominee(s)) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person or those persons.

2.2 Exception

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Section 3. Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolution.

3.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person (to the extent that attendance in person at the Meeting is permitted).

To vote by proxy, please complete and sign the enclosed Proxy Form and return it by:

1. post to:

Incannex Healthcare Limited
C/- Automic Group
PO Box 5193
SYDNEY NSW 2001; or

2. in person at:

Automic Group
Level 5, 126 Phillip Street
SYDNEY NSW 2000

3. facsimile to Automic Group on facsimile number +61 2 8583 3040;

4. email to meetings@automatic.com.au,

so that it is received not later than 15 September 2021 at the same time of day as the time of the Meeting (Melbourne time). Proxy Forms received later than this time will be invalid.

3.2 Important Information

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that body corporate's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

If you appoint the Chair as your proxy and do not direct him how to vote, you are authorising the Chair to cast your undirected vote in favour of the Resolution.

Section 4. Approval for issue of Shares in connection with a US public offer and listing on Nasdaq

4.1 Background

This Section provides further information relating to the Resolution.

The Company is proposing to undertake an initial public offering in the United States (**IPO**) with a listing on the Nasdaq Capital Market (**Nasdaq**) of American Depositary Shares (**ADSs**) representing the Company's Shares, which will remain listed on the Australian Securities Exchange (**ASX**).

In connection with the IPO, the Company will establish an American Depositary Receipt Program with Deutsche Bank Trust Company Americas, acting as Depositary, to be able to register the ADSs in the IPO. ADSs are a depository instrument, like CHESS Depository Interests (CDIs), and are not a separate class of securities. Holders of ADSs will not have any greater rights than holders of ordinary shares.

The Company, as announced to ASX on 18 August 2021, has submitted a draft registration statement on Form F-1 to the US Securities and Exchange Commission relating to the potential IPO and listing of the Company on Nasdaq.

Under the IPO, the Company would issue ordinary shares in the form of ADSs. Each ADS will represent 50 fully paid ordinary shares in the Company. At the date of this Notice, the number of ADSs and Shares to be issued, and the amount to be raised, under the IPO are yet to be determined. The actual number of ADSs (and underlying ordinary shares) and the issue price payable per ADS applied for under the IPO will be determined by the Company in conjunction with the underwriter of the IPO (**Underwriter**) at the conclusion of the roadshow for the IPO.

Although the amount to be raised and the number of Shares and ADSs to be issued in connection with the IPO are yet to be determined, the Company has resolved that the issue price of Shares will be not less than 80% of the volume weighted average price for Shares traded on ASX calculated over the 5 days on which sales in the Shares are recorded before the date on which the issue is made.

As is customary with underwriting arrangements for an initial public offer in the United States, the Company will enter into an underwriting agreement with the Underwriter. The underwriting agreement will be structured so that the Underwriter agrees (subject to usual conditions and termination events) to purchase all of the ADSs offered under the IPO. Once the ADSs have been issued to the Underwriter, the Underwriter would seek to promptly resell those securities to investors who have indicated their intention to purchase such securities in the IPO. The Company intends to use the funds raised from the sale of the ADSs to further the Company's clinical trials, for working capital and other general corporate purposes.

The United States has one of the world's largest capital markets and the Company believes it can most effectively access those markets through an IPO and listing in the United States. The Board also believes that a Nasdaq listing would facilitate greater market efficiency and participation, which may promote great creation for both the Company's current investors and future international investors.

Following the Company's proposed listing on Nasdaq, the Company intends to continue to maintain its primary listing on the ASX. As a result, the Company will need to comply with the

rules and regulations applicable to companies listed on ASX and Nasdaq (subject to receipt of any relief or waivers from either exchange). The Shares would continue to trade on ASX and the Company's ADSs would trade on Nasdaq.

Shares would be exchangeable for ADSs trading on Nasdaq and ADSs would be exchangeable for Shares trading on ASX. The IPO and listing on Nasdaq and their timing are subject to market conditions and, as a result, there can be no assurance that the Company will proceed with or complete the IPO and list the ADSs on Nasdaq or, if it does, at what price the ADSs would be sold.

Any material developments in respect of the proposed IPO and listing on Nasdaq which may occur after the issue of this Notice and before the Meeting will be announced to ASX.

4.2 Shareholder Approval

Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity, if the number of those securities exceeds 15% of the total number of equity securities on issue at the commencement of that 12 month period. An issue of equity securities, which has been approved by Shareholders under Listing Rule 7.1, does not count toward a company's placement capacity.

The Company is also an eligible entity under Listing Rule 7.1A, which means it currently has an additional placement capacity of up to an additional 10% of the total number of equity securities on issue at the commencement of the relevant period.

As noted above, Listing Rule 7.1 prevents the Company, subject to certain exceptions, from exceeding its placement capacity (which, in the Company's case, is expanded under Listing Rule 7.1) without Shareholder approval. Without the approval sought in the Resolution, the Company would be restricted with respect to the number of securities that the Company may issue under the IPO and within the next 12 months to the Company's existing placement capacity under Listing Rule 7.1 and Listing Rule 7.1A. This may not be sufficient to achieve the Company's objectives with respect to the IPO and, even if it is, the Company's capacity to issue any additional Shares in the 12 months following completion of the IPO will be severely restricted.

Accordingly, for the IPO to proceed and for the Company to achieve its funding objectives and maintain flexibility to issue additional Shares following completion of the IPO, the Company must be able to issue a number of Shares in excess of the Company's existing placement capacity.

Accordingly, the Company is seeking the approval of its Shareholders under ASX Listing Rule 7.1 to issue up to 180 million Shares, so that the issue of these Shares will not count towards the Company's existing placement capacity. It is possible that more than 180 million Shares will be issued by the Company under the IPO. If this occurs then the number of Shares issued that exceed 180 million Shares will be issued under the Company's existing placement capacity under Listing Rules 7.1 and 7.1A.

The ASX Listing Rules require this Notice to specify, among other things:

- (a) the number of Shares for which this approval is being sought; and
- (b) the issue price per Share or the minimum issue price per Share (which may be expressed as a formula) in respect of the issue sought to be approved.

However, importantly, the number of ADSs (and underlying Shares) and the issue price payable per ADS (and underlying Shares) applied for under any IPO will not be determined until closer to the pricing of the IPO (if the Company proceeds with the IPO).

In framing these required disclosures, the Company needs to retain flexibility in respect of the determination of the size and pricing of the IPO so that its funding objectives can be attained.

To comply with ASX's requirements, and to retain flexibility, the Board has determined that:

- (a) the maximum number of Shares for which approval is sought is 180 million Shares; and
- (b) the issue price per Share will be no less than 80% of the volume weighted average price for Shares traded on ASX calculated over the 5 days on which sales in the Shares are recorded before the date on which the issue is made.

The actual number of Shares the Company issues under the IPO may be more or less than the number of Shares for which approval is being sought. The actual number of Shares the Company issues will depend on various factors, including the level of demand under the IPO and the price at which the ADSs are able to be issued. For example, the higher the price achieved under the IPO, the fewer number of Shares that may need to be issued to achieve the Company's funding objectives.

In addition, under ASX Listing Rules 7.1 and 7.1A, the Company may also choose to utilise its placement capacity. As noted above, the Company will use its existing placement capacity in respect of any Shares issued under the IPO that exceed the 180 million Shares the subject of the Resolution.

If the Resolution is not passed, the Shares to be issued will count towards the Company's placement capacity, effectively placing a cap on the number of equity securities it can issue in the IPO. This may detrimentally impact the Company's ability to raise capital under the IPO and achieve its funding objectives because it will mean that the maximum number of Shares that may be issued under the IPO, and in the next 12 months without shareholder approval, will be limited to the Company's existing placement capacity.

4.3 Requirements of ASX Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided in relation to the Resolution:

- (a) As the Shares are being issued under an IPO, the names of the allottees are unknown at this time. It is anticipated that the potential applicants for ADSs will be primarily American investors.
- (b) The maximum number of Shares for which approval is sought is set out above, being 180 million Shares.
- (c) The Shares to be issued will be issued within 3 months of the date of the Meeting.
- (d) The minimum issue price per Share is set out above, being 80% of the volume weighted average price for Shares traded on ASX calculated over the 5 days on which sales in the Shares are recorded before the date on which the issue is made.
- (e) The purpose of the issue, including the intended use of the funds, is set out above, being the furtherance of the Company's clinical trials, working capital and other general corporate purposes

4.4 Voting Exclusions

Some voters may not be allowed to vote on the Resolution. Please refer to the Voting Exclusion in Section 2.

4.5 Board Recommendation

The Directors believe the Resolution is in the best interests of the Company and unanimously recommend that all Shareholders entitled to vote on the Resolution, vote in favour of the Resolution.

The Chair intends to exercise all available proxies in favour of the Resolution.

Schedule 1 - Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

ADSs means American Depository Shares.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

ASX Listing Rule(s) or Listing Rule(s) means the listing rules of ASX.

Board means the board of Directors.

Chair means the person appointed to chair the Meeting convened by the Notice.

Company means Incannex Healthcare Limited (ACN 096 635 246).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

IPO means initial public offering.

Meeting means the meeting convened by the Notice.

Nasdaq means the Nasdaq Capital Market.

Notice means this notice of extraordinary general meeting which comprises of the notice of Meeting, agenda, Explanatory Memorandum and Proxy Form.

Proxy Form means the proxy form attached to the Notice.

Resolution means the resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (AEST) on Wednesday 15 September 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

