

Incannex to Issue Loyalty Options to Shareholders

Highlights:

- Loyalty Options will be issued for nil consideration to Eligible Shareholders at a ratio of one (1) free Loyalty Option for every fifteen (15) shares held at 5:00 Australian Eastern Standard Time on the record date, 23 March 2022
- Loyalty Options will have an exercise price of A\$0.35, expiring 22 April 2022, and, if exercised, will result in the issue of a second Piggy-back Option
- Piggy-back Options will be issued for nil consideration at a ratio of one (1) for every two (2) Loyalty Options exercised by the expiry date
- Piggy-back Options will have an exercise price of A\$1.00, expiring 28 April 2023
- Loyalty Option and Piggy-back Options are intended to reward loyal shareholders who have supported Incannex to its current stage of development and particularly after recent clinical trial success with IHL-42X for Obstructive Sleep Apnoea
- Option package facilitates additional funding from existing shareholders for extensive clinical trial endeavours ramping up in 2022 and 2023.

Melbourne, Australia, March 18, 2022 – Incannex Healthcare Limited (Nasdaq: IXHL) (ASX: IHL), ('Incannex' or the 'Company') a clinical-stage pharmaceutical company developing unique medicinal cannabis pharmaceutical products and psychedelic medicine therapies for unmet medical needs, today announced that it intends to undertake a Loyalty issue of options (Loyalty Options) to all shareholders with an address in Australia or New Zealand (Eligible Shareholders) at 5:00pm Australian Eastern Standard Time (Sydney time) on the Record Date (set out in the indicative timetable set out below).

For every fifteen (15) shares held at 5:00 pm (Sydney time) on the Record Date, Eligible Shareholders will be issued with one (1) free Loyalty Option. The Loyalty Options will have an exercise price A\$0.35 each, expiring on Friday April 22, 2022, and, if exercised, will each result in the allotment and issue of one (1) fully paid ordinary share in Incannex.

Each Loyalty Option, if exercised, will result in the issue of a second Piggy-back option (Piggy-back Option), issued for nil consideration at a ratio of one (1) for every two (2) Loyalty Options exercised by the expiry date. The Piggy-back Options will have an exercise price A\$1.00 each, expiring on Friday April 28, 2023, and, if exercised, will each result in the allotment and issue of one (1) fully paid ordinary share in Incannex. Incannex will not seek approval to list either the Loyalty Options or the Piggy-back Options on ASX. Incannex anticipates that holders of American Depository Shares (ADSs) on Nasdaq will also be eligible to participate.

“Incannex has a remarkable base of shareholders who understand our company, our clinical programs and high ambitions”, said Mr Joel Latham, CEO and MD of Incannex. “The loyalty option is intended to reward our loyal shareholders whilst simultaneously assisting Incannex with the funding requirement for the next phase of development. Our research is highly focused on completing the clinical trials

necessary to commercialise our sophisticated cannabinoid and psychedelic medicines developed for prescription, or administration, by health professionals”.

Indicative timetable for the Issue of Bonus Options and Additional Options

Announcement of Loyalty Option Offer	Friday, 18 March 2022
Record Date for Loyalty Option	Wednesday, 23 March 2022
Lodgement of Prospectus with ASIC	Friday, 25 March 2022
Lodgement of Prospectus and Appendix 3B with ASX	Friday, 25 March 2022
Issue of Loyalty Options and despatch of holding statements	Thursday, 31 March 2022
Loyalty Option Offer Closing Date	Thursday, 31 March 2022
Loyalty Option expiry date	Friday, 22 April 2022
Issue of Shares on the exercise of Loyalty Options and despatch of holding statements	Friday, 29 April 2022

As the dates set out above are indicative only, the Company reserves the right to amend them subject to the requirements of the Corporations Act and the ASX Listing Rules. The Prospectus will be available for download from the ASX platform under Announcements or the Company’s website www.incannex.com.au, as from the date of lodgement of the Prospectus with ASIC. A paper copy may be obtained from that time free of charge, by contacting Mr Madhukar Bhalla, Incannex’s Company Secretary by email at madhu@incannex.com.au.

Eligible Shareholders are not obliged to take any action in relation to the issue of the Bonus Options.

This announcement has been approved for release to ASX by the Incannex board of directors.

ENDS



Date: March 18, 2022
Public Announcement (NASDAQ: IXHL) (ASX: IHL)

About Incannex Healthcare Limited

Incannex is a clinical stage pharmaceutical development company that is developing unique medicinal cannabis pharmaceutical products and psychedelic medicine therapies for the treatment of anxiety disorders, obstructive sleep apnoea (OSA), traumatic brain injury (TBI)/concussion, lung inflammation (ARDS, COPD, asthma, bronchitis), rheumatoid arthritis and inflammatory bowel disease. U.S. FDA approval and registration, subject to ongoing clinical success, is being pursued for each drug and therapy under development. Each indication represents major global markets and currently have no, or limited, existing registered pharmacotherapy (drug) treatments available to the public. IHL has a strong patent filing strategy in place as it develops its products and therapies in conjunction with its medical and scientific advisory board and partners.

Website: www.incannex.com.au

Investors: investors@incannex.com.au

Forward-looking statements

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are made as of the date they were first issued and were based on current expectations and estimates, as well as the beliefs and assumptions of management. The forward-looking statements included in this press release represent Incannex's views as of the date of this press release. Incannex anticipates that subsequent events and developments may cause its views to change. Incannex undertakes no intention or obligation to update or revise any forward-looking statements, whether as of a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing Incannex's views as of any date after the date of this press release.

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