Incannex

Capital Raising Presentation

December 2022

ASX Ticker: IHL | NASDAQ Ticker: IXHL

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Executive Summary

Company Overview	• Incannex Healthcare (NASDAQ: IXHL, ASX:IHL) is a world leader in the development of novel cannabinoid pharmaceuticals and psychedelic therapies • Diversified portfolio of clinical and pre-clinical stage candidates: 28 drug candidates for a broad range of under met medical conditions in either pre-clinical, Phase 1 or Phase 2 clinical studies; 6 lead candidates and 22 acquired via the recent acquisition of APIRx Pharmaceuticals • Combination cannabinoid drugs (CBD or THC combined with existing expired-patent pharmaceutical compounds) observed to have superior therapeutic outcomes to cannabinoids and the partner compound alone in sleep apnoea, traumatic brain injuries and various inflammatory conditions. • High unmet need provides large market opportunities – Incannex is pursuing therapies with combined global market opportunity of US$420 billion. • Recently completed acquisition of APIRx strategically expands intellectual property portfolio; 19 patents and 27 provisional applications. Granted patents offer up to 20 years of commercial exclusivity • Focus on commercialisation: project ideation is completed and now working towards FDA and EMA development programs for drug registration and marketing approval, as well as over the counter sales opportunities in the near term • There are 39 milestones/catalysts expected by H1 2024
Benefits of the IHL drug development model	• Incannex pipeline includes a combination of cannabinoid drugs observed to have superior therapeutic outcomes to the partner compound alone in targeted indications • Unique formulations with broad IP protection; granted and pending patents for manufacturing methods, drug formulations and methods of use to treat a range of conditions. • Clinical trials are relatively low cost compared to traditional therapeutics due to the low costs of manufacturing • Established safety profile and existing manufacturing agreements in place
Promising Phase 2 trial in Obstructive Sleep Apnea (OSA)	• Incannex intends to file an IND application with the FDA in Q1 2023 following positive Phase II results from its Australian clinical trial data on Obstructive Sleep Apnea (OSA), a US$10Bn market – Low dose IHL-42X reduced AHI (breathing interruptions) in trial participants by an average of 50.7% compared to baseline – 25% of participants experiencing a reduction in AHI of greater than 80% – Oxygen desaturation index was reduced by an average of 59.7%, relative to baseline which improved patient sleep quality and reduced cardiovascular stress • OSA has no current approved therapies. Current standard of care (CPAP) suffers from low adherence. • Incannex expects to commence a US phase II clinical trial in 2023 with interim results expected to be available in Q4 2023 • OSA is a major unmet medical need • Next trial will be a pivotal Phase 2/3 with the opportunity to achieve breakthrough designation and or registration with the FDA • Upcoming trial is relatively low cost, with a large patient cohort
Capital raising fully funding the company into 2025	• Incannex is undertaking an institutional Placement of approximately $13 million at 0.205 per share • Each share issued under the Placement will receive one free attaching option with an exercise price of $0.285 and expiry date of 31 December 2025 • Pro-forma cash post raising of $A45 million, which with the expected R&D rebates will fully fund the company's clinical programs into 2025

Our mission *in action*

01 **Market leader**

Incannex Healthcare (NASDAQ: IXHL, ASX: IHL) is a leader in the development of novel cannabinoid pharmaceuticals and psychedelic therapies.

02 **Diversified portfolio**

Diversified portfolio of candidates: clinical and pre-clinical studies have established proof of concept over 28 drug candidates for a broad range of under-met medical conditions representing major economic opportunities. Incannex is not a “one trick pony”.

03 **Backed by patents**

Pharmaceuticals backed by patents: recently completed acquisition strategically expands intellectual property portfolio; Incannex owns 19 patents and 27 provisional applications. Granted patents offer up to 20 years of commercial exclusivity.

04 **Purposefully distinct**

Purposefully distinct from other medicinal cannabis companies: combination cannabinoid drugs (CBD or THC combined with existing expired-patent pharmaceutical compounds) observed to have superior therapeutic outcomes to cannabinoids and the partner compound alone in sleep apnoea, traumatic brain injuries and various inflammatory conditions.

05 **Commercial focus**

Focus on commercialisation: project ideation is completed, and we are now working towards FDA and EMA development programs for drug registration and marketing approval, as well as over the counter sales opportunities in the near term.

28 Projects

over which proof of concept has been established in either pre-clinical, phase 1 or phase 2 clinical studies.

Established drug formulations with data packages necessary for regulatory applications.

Proof of concept data from pre-clinical and clinical studies supporting the proposed therapeutic applications.

Regulatory filings for multiple drug products.

Granted and pending patents for manufacturing methods, drug formulations and methods of use to treat a range of conditions.

– *Covers the entire drug development process from raw materials to patient dosing.*

Different cannabinoid development strategy than IHL's current programs.

– *Recently completed acquisition of APIRx adds unique cannabinoid formulations and delivery mechanisms protected by patent.*

Clinical Project	Addressable Market Opportunity (in US$)	Stage of Development	Regulatory Stage of Development	Next Steps	Relevant Patents
IHL-42X Obstructive Sleep Apnoea	$10.4B (U.S.)	Phase 2A completed	FDA Pre-IND completed	IND opening study	1x Pending Deemed novel & inventive
IHL-675A Inflammatory Lung Disease	$50.4B (U.S.) by 2022	Pre-clinical completed	FDA Pre-IND completed	Phase 1 CT	2x Pending Deemed novel & inventive
IHL-675A Rheumatoid Arthritis	$57B (U.S.) by 2022	Pre-clinical completed		Phase 1 CT	2x Pending Deemed novel & inventive
IHL-675A Inflammatory Bowel Disease	$20B (U.S.) by 2021	Pre-clinical completed		Phase 1 CT	2x Pending Deemed novel & inventive
IHL-216A TBI/Concussion	$2.9B in 2019	Pre-clinical completed	FDA Pre-IND scheduled (Sept. 2022)	IND opening study	2x Pending Deemed novel & inventive
Psi-GAD Generalized Anxiety Disorder	8M people (U.S. & AUS)	Phase 2A ongoing	FDA Pre-IND completed	Phase 1	Drafting
MedChew™-1401 Pain and Spasticity in Multiple Sclerosis	$62B (Global) in 2021 (a)	Pre-clinical	Pre-IND completed in NL and Switzerland	Phase 1	Granted
MedChew™ GB Post-herpatic Neuralgia	$3.7B (U.S.) by 2027 (n)	Pre-clinical	FDA Pre-IND	Phase 1	Granted
MedChew™-1502 Parkinson's Disease	$8.05B (Global) by 2027; 6.5% CAGR (l)	Pre-clinical	FDA Pre-IND	Phase 1	Granted
MedChew™-1503 Dementia	$23.9B (Global) by 2028; 7.9% CAGR (m)	Pre-clinical	FDA Pre-IND	Phase 1	Granted
MedChew™ RL Restless Legs Syndrome	12.1.% prevalence of U.S. pop. (j)	Pre-clinical	FDA Pre-IND	Phase 1	Granted
MedChew™ Dronabinol Nausea and Vomiting in Chemotherapy	$3.1B (Global) by 2024 (e)	Phase 1A completed	FDA Pre-IND completed	Phase 1B	Granted
APIRx 1505 Flotex Gastro: Chrohn's Disease	$12.6B (Global) by 2024 (k)	Pre-clinical	Pre-regulatory	Phase 1	Drafting

(a) Frost & Sullivan Market Report as commissioned by APIRx, Sept. 2021

(d) Frost & Sullivan Market Report as commissioned by APIRx, Sept. 2021, market opportunity is Irritable Bowel Syndrome / Disease

(e) Healdkeepers, "Chemotherapy Induced Nausea and Vomiting (CINV) Drugs Market Research Report, History and Forecast 2022-2027", Jan. 2, 2022

(j) Straits Research: Home Care Sleep Screening Devices Market

(k) Heraldkeepers,"Crohn's Disease Drugs Market Research Report 2022: Prospects, Trends Analysis, Market Size and Forecasts to 2027", Jan. 2, 2022

(l) Global Market Insights,"Parkinson's Disease Therapeutics Market", Base Year 2020

(m) Accurize Market Research,"Dementia Drugs Treatment Market", Nov. 27, 2021

(n) Comserve,"U.S. Shingles Vaccine Market", Jan. 4, 2022

(r) Coherent Market Insights "Inflammatory Bowel Disease Market Analysis", Sept. 2021.

Clinical Project	Addressable Market Opportunity (in US$)	Stage of Development	Regulatory Stage of Development	Next Steps	Relevant Patents
CanChew Plus Gastro: IBS	$40B (U.S.) in 2021 (d)	Phase 2A Completed	Pre-IND, ethical approval	Phase 2B	Granted
CanChew RX Gastro: IBD	$2.78B (U.S.) by 2028 (r)	Pre-clinical	Pre-regulatory	Phase 1	Granted
SuppoCan (Suppository) Gastro: IBD	$2.78B (U.S.) by 2028 (r)	Pre-clinical	Pre-regulatory	Phase 1	Granted
Oraximax Gingivitis and Periodontitis	$42B (U.S. and Europe) in 2021 (a)	Clinical Stage	510(k) pre-market submission to FDA	Phase 2	Granted
CheWell Addiction: Cannabis Dependence	$64B (U.S.) in 2021 (c)	Pre-clinical	Pre-IND ready for submission	Phase 1	Drafting
CanQuit Addiction: Tobacco Smoking Cessation	$47.75B (Global) by 2024, 17.3% CAGR (o)	Pre-clinical	Pre-regulatory	Phase 1	Granted
CanQuit O Addiction: Opioid Addiction	$64B (U.S.) in 2021 (c)	Pre-clinical	Pre-regulatory	Phase 1	Granted
APIRx-1601 Skin: Vitiligo	$0.1B (Global) in 2021 (b)	Phase 2 completed	Pre-IND drafting	Phase 1	2x Granted, 1x Pending
APIRx-1602 Skin: Psoriasis	$0.5B (Global) in 2021 (b)	Phase 2A completed	Pre-IND drafting	Phase 1	2x Granted, 1x Pending
APIRx-1603 Skin: Atopic Dermatitis	$1.1B (Global) in 2021 (b)	Phase 2A completed	Pre-IND drafting	Phase 1	2x Granted, 1x Pending
APIRx-1701 Opth: Glaucoma	$10.4B (Global) by2026, 6.3% CAGR (g)	Pre-clinical	Pre-regulatory	in vitro studies	Granted
APIRx-1702 Opth: Dry Eye Syndrome	$6.6B (Global) by 2027, 6.4% CAGR (p)	Pre-clinical	Pre-regulatory	in vitro studies	Granted
APIRx-1801 Ultrapure THC	$31.5B (Global) by 2030; 18.6% CAGR (q)	Developed			Granted
APIRx-1802 Ultrapure CBD	$31.5B (Global) by 2030; 18.6% CAGR (q)	Developed			Granted
APIRx-1803 Ultrapure CBG	$31.5B (Global) by 2030; 18.6% CAGR (q)	Developed			Granted

(b) Frost & Sullivan Market Report as commissioned by APIRx, Sept. 2021, market opportunity is medications and other, where other includes visits to physicians, in/out patient costs

(c) Frost & Sullivan Market Report as commissioned by APIRx, Sept. 2021, market opportunity is Adolescent Substance Abuse

(g) ResearchandMarkets, "Outlook on the Glaucoma Therapeutics Global Market", 2020-2026", Oct. 22. 2021

(o) Worldwide Market Reports,"Smoking Cessation and Nicotine De-Addiction Products Market", May 2018

(p) Future Market Insights,"Dry Eye Syndrome Treatment Market", July 2017

(q) Precedence Research "Cannabis Extract Market", Mar. 2020; includes THC, CBD, CBG and other

Benefits of the IHL drug development model

- Combines cannabinoids with generic drugs with the goal of achieving synergistic activity, resulting in improved efficacy and safety.
- Drug synergy provides the opportunity to secure a patent position for the combination products. Synergy is inherently non-obvious and inventive.
- Cannabinoids act by modulating signaling through interactions with cannabinoid and other receptors. Generic partners are selected to have mechanisms that are independent from those targeted by cannabinoids. Differences in mechanism of action are what underlie drug synergy.
- Selecting target indications for which there is established evidence for a therapeutic effect for cannabinoids and the selected generic partners at a clinical or pre-clinical level de-risks IHL development programs. We know the drugs have effects on their own, we just need to demonstrate that there is a benefit to the combination.
- Using active pharmaceutical ingredients which are already approved in other drug products provides the opportunity to use the toxicology data that has already been reviewed and approved by regulatory agencies via pathways such as FDA505(b)2. This reduces the time and cost of drug development as well as reducing the risk as we select generic partners with acceptable toxicological profiles for use in combination with cannabinoids.
- Use of cannabinoids and generic drug products that are already approved also means there are cGMP certified drug substance manufacturers/suppliers with DMFs filed with the FDA. Data in the DMFs can be used in regulatory filings including IND and NDA applications. This also reduces the time and cost of drug development as Incannex does not need to generate quality and stability data on the drug substance.
- Targeting unmet medical needs means IHL's drug products are eligible for expedited review and approval programs with the FDA and other regulatory agencies.

6 The six categories of opportunity

Incannex intellectual property

15
Lead Drug Candidates

Addressable Market Estimate
$290bn
per year

13
Secondary Drug/treatment Candidates

Addressable Market Estimate
$120bn
per year

3
Near Term Revenue Opportunities

Potential Revenue Estimate
$100m
per year

3
Novel Drug Delivery Systems

Potential Revenue Estimate
$150m
per year

3
Commercial, Agricultural & Industrial Technology

Potential Revenue Estimate
$40m
per year

2
Psychedelic Treatment Therapies

Potential Revenue Estimate
$2bn
per year

Leadership Team

Joel Latham
Managing Director and CEO

Joel Latham is the CEO and Managing Director of Incannex Healthcare and is responsible for the Company's commercial operations, strategic decision-making, and oversight of all clinical development assets. Joel has over 15 years commercial management and executive experience, working for a range multi-national publicly traded companies.

Troy Valentine
Chairman of the Board of Directors

Troy Valentine has been Chairman of the Board of Directors since December 2017. Troy is a finance professional with extensive managerial and Board experience.

Peter Widdows
Non-Executive Director

Peter Widdows is the former CEO covering a large part of Asia and Australasia for the H. J. Heinz Co. He is also the Non-Executive Chairman of Sunny Queen Australia, Australia's largest egg and egg based meal producer and a Non-Executive Director of Youi - a general insurance company. Peter has extensive experience as a senior executive/CEO in many geographies including the UK, USA, Asia and Australasia. He is also a Fellow Chartered Accountant.

George Anastassov, MD DDS, MBA
Non-Executive Director

Dr. Anastassov is one of the developers of the first-in-the-world cannabinoid-containing chewing gum-based delivery system among a number of other systems and formulations. Previously, he was CEO and Co-founder of AXIM Biotechnologies, driving market capitalization to over USD $1.2 billion.

Robert Clark
Non Executive Director

Robert Clark is currently the Vice President, Regulatory Affairs for Novo Nordisk in the United States. He joined Novo Nordisk in 2012 after spending over 20 years at Pfizer in roles of increasing responsibility in the regulatory field. Robert has over 35 years of US and global regulatory experience. Under his leadership, his regulatory teams have received US FDA approvals for a large number of medicines across various therapeutic areas.

Madhukar Bhalla
Company Secretary

Madhukar "Madhu" is an experienced company secretary who has previously worked with multiple ASX-listed companies and is proficient in corporate governance, company administration, financial management and corporate law.

Dr Mark Bleackley
Chief Scientific Officer

Dr Bleackley has a PhD in Genetics from the University of British Columbia with post-doctoral training at La Trobe University and Australian biotechnology company Hexima Ltd. He oversees all research and development activities at Incannex, from proof-of-concept to commercialization.

Rosemarie Walsh
Vice President, Clinical Operations

Rosemarie Walsh has a degree in Applied Biology from RMIT University and over 20 years experience in clinical trials including concept/design, start-up, conduct and close out, having worked for global and local contract research organizations and global pharma. As VP clinical operations, Rosemarie oversees all aspects of Incannex's clinical trials.

Lekhram Changoer, MSc
Chief Technical Officer

Mr. Changoer is responsible for the Company's R&D, clinical and product development, commercial operations, quality assurance, Sales and Marketing of technical, consumer healthcare and pharmaceutical products. He has co-developed several cannabinoid patents.

IHL-42X Obstructive Sleep Apnea

Problem

People suffering from OSA (Obstructive Sleep Apnea) have interrupted breathing while asleep. It's a highly prevalent condition and current treatments have poor patient compliance. There are no approved pharmacotherapies for OSA.

Solution

IHL-42X has two active pharmaceutical ingredients (Dronabinol and acetazolamide) that target OSA through different pathways. Dronabinol binds to cannabinoid receptors, modulates signalling, and activates muscles that dilate the airway whereas acetazolamide induces metabolic acidosis which signals to the body that there is excess CO_2 in the blood, inducing the taking of a breath. IHL-42X is intended to decrease the required dose of each of the component drugs by targeting the two mechanisms for reducing Apnea Hypopnea Index simultaneously.

Addressable Market

US$10B[1]

Estimated sleep apnea device market

6.2%[1]

Annual Growth Rate

(1) https://www.grandviewresearch.com/industry-analysis/sleep-apnea-devices-market

* IHL-42X Australian clinical trial investigating safety and efficacy in OSA patients.

Unblinded and confidential interim clinical data provided to the patent examiner.

Patent application considered novel and inventive.

Clinical development status

Asset	Preclinical	Phase 2a CT	FDA Pre-IND	FDA IND	FDA Phase 2/3	Anticipated Milestones
IHL-42X Obstructive Sleep Apnea*						Commence BA/BE study Open FDA IND and commence IND opening trials 2023

Strategic composition of dronabinol and acetazolamide makes IHL-42X an exciting novel potential treatment for OSA.

Dronabinol

- Synthetic form of (-)-trans-Δ9-tetrahydrocannabinol (THC).
- Approved in US for treatment of HIV/AIDS induced anorexia and chemotherapy induced nausea and vomiting.
- Dampens afferent vagal feedback, stabilizes respiratory patterns and dilates upper airway.
- Two clinical trials to demonstrate effectiveness in reducing AHI in patients with OSA.

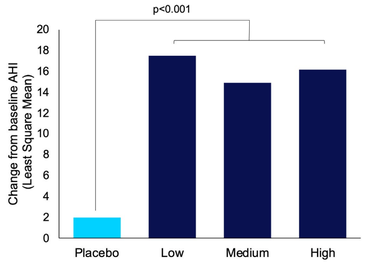
Acetazolamide

- Carbonic anhydrase inhibitor.
- Used to treat glaucoma, altitude sickness, epilepsy and other indications.
- Increases the difference between prevailing PCO_2 and apnoeic PCO_2.
- Demonstrated as an effective treatment for OSA in 14 clinical studies.

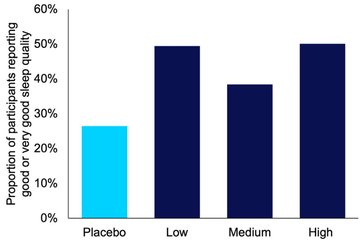
Pivotal Phase 2/3 clinical trials to commence in 2023 with the opportunity to achieve breakthrough designation and or registration with the FDA

IHL-42X OSA proof of concept clinical trial results

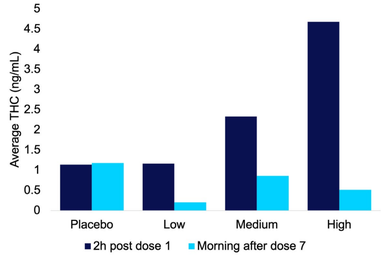
Participants completed a single blind placebo treatment period followed by three double blind IHL-42X treatment periods, each with a different dose strength of IHL-42X. Each treatment period was seven days with an overnight sleep study on night seven to determine AHI and other secondary endpoint data. Blood samples were collected the morning after the sleep study and analyzed for THC content.



IHL-42X reduced AHI at all three dose strengths with the low dose being most effective, reducing AHI by 50.7 % relative to baseline with 25% of subjects' AHI reduced by >80%.



Subjects reported improved sleep quality during IHL-42X treatment periods compared to placebo.



With low dose IHL-42X, THC was cleared below the common threshold for impaired driving (1 ng/mL) by the morning after dosing.

- IHL-42X also improved oxygen desaturation index and sleep efficiency.
- There were less adverse events reported during low dose IHL-42X treatment periods than placebo, which indicates that IHL-42X was well tolerated.
- Low dose IHL-42X performed the best in this clinical trial. It yielded the greatest reduction in AHI, the greatest improvement in sleep quality, the fewest number of adverse events and THC levels were below the threshold for impaired driving the morning after dosing.

IHL-675A Novel multi-use drug candidate

Pulmonary inflammation model

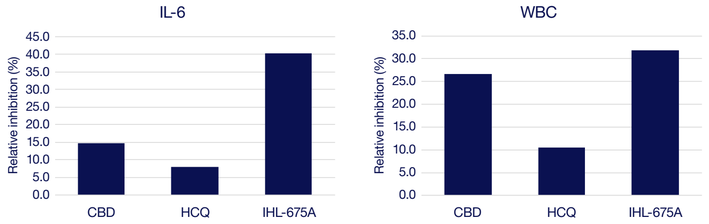
Mice were treated with IHL-675A, CBD or Hydroxychloroquine (“HCQ”) prior to induction of pulmonary inflammation. Lung fluid was collected and analyzed for inflammatory markers.

Rheumatoid arthritis model

Rheumatoid arthritis was induced in rats for 17 days followed by treatment with IHL-675A, CBD or HCQ for 14 days. Joints were monitored for swelling during the treatment period and at the end of the study the joint tissue was analyzed for damage via microscopy.

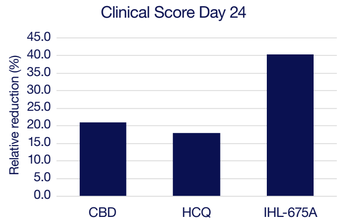
Inflammatory bowel disease model

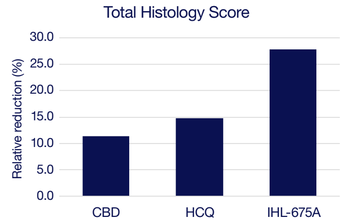
To assess the potential for IHL-675A in treatment of inflammatory bowel disease a mouse ulcerative colitis model was used. Colitis was induced prior to treatment with IHL-675A, CBD or HCQ. On day 5, the mice were sacrificed and the colon removed for analysis.



IHL-675A treated animals had a greater reduction in inflammatory markers in lung fluid, including white blood cells and the cytokine IL-6, than animals treated with either CBD or HCQ alone. This pattern was observed for other inflammatory cytokines.

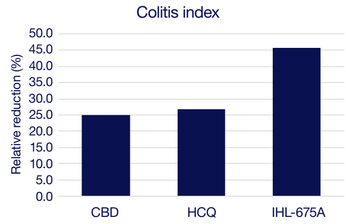
This indicates IHL-675A has the potential to treat lung inflammation.

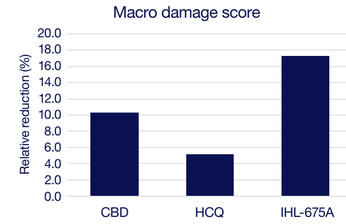




IHL-675A treated animals had a greater reduction in clinical score, a composite based on joint swelling and the histology score, which is a composite based on post-mortem analysis of joint tissue, than animals treated with either CBD or HCQ alone.

This indicates IHL-675A has the potential to treat rheumatoid arthritis.





Animals treated with IHL-675A had a greater reduction in macroscopic damage score and colitis index, a composite measure of the microscopic damage indicative of colitis severity, than animals treated with either CBD or HCQ.

This indicates IHL-675A has the potential to treat inflammatory bowel disease.

IHL-675A Lung Inflammation

Programs 2 of 6

Problem

Inflammation is a major contributing factor to a range of lung diseases. Many patients don't respond, or experience side-effects, with current drug treatments.

Solution

IHL-675A targets two components of the inflammatory pathway by combining two anti-inflamamtory drugs, CBD and hydroxychloroquine sulfate. Incannex has demonstrated that CBD and hydroxychloroquine sulfate synergistically reduce inflammatory markers in an animal model of lung inflammation.

Addressable Market

US$50.4B[(3)]

Projected global COPD & asthma drugs market by 2022

3.7%[(3)]

Projected annual growth rate from 2016 to 2022[3]

(3) https://www.alliedmarketresearch.com/asthma-COPD-drug-market

Clinical development status

Asset	Preclinical	FDA Pre-IND	Phase 1 CT	FDA IND	FDA Phase 2	FDA Phase 3	Anticipated Milestones
IHL-675A Inflammatory Lung Disease#							Complete Phase 1 CT Open FDA IND Phase 2 CT 2023

IHL-675A Australian clinical trial investigating safety and pharmacokinetics in healthy volunteers.

IHL-675A Rheumatoid Arthritis

Programs 3 of 6

Problem

Inflammation is a major contributing factor to rheumatoid arthritis.
Many patients do not respond to current drug treatments.

Solution

IHL-675A targets two components of the inflammatory pathway by combining two anti-inflamamtory drugs, CBD and *hydroxychloroquine sulfate. Incannex has demonstrated that IHL-675A reduced disease severity in an animal model of rheumatoid arthritis to a greater extent than either CBD or hydroxychloroquine sulfate alone.

Addressable Market

US$57B[4]

Rheumatoid arthritis drugs market

(4) https://www.alliedmarketresearch.com/rheumatoid-arthritis-RA-drugs-market#:~:text=The%20global%20rheumatoid%20arthritis%20drugs,pain%20and%20inflammation%20in%20joints

*Hydroxychloroquine was politicized in 2020 due to misconceptions about its use as an anti-viral treatment for Covid-19, however, anti-inflammatory and other properties of hydroxychloroquine are well established and it is shown to act synergistically with CBD as described in an Incannex patent application

Clinical development status

Asset	Preclinical	Phase 1 CT	FDA IND	FDA Phase 2	FDA Phase 3	Anticipated Milestones	
IHL-675A Rheumatoid Arthritis#						Complete Phase 1 CT FDA Pre-IND meeting	FDA IND Phase 2 CT 2023

IHL-675A Australian clinical trial investigating safety and pharmacokinetics in healthy volunteers.

IHL-675A Inflammatory Bowel Disease

Programs 4 of 6

Problem

Inflammation is a major contributing factor to inflammatory bowel disease. Many patients do not respond to current drug treatments.

Solution

IHL-675A targets two components of the inflammatory pathway by combining two anti-inflamamtory drugs, CBD and hydroxychloroquine sulfate. Incannex has demonstrated that IHL-675A reduced disease severity in an animal model of inflammatory bowel disease to a greater extent than either CBD or hydroxychloroquine sulfate alone.

Addressable Market

US$20B+ (5)

Global market size in 2021

4.8% (5)

Projected annual growth rate from 2021 to 2028

(5) https://www.grandviewresearch.com/industry-analysis/inflammatory-bowel-disease-ibd-treatment-market#:~:text=The%20global%20inflammatory%20bowel%20disease,market%20over%20the%20forecast%20period

Clinical development status

Asset	Preclinical	Phase 1 CT	FDA IND	FDA Phase 2	FDA Phase 3	Anticipated Milestones	
IHL-675A Inflammatory Bowel Disease#						Complete Phase 1 CT FDA Pre-IND meeting	FDA IND Phase 2 CT 2023

IHL-675A Australian clinical trial investigating safety and pharmacokinetics in healthy volunteers.

IHL-216A Concussion

Programs 5 of 6

Problem

Concussion and minor TBI (Traumatic Brain Injury) have major long term effects which include cognitive deficits, depression and anxiety. Current recommendations are simply to avoid strenuous activities.

Solution

IHL-216A aims to improve recovery time by combining CBD and isoflurane to target inflammatory, oxidative and excitative components of the secondary injury mechanism of TBI.

Addressable Market

US$2.9B[6]

Global TBI market size in 2019

8.3%[6]

Projected annual growth rate from 2020 to 2027

(6) https://www.grandviewresearch.com/industry-analysis/traumatic-brain-injuries-tbi-assessment-management-devices-market

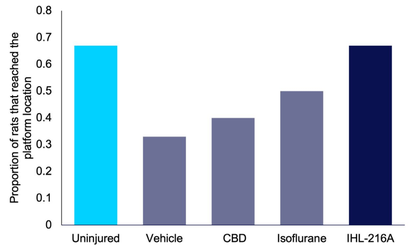
Clinical development status

Asset	Preclinical	FDA Pre-IND	Phase 1 CT	FDA IND	FDA Phase 2	FDA Phase 3	Anticipated Milestones
IHL-216A TBI/Concussion							Commencement of Phase 1 CT

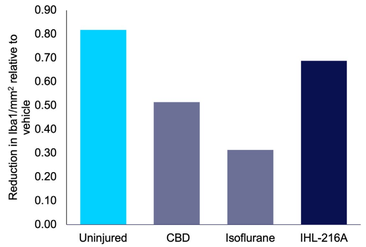
IHL-216A TBI animal model study results

Study 1

Rat controlled cortical impact model
Represents severe TBI



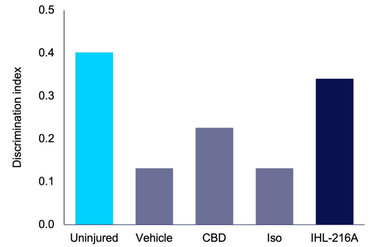
IHL-216A restored the spatial learning and memory deficit that occurs with TBI as assessed using the Morris water maze. The effect of IHL-216A was greater than either CBD or isoflurane monotherapy.



IHL-216 reduced neuroinflammation, assessed by determining levels of the neuroinflammatory marker Iba1 relative to the vehicle treated group, to a greater extent than either CBD or isoflurane monotherapy.

Study 2

Rat sports concussion model
Represents mild TBI



IHL-216A restored the spatial memory deficit that occurs with mTBI as assessed using the Y-maze. CBD only partially restored the deficit and isoflurane had no effect.

IHL-216A also restored the motor deficit and reduced neuronal cell death in rodents with TBI. These effects were greater than those observed with CBD and isoflurane monotherapies.

This model was developed by TBI researchers in collaboration with the NFL and NFLPA to accurately represent the types of TBI that occur during contact sports,

Psi-GAD Generalized Anxiety Disorder

Problem

GAD is diffuse, excessive, uncontrollable anxiety that is not restricted to any specific environmental circumstances. Treatment of GAD remains inadequate, with less than half of patients achieving remissions with currently accepted treatments.

Solution

Psilocybin works by facilitating access to fundamental causes of anxiety and providing an opportunity for patients to make real and lasting changes via psychotherapy.

Addressable Market

Programs 6 of 6

US & AUS COMBINED

8M people[2]

An estimated 7M people in the US and 1M in Australia have moderate to severe GAD at any point in time

(2) https://www.prnewswire.com/news-releases/global-generalized-anxiety-disorder-market-is-estimated-to-grow-at-25-cagr-to-reach-75-billion-by-2023-679279763.html

Clinical development status

Asset	Preclinical	FDA Pre-IND	Phase 2a CT	FDA IND	FDA Phase 2	FDA Phase 3	Anticipated Milestones
Psilocybin ("Psi-GAD") Generalized Anxiety Disorder+							Phase 2a mid trial results "readout" Q1 2023 Open FDA IND

+ PSI-GAD Australian clinical trial investigating safety and efficacy in GAD patients.

Psi-GAD Phase 2a trial design

World-first clinical trial prioritising scientific independence and rigour for the best patient outcomes

The Study

A phase 2 randomised triple-blind active-placebo-controlled clinical trial

Safety and Efficacy

The safety, efficacy and tolerability of psilocybin-assisted psychotherapy

Participants

72 participants that will experience two psilocybin or active-placebo dosing sessions

Psychotherapy

Up to 11 non-drug, specialist psychotherapy sessions over a period of 10 weeks

Primary Outcomes

Reduction in anxiety as measured using the Hamilton Anxiety Rating Scale

Secondary Outcomes

Quality of life, functional impairment and comorbidities

Analysis

A preliminary analysis of patient data will be conducted after 30 patients, full analysis at 72 patients

2B Planning

Preliminary analysis will inform the second part of the trial (n=42) and/or facilitate commencement of the phase 2b pivotal clinical trial

Use of Funds

Continued development of the six core Incannex assets	$7M AUD
Continued development of the acquired APIRx assets	$5M AUD
Offer costs, general working capital and corporate development	$1M AUD
Total	$13M AUD

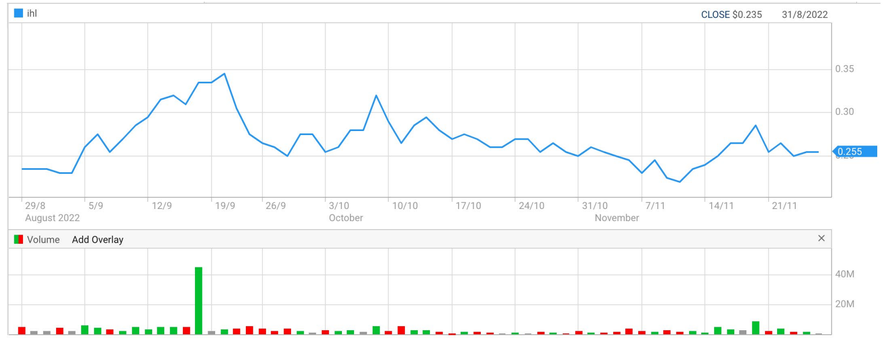
Significant Upcoming Milestones Over the Next 18 Months

Asset	Milestone	Expected Time
IHL-42X - Obstructive Sleep Apnea	Open IND	H1 2023
IHL-42X - Obstructive Sleep Apnea	Commencement of Phase 2/3 pivotal trials	H1 2023
IHL-42X - Obstructive Sleep Apnea	Phase 2/3 interim analysis	H2 2023
IHL-42X - Obstructive Sleep Apnea	Complete Bioavailability and Bioequivalence study	H2 2023
IHL-42X - Obstructive Sleep Apnea	Commence mechanism of Action Study	H2 2023
Psi-GAD - Generalised Anxiety Disorder	Phase 2 data readout	H1 2023
Psi-GAD - Generalised Anxiety Disorder	Open IND	H2 2023
Psi-GAD - Generalised Anxiety Disorder	Pivotal Phase 2 clinical trial	H2 2023
IHL- 675A - Rheumatoid Arthritis	Data readout from Phase 1 study	H1 2023
IHL- 675A - Rheumatoid Arthritis	Pre IND meeting with FDA	H1 2023
IHL- 675A - Rheumatoid Arthritis	Commencement of Phase 2 study	H1 2023
IHL- 675A - Rheumatoid Arthritis	Open IND	H2 2023
IHL-675A - Irritable Bowel Disease	Data readout from Phase 1 study	H1 2023
IHL-675A - Irritable Bowel Disease	Pre IND meeting with FDA	H2 2023
IHL-675A - Irritable Bowel Disease	Open IND	H1 2024
IHL-675A - Irritable Bowel Disease	Commencement of Phase 2 study	H2 2023
IHL-675A - Lung Inflammation	Data readout from Phase 1 study	H1 2023
IHL-675A - Lung Inflammation	File IND with FDA	H1 2024
IHL-675A - Lung Inflammation	Open IND	H1 2024
IHL-675A - Lung Inflammation	Pivotal Phase 2 clinical trial	H1 2024

Asset	Milestone	Expected Time
IHL-216A - Concussion and TBI	Phase 1 study commencement	H2 2023
IHL-216A - Concussion and TBI	File IND with FDA	H2 2023
IHL-216A - Concussion and TBI	Open IND	H2 2023
IHL-216A - Concussion and TBI	Pivotal Phase 2 clinical trial	H1 2024
APIRx - CanQuitO	Pre IND meeting with FDA	H1 2023
APIRx - CanQuitO	Open IND	H2 2023
APIRx - CanQuitO	Phase 2 clinical trial	H1 2024
APIRx - CanQuitN	Pre IND meeting with FDA	H1 2023
APIRx - CanQuitN	Open IND	H2 2023
APIRx - CanQuitN	Phase 2 clinical trial	H1 2024
APIRx - Renecann	Pre IND meeting with FDA	H1 2023
APIRx - Renecann	Open IND	H2 2023
APIRx - Renecann	Phase 2 clinical trial	H1 2024
APIRx - MedChewRx	Pre IND meeting with FDA	H1 2023
APIRx - MedChewRx	Open IND	H2 2023
APIRx - MedChewRx	Phase 2 clinical trial	H1 2024
APIRx - CheWell	Pre IND meeting with FDA	H1 2023
APIRx - CheWell	Open IND	H2 2023
APIRx - CheWell	Phase 2 clinical trial	H1 2024

Corporate Information

Shares on issue	1,523,593,695
Top 40 Shareholders	720,170,447 shares 47.27%
Market Capitalization ($A0.23 per ordinary share / USD $4.05 per ADS)	$350M AUD / $247M USD



75.5¢

All time high

03/03/2022

ASX share code: IHL | **NASDAQ code: IXHL**

Details of the Offer

Incannex is undertaking a capital raising of approximately A$13 million which will fund the company's clinical programs into 2025

Offer Structure and Size	• An institutional placement of approximately A$13m under the Company's existing ASX Listing Rule 7.1 capacity via the issue of approximately 63,414,634 million new fully paid ordinary shares (New Shares), representing approximately 4.2% of existing shares on issue **(Offer)**.
Offer Price	• Offer Price of $0.205 per share represents a: – 10.9% discount to the last close of $0.23 on 30 November 2022;
Attaching option	• Participants will receive one free attaching option for every one New Share acquired for under the Offer **(New Options)** • New Options will be unlisted and have an exercise price of $0.285 and expiry date of 31 December 2025
Ranking	• New Shares issued under the Offer will rank pari passu with existing Shares on issue • Shares issued on the exercise of the New Options will rank pari passu with existing Shares on issue
Lead Manager	• Bell Potter Securities Limited are acting as sole Lead Manager and Bookrunner to the Offer

Indicative Offer Timetable

Request for Trading Halt	Thursday, 1 December 2022
Announcement of Placement	Monday, 5 December 2022 (pre-market open)
Lodgement of Prospectus with ASX and ASIC	Monday, 5 December 2022
Opening Date for the Offer of Placement Options	Monday, 5 December 2022
Closing Date for the Offer of Placement Options	9.00am* Thursday, 8 December 2022
Issue of Placement Shares and Placement Options, dispatch of new holding statements and Quotation of Placement Shares on ASX	Friday, 9 December 2022

The timetable is indicative only and subject to change by the Company or Lead Manager

Sydney, Australia Time
*Melbourne, Australia Time

Risk Factors

There are a number of factors, both specific to Incannex and of a general nature, which may affect the future operating and financial performance of Incannex, the success of its clinical trial program, the industries in which it operates and the outcome of an investment in Incannex. There can be no guarantee that Incannex will achieve its stated objectives.

This section describes certain, but not all, risks associated with an investment in Incannex. Each risk set out below could, if it eventuates, have a materially adverse impact on Incannex's operating performance, financial performance, financial position, liquidity and the value of its shares.

Before deciding to invest in Incannex, potential investors should read the entire Presentation and the risk factors that could affect the performance of Incannex. You should carefully consider these factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Specific Risk Factors

The directors of Incannex believe that there are a number of specific factors that should be taken into account before investors decide whether or not to apply for new fully paid ordinary shares in Incannex. Each of these factors could have a materially adverse impact on Incannex, its plans and strategies and its financial performance and position. These include the following:

Research and development activities	• Incannex's future success is dependent on the results of its current and planned future clinical trials and whether Incannex's proposed treatments for medical conditions such as obstructive sleep apnoea, inflammatory lung disease, rheumatoid arthritis, inflammatory bowel disease and traumatic brain injury prove to be safe and effective treatments in the target therapeutic application. • Incannex's main products are in their experimental phase and in clinical development – therefore, product commercialisation and resulting product sales and revenue generation from such product sales is not scheduled to occur in the short term, and there is a risk it might not occur at all. To achieve the stage of product commercialisation, additional research and development is required – this involves, among other things, the ongoing clinical evaluation of safety and efficacy in clinical trials and regulatory approval prior to marketing authorisation. • Drug development is commonly associated with a high failure rate, and although Incannex's results to date have been promising, until Incannex is able to provide further clinical evidence of the ability of its products to improve outcomes in patients, the success of Incannex's products in development remains speculative. Research and development risks include uncertainty of the outcome of clinical trials, difficulties and delays in product development and the general uncertainty associated with the scientific development of pharmaceutical products.
Clinical development	• Clinical trials are inherently expensive and generally carry a high risk of failure. It is possible that Incannex's clinical trials will demonstrate that some or all of its products are unsuccessful, not efficacious or too costly to be viable. Negative or inconclusive clinical trial results can occur at each stage of development and although a number of Incannex's clinical trial results to date have been promising, the results of previous clinical trials are not necessarily indicative of future results. In addition, data obtained from clinical trials is susceptible to varying interpretations. Therefore, regulators may not interpret the data as favourably as Incannex – this may delay, limit or preclude receipt of regulatory approval.

Intellectual property rights	• Incannex may be forced to litigate, to enforce or defend its intellectual property rights against infringement and unauthorised use by competitors, and to protect Incannex's trade secrets. In so doing, Incannex's intellectual property may be put at risk of being invalidated, unenforceable, or limited or narrowed in scope. • Further, an adverse result in any litigation or defence proceedings may place pending patent or other intellectual property registration or protection applications at risk of non-issuance. In addition, if any licensor fails to enforce or defend their intellectual property rights, this may adversely affect Incannex's ability to develop and commercialise its current and future products and its ability to prevent competitors from making, using, and selling competing products. Any such litigation could be very costly and could distract management from focusing on operating Incannex's business. Further, because the content of much of Incannex's intellectual property concerns cannabis, psychedelics and other activities that are not legal in some jurisdictions, Incannex may face additional difficulties in defending its intellectual property rights.
Medicinal cannabis industry in Australia	• The medicinal cannabis industry in Australia is still in its relative infancy so many significant risks may arise. These risks include delays in the grant or variation of various licences and permits that can impact timeframes and the ability to generate revenue. There are also uncertainties associated with the medicinal cannabis legislative regime in Australia. There is a risk that a regulatory body could, in the future, change the application of these laws which may adversely impact Incannex. Despite cannabis having been legalised for medical use, cannabis continues to be categorised as a controlled substance and violations could result in significant civil or criminal fines and penalties, as well as potentially losing any licenses issued. Any such sanction would adversely affect the operation and financial performance of Incannex's business.
Psychedelic medicine industry in Australia	• The industry of psychedelic medicine in Australia is also in its infancy (and even more so than the medicinal cannabis industry) and so very significant risks may arise in this respect. These risks include the risk that relevant licences are never obtained or that, even if obtained, there are significant delays in the grant of such licences. These can impact timeframes and the ability to generate revenue. • There are also uncertainties associated with the legislative regime in Australia with respect to psychedelic medicine in that there is a risk that the legislative framework that is ultimately settled upon is more restrictive than would be needed for Incannex to continue to pursue this section of its business and operations.
Acquisition of APIRx Pharmaceuticals USA, LLC	• On 5 August 2022, the Company announced it had completed the acquisition of APIRx Pharmaceuticals USA, LLC (APIRx). The acquisition has resulted in 22 additional clinical and pre-clinical research and development projects being transferred to the Company as well as an intellectual property portfolio of 19 granted patents and 23 pending patents. • There is a risk that APIRx's projects cannot be properly integrated or suitably developed, for any number of reasons. In these circumstances, it is possible that the acquisition may not lead to the outcomes that Incannex believes are currently achievable. There is also a risk that the development of APIRx's projects may be more expensive than currently contemplated by Incannex. While Incannex has sought to protect the Company's interests through the negotiation of detailed representations, warranties and indemnities in the long form transaction documentation under which the acquisition of APIRx occurred, as well as conducting extensive due diligence and corporate strategy assessments of the APIRx assets, there is a risk that the acquisition of APIRx may not be a success.

Changes in laws and regulations	• Incannex's operations are subject to various laws, regulations and guidelines in Australia and territories in which Incannex proposes to operate, or to export to, including laws and regulations relating to health and safety, conduct of operations and the production, management, transportation, storage and disposal of products and of certain material used in operations. • Compliance with these laws and regulations requires compliance with complex Commonwealth, State and local laws. These laws change frequently and may be difficult to interpret and apply. Compliance with these laws and regulations requires the investment of significant financial and managerial resources, and a determination that Incannex is not in compliance with these laws and regulations could harm Incannex's brand image and business. • Changes to these laws or regulations could negatively affect Incannex's competitive position within the industry and the markets in which it operates, and there is no assurance that various levels of government in the jurisdictions in which Incannex operates will not pass legislation or regulation that adversely impacts the business. The effect of the administration, application and enforcement of the regimes established on the business in Australia and overseas, or the administration, application and enforcement of the laws of other countries by the appropriate regulators in those countries, may significantly delay or impact Incannex's ability to participate in the global market.
Key personnel	• Incannex is largely dependent on the performance of its management team and certain highly qualified employees, including scientists and other research and development personnel. • Qualified individuals are in high demand, and Incannex may incur significant costs to attract and retain them, particularly in the current employment environment. The loss of the services of any such personnel, or an inability to attract other suitably qualified persons when needed, could prevent Incannex from executing on its business plan and strategy, and Incannex may be unable to find adequate replacements on a timely basis, or at all. There are a limited number of persons with the requisite knowledge of the medicinal cannabis industry and the psychedelic medicine industry and with relevant experience in these niche industries.
Competition	• The pharmaceutical, nutraceutical and psychedelic industries are highly competitive and subject to rapid change. The industries continue to expand and evolve as an increasing number of competitors and potential competitors enter the market. Many of these competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and experience than Incannex. Some of these competitors and potential competitors have similar or more experience than Incannex in the development of pharmaceutical products, including validation procedures and regulatory matters. In addition, the products of Incannex compete with product offerings from large and well-established companies that have greater marketing and sales experience and capabilities than Incannex or its future collaboration partners may have. If Incannex is unable to compete successfully, it may be unable to generate, grow and sustain its revenue.
Technology, innovation and cyber security	• Incannex relies heavily on its information technology systems. Incannex's technologies and other systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication providers' failure, fire, natural disasters, terrorist acts, war or human error. These events may cause one or more of Incannex's systems to become unavailable. Any interruptions to these operations could impact Incannex's ability to operate and could result in business interruption, damaged reputation and weakening of competitive position. • Through the ordinary course of its operations, Incannex collects an array of confidential information. Cyber-attacks may compromise or breach the systems used by Incannex to protect confidential information. There is a risk that the measures taken by Incannex may not be sufficient to detect or prevent unauthorised access to, or disclosure of, such confidential information. Any data security breaches or any failure by Incannex to protect confidential information could result in the loss of information integrity, or breaches of Incannex's obligations under applicable laws or agreements.
Insurance	• Although Incannex maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. There is a possibility that an adverse event for Incannex occurs in respect of which there is no insurance or less than adequate insurance coverage.

General Risk Factors

Share market	• On completion of the Placement, the new fully paid ordinary shares in Incannex to be issued to the participants in the Placement (New Shares) may trade on ASX at higher or lower prices than the issue price. Investors who decide to sell their New Shares after the Placement may not receive the amount of their original investment. The price at which the New Shares trade on ASX may be affected by the performance of Incannex and by external factors over which Incannex has no control. • These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes. • Investors should consider the historical volatility of Australian and overseas share markets. • Incannex makes no forecast in regard to the strength of the equity and share markets in Australia and throughout the world.
Dependence on general economic conditions	• General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Incannex's business activities and potential research and development programs, as well as on its ability to fund those activities. • These factors are beyond the control of Incannex and Incannex cannot, with any degree of certainty, predict how they will impact on Incannex.
Litigation risk	• Incannex is exposed to possible litigation risks including, but not limited to, intellectual property claims. Further, Incannex may be involved in disputes with other parties in the future, which may result in litigation. Any such claim or dispute if proven, may impact adversely on Incannex's operations, financial performance and financial position. Incannex is not currently engaged in any litigation.
Legislative and regulatory changes	• Changes in legislation, government regulations and policies may adversely affect the financial performance or the current and proposed operations of Incannex (including Incannex's research and development programs).

Funding risk	• There is no guarantee that the monies raised under the Placement will be adequate or sufficient to meet the ongoing funding requirements of Incannex under its current business plan. If Incannex requires access to further funding at any stage in the future, there can be no assurance that additional funds will be available either at all or on terms and conditions which are commercially acceptable to Incannex. If Incannex is unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities, which could adversely affect its business.
Dependence on third parties	• Incannex may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products. There can be no assurance that Incannex will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.
COVID-19 overall impact	• The global economic outlook remains highly volatile due to the residual effects caused by the COVID-19 pandemic. • The ongoing repercussions of the COVID-19 pandemic may adversely impact Incannex's operations and are likely to be beyond the control of Incannex.
Speculative investment	• The above list of risk factors ought not to be taken as exhaustive of the risks faced by Incannex or by investors in Incannex. The above factors, and others not specifically referred to above, may in the future materially affect the performance of Incannex and the value of the securities offered under the Placement. Therefore, the shares to be issued pursuant to the Placement carry no guarantee with respect to returns of capital or the market value of those securities. Potential investors should consider that an investment in Incannex is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to the Placement.

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