



IGC Reports Financial Results for Fiscal Year Ended March 31, 2022

POTOMAC, MD. June 22, 2022 / India Globalization Capital, Inc. (“IGC” or the “Company”) (NYSE American: IGC) announces its financial results for Fiscal Year Ended March 31, 2022.

Highlights for Fiscal 2022:

- IGC completed the first-in-human safety and tolerability trial on its tetrahydrocannabinol (THC) based investigational new drug IGC-AD1. During the trial, the Company discovered positive signals for improving several neuropsychiatric symptoms including agitation in dementia associated with Alzheimer’s. Based on these signals, we are initiating a larger efficacy trial to test IGC-AD1 as a symptom modifying agent, specifically on agitation in dementia due to Alzheimer’s disease.
- The Company recently acquired rights to a family of naphthalene monoimide (“NMI”) molecules. TGR-63, a lead NMI molecule, is an enzyme inhibitor that has been shown in pre-clinical trials to reduce neurotoxicity in Alzheimer’s cell lines and improve memory in an Alzheimer’s mouse model. Subject to further study, research, and development, TGR-63 could give the Company a potential disease modifying agent and help expand the Company’s pursuit of a drug that can potentially treat or modify Alzheimer’s.
- The Company licensed a patent filing from the University of South Florida titled “Ultra-Low dose THC as a potential therapeutic and prophylactic agent for Alzheimer’s Disease.” The U.S. Patent and Trademark Office (“USPTO”) issued a patent (#11,065,225) for this filing on July 20, 2021. The granted patent relates to IGC’s proprietary formulation, IGC-AD1, intended to assist in the treatment of individuals living with Alzheimer’s disease.
- On June 7, 2022, the USPTO issued a patent (#11,351,152) to the Company titled “Method and Composition for Treating Seizures Disorders.” The patent relates to compositions and methods for treating multiple types of seizure disorders and epilepsy in humans and animals using a combination of cannabidiol (CBD) with other compounds. Subject to further research and study, the combination is intended to reduce side effects caused by hydantoin anticonvulsant drugs such as phenobarbital, by reducing the dosing of anticonvulsant drugs in humans, dogs, and cats.

Revenue was approximately \$397 thousand and \$898 thousand for Fiscal 2022 and Fiscal 2021, respectively. In Fiscal 2022 and Fiscal 2021, revenue was primarily derived from our Life Sciences segment, which involved sales of in-house brands and alcohol-based hand sanitizers, among others. In Fiscal 2022, we de-emphasized the manufacturing and sale of low margin hand sanitizers and shifted our focus to higher margin white label services and the sale of products under our brands. This increased our gross margin from 12% in Fiscal 2021 to 48% in Fiscal 2022. The infrastructure segment had lower revenue in Fiscal 2022 due to the continued impact of the COVID-19 pandemic.

Selling, general, and administrative (“SG&A”) expenses consist primarily of employee-related expenses, sales commission, professional fees, legal fees, marketing, other corporate expenses, allocated general overhead and provisions, depreciation, and write offs relating to doubtful accounts and advances, if any. SG&A expenses increased by approximately \$5.3 million or 68% to \$13.2 million for Fiscal 2022, from approximately \$7.9 million for Fiscal 2021. The increase is attributed to one-time expenses, which include law-suit settlement expenses of approximately \$264 thousand; impairment of facility of \$833 thousand; net realizable value (NRV) adjustment of \$1.7 million for our hemp crop; approximately \$475 thousand in provisions for advances paid; approximately \$1.7 million in provisions against inventory that was stolen at our vendor’s facility; and an increase of approximately \$1.3 million attributable to non-cash expenses. Adjusting for approximately \$5.3 million in one-time and non-cash expenses, the SG&A for fiscal year 2022 was lower year over year by approximately \$500 thousand.

Research and Development (“R&D”) expenses were attributed to our Life Sciences segment. The R&D expenses increased by approximately \$1.4 million or 151% to \$2.3 million in Fiscal 2022, from approximately \$929 thousand for Fiscal 2021. The increase is attributed to the now completed Phase 1 clinical trial on Alzheimer’s. We expect R&D expenses to increase with progression in Phase 2 trials on IGC-AD1 and pre-clinical trials on TGR-63.

Net loss for Fiscal 2022 was approximately \$15 million or \$0.30 per share, compared to approximately \$8.8 million or \$0.21 per share for Fiscal 2021. Adjusting for approximately \$5.3 million in one-time and non-cash expenses, the net loss is approximately \$9.7 million in Fiscal 2022.

About IGC:

IGC has two segments: Infrastructure and Life Sciences. The company is based in Maryland, U.S.A.

Forward-looking Statements: This press release contains forward-looking statements. These forward-looking statements are based largely on IGC's expectations and are subject to several risks and uncertainties, certain of which are beyond IGC's control. Actual results could differ materially from these forward-looking statements as a result of, among other factors, the Company's failure or inability to commercialize one or more of the Company's products or technologies, including the product or formulation described in this release, or failure to obtain regulatory approval for the product or formulation, where required; general economic conditions that are less favorable than expected, including as a result of the ongoing COVID-19 pandemic; the FDA's general position regarding cannabis- and hemp-based products; and other factors, many of which are discussed in IGC's SEC filings. IGC incorporates by reference the human trial disclosures and Risk Factors identified in its Annual Report on Form 10-K filed with the SEC on June 22, 2022, as if fully incorporated and restated herein. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this release will occur.

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< **Financial Tables to Follow** >

India Globalization Capital, Inc.
CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	March 31, 2022 (\$)	March 31, 2021 (\$)
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	10,460	14,548
Accounts receivable, net	125	175
Inventory	3,548	5,478
Investment in non-marketable securities	-	80
Deposits and advances	978	3,236
Total current assets	<u>15,111</u>	<u>23,517</u>
Intangible assets, net	917	407
Property, plant and equipment, net	9,419	10,840
Non-marketable securities	-	12
Claims and advances	937	603
Operating lease asset	450	488
Total long-term assets	<u>11,723</u>	<u>12,350</u>
Total assets	<u>26,834</u>	<u>35,867</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	981	476
Accrued liabilities and others	1,457	1,588
Short-term loans	3	304
Total current liabilities	<u>2,441</u>	<u>2,368</u>
Long-term loans	144	276
Other liabilities	16	15
Operating lease liability	341	405
Total non-current liabilities	<u>501</u>	<u>696</u>
Total liabilities	<u>2,942</u>	<u>3,064</u>
 Commitments and Contingencies – See Note 12		
Stockholders' equity:		
Preferred stock, \$0.0001 par value: authorized 1,000,000 shares, no shares issued or outstanding as of March 31, 2022, or March 31, 2021.		-
Common stock and additional paid-in capital, \$0.0001 par value: 150,000,000 shares authorized; 51,054,017 and 47,827,273 shares issued and outstanding as of March 31, 2022 and March 31, 2021, respectively.	116,019	109,720
Accumulated other comprehensive loss	(2,968)	(2,774)
Accumulated deficit	(89,159)	(74,143)
Total stockholders' equity	<u>23,892</u>	<u>32,803</u>
Total liabilities and stockholders' equity	<u>26,834</u>	<u>35,867</u>

These financial statements should be read in connection with the accompanying notes on Form 10-K for fiscal year ending March 31, 2022, filed with the SEC on June 22, 2022.

India Globalization Capital, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except loss per share and share data)

	Years Ended March 31,	
	2022	2021
	(\$)	(\$)
Revenue	397	898
Cost of revenue	(203)	(785)
Gross profit	194	113
Selling, general and administrative expenses	(13,292)	(7,908)
Research and development expenses	(2,330)	(929)
Operating loss	(15,428)	(8,724)
Impairment of investment	(49)	(169)
Other income, net	461	82
Loss before income taxes	(15,016)	(8,811)
Income tax expense/benefit	-	-
Net loss attributable to common stockholders	(15,016)	(8,811)
Foreign currency translation adjustments	(194)	76
Comprehensive loss	(15,210)	(8,735)
 Loss per share attributable to common stockholders:		
Basic & diluted	\$ (0.30)	\$ (0.21)
Weighted-average number of shares used in computing loss per share amounts:	49,991,631	41,963,382

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