



IGC Reports Financial Results for Second Fiscal Quarter Ended Sept. 30, 2022

POTOMAC, Md. November 1, 2022 / India Globalization Capital, Inc. (NYSE American: IGC) (“IGC” or the “Company”) today reported its second fiscal quarter 2023 financial results.

Second Fiscal Quarter 2023 Highlights:

- IGC-AD1 and TGR-63, both small molecules, have shown potential to suppress or ameliorate a key protein in Alzheimer’s cell lines responsible for A β plaques, a key hallmark of Alzheimer’s disease. The Company currently has two main investigational drug assets in various stages of development:
 - IGC-AD1: The Company’s therapeutic candidate is entering Phase 2 trials for treating agitation in dementia from Alzheimer’s disease.
 - TGR-63: An enzyme inhibitor shown in preclinical trials to reduce neurotoxicity in Alzheimer’s cell lines.
- The Company has completed a Phase 1 trial, a safety and tolerability trial, on IGC-AD1, and has submitted a Phase 2 protocol to the U.S. Food and Drug Administration (“FDA”) and to Health Canada that involves 146 Alzheimer’s patients, with half receiving a placebo. The primary endpoint is agitation in dementia due to Alzheimer’s disease as rated by the Cohen-Mansfield Agitation Inventory (“CMAI”) over a six-week period. The Company has signed agreements with trial sites for conducting the trials.
- On Sept. 20, 2022, the USPTO granted a second patent (#11,446,276) for the treatment of Alzheimer’s disease titled “Extreme low dose THC as a therapeutic and prophylactic agent for Alzheimer’s disease.” The original patent application was initiated by the University of South Florida (“USF”) and filed on Aug. 1, 2016. On May 25, 2017, the Company entered into an exclusive license agreement with USF with respect to the patent application and the associated research conducted on Alzheimer’s disease. IGC-AD1, described above, is partially based on this research.
- Sales of the Company’s CBD-infused products and services increased about 345% for the six-months ended September 30, 2022 compared to the six-months ended September 30, 2021.

Ram Mukunda, CEO of India Globalization Capital, commented, “We are very pleased with the developments we have made this quarter, especially as they pertain to our investigational drug candidate, IGC-AD1. We believe that we possess a revolutionary drug formulation that could provide much-needed relief for patients suffering from Alzheimer’s disease. This drug is the first natural low-dose THC (tetrahydrocannabinol)-based drug formulation to enter FDA trials and has the potential to fill a very prevalent void in the broad and expanding market for the treatment of Alzheimer’s symptoms.”

“We continue to see increased market traction for our line of products like Holief™, which offers CBD-based gummies, tinctures, capsules, and topical analgesic creams for pain relief, and Sunday Seltzer™, our CBD-infused beverage brand that includes our energy drink,” Mukunda continued.

Revenue was approximately \$202,000 for the three months ended Sept. 30, 2022, compared to \$56,000 for the three months ended Sept. 30, 2021. The increase in revenue is primarily related to increased sales of the Company’s CBD-based products and services including its CBD-infused energy beverages.

Selling, general, and administrative (“SG&A”) expenses were approximately \$1.9 million and \$4.1 million for the three months ended September 30, 2022, and September 30, 2021, respectively. The decrease of \$2.2 million is attributed to an adjustment of one-time expenses and a reduction of legal and marketing expenses. 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 advance, if any.

Research and Development (“R&D”) expenses were \$768,000 for the three months ended Sept. 30, 2022, compared to approximately \$276,000 for the three months ended Sept. 30, 2021. The increase of approximately \$492,000 was primarily attributable to the progression of Phase 2 trials on IGC-AD1 and preclinical studies on TGR-63. The Company anticipates increased R&D expenses as the development of TGR-63 and the Phase 2 trial on IGC-AD1 gain momentum.

Net loss for the three months ended Sept. 30, 2022, was approximately \$2.4 million or (\$0.05) per share, compared to approximately \$4.3 million or (\$0.09) per share for the three months ended Sept. 30, 2021.

About IGC:

India Globalization Capital Inc. develops, patents and markets advanced THC-based drug formulations for the treatment of symptoms related to various diseases, including but not limited to Alzheimer’s disease, Parkinson’s disease, chronic pain, and pet seizures. The Company’s leading drug candidate, IGC-AD1, has demonstrated the potential to be effective in suppressing

or ameliorating a key protein in Alzheimer's cell lines responsible for A β plaques and has recently entered Phase 2 clinical trials for agitation in dementia from Alzheimer's. The Company also has lines of various CBD-based consumer products such as Holief, which includes gummies and pain relief creams for women experiencing premenstrual syndrome (PMS) and dysmenorrhea (period cramps), and Sunday Seltzer, which includes a CBD-infused energy beverage – all currently available for purchase. The Company also operates an Infrastructure business based in India. The Company is headquartered 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 products or formulations described in this release, or failure to obtain regulatory approval for the products or formulations, 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 23, 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)
(Unaudited)

	September 30, 2022 (\$)	March 31, 2022 (\$)
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	6,623	10,460
Accounts receivable, net	189	125
Short-term investments	193	-
Inventory	3,750	3,548
Deposits and advances	444	978
Total current assets	<u>11,199</u>	<u>15,111</u>
Intangible assets, net	952	917
Property, plant and equipment, net	8,470	9,419
Claims and advances	950	937
Operating lease asset	387	450
Total long-term assets	<u>10,759</u>	<u>11,723</u>
Total assets	<u>21,958</u>	<u>26,834</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	456	981
Accrued liabilities and others	926	1,460
Total current liabilities	<u>1,382</u>	<u>2,441</u>
Long-term loans	142	144
Other liabilities	15	16
Operating lease liability	275	341
Total noncurrent liabilities	<u>432</u>	<u>501</u>
Total liabilities	<u>1,814</u>	<u>2,942</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 Sept. 30, 2022, and March 31, 2022.		
Common stock and additional paid-in capital, \$0.0001 par value: 150,000,000 shares authorized; 53,058,061 and 51,054,017 shares issued and outstanding as of Sept. 30, 2022, and March 31, 2022, respectively.	117,899	116,019
Accumulated other comprehensive loss	(3,369)	(2,968)
Accumulated deficit	(94,386)	(89,159)
Total stockholders' equity	<u>20,144</u>	<u>23,892</u>
Total liabilities and stockholders' equity	<u>21,958</u>	<u>26,834</u>

These financial statements should be read in connection with the accompanying notes on Form 10-Q for the quarter ended on Sept. 30, 2022 and filed with the SEC on November 1, 2022.

India Globalization Capital, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except loss per share and share data)
(Unaudited)

	Three months ended September 30,	
	2022	2021
	(\$)	(\$)
Revenue	202	56
Cost of revenue	(67)	(18)
Gross Profit	135	38
Selling, general and administrative expenses	(1,855)	(4,110)
Research and development expenses	(768)	(276)
Operating loss	(2,488)	(4,348)
Impairment of investment	-	-
Other income, net	46	4
Loss before income taxes	(2,442)	(4,344)
Income tax expense/benefit	-	-
Net loss attributable to common stockholders	(2,442)	(4,344)
Foreign currency translation adjustments	(182)	20
Comprehensive loss	(2,624)	(4,324)
 Loss per share attributable to common stockholders:		
Basic & diluted	\$ (0.05)	\$ (0.09)
Weighted-average number of shares used in computing loss per share amounts:	52,194,098	49,948,930

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