IGC Reports Financial Results for Fiscal Year Ended March 31, 2023

POTOMAC, Maryland, July 12, 2023 – IGC Pharma, Inc. ("IGC" or the "Company") (NYSE American: IGC), a clinical-stage pharmaceutical company, today announced its financial results for the fiscal year ended March 31, 2023 ("Fiscal 2023").

Full Fiscal Year Highlights and Events Subsequent Thereto

- On July 7, 2023, the Company announced a $12 million revolving line of credit from the Hong Kong Branch of O-Bank Co. Ltd. ("O-Bank" or the "Bank"). This funding will support the working capital needs of the Company, primarily related to Alzheimer's research.

- On July 6, 2023, the Company announced a $3 million private placement of its common stock. IGC received strategic investments from four investment funds managed by Bradbury Asset Management (Hong Kong) Limited ("Bradbury") along with contributions from three additional investors, resulting in approximately $3 million in gross proceeds, further strengthening IGC's working capital. The transaction had no warrants or derivatives, and the shares were unregistered.

- On June 6, 2023, the Commissioner of Patents, Canada, granted the Company its patent filing on the use of cannabinoids in the treatment of seizures (IGC-501) (Notice of Allowance). The formulation also received an intent to grant from the European Patent Office, protecting the formulation in the U.S., Canada, and certain European countries.

- On March 8, 2023, the Company filed a provisional patent application with the USPTO titled "Composition, Synthesis, and Medical Use of Hybrid Cannabinoid".

- On January 4, 2023, Health Canada gave the Company approval to begin its trial in Canada (No-objection letter). The Company is currently in Phase 2B safety and efficacy clinical trials for its lead drug candidate, IGC-AD1. The trial, which commenced in December of 2022, will enroll 146 total patients across an anticipated 13-15 trial sites with a target enrolment of between 15 to 20 patients per month. The Company is targeting completion of its Phase-2 trial in the first quarter of calendar 2024. In pre-clinical studies on Alzheimer's cell lines, IGC-AD1 has demonstrated efficacy in reducing plaques and tangles, two important hallmarks of Alzheimer's, and in Phase 1, trials in reducing neuropsychiatric symptoms associated with dementia in Alzheimer's disease, such as agitation.

- On September 20, 2022, the Company received a patent from the USPTO (#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 August 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 based on some of this research.

- On June 20, 2022, the Company announced that it had acquired rights to TGR-63, a pre-clinical molecule that exhibits an impressive affinity for reducing neurotoxicity in Alzheimer's cell lines. Neurotoxicity causes cell dysfunction and death in Alzheimer's disease. If shown to be efficacious, in AD cell lines, in halting this process, this inhibitor has the potential to treat Alzheimer's disease by ameliorating Aβ plaques. Pre-clinical testing demonstrates that TGR-63 holds the potential to ameliorate amyloid plaque, a key hallmark of Alzheimer's disease. Behavioral tests with Alzheimer's (APP/PS1) mice show that TGR-63 can rescue neuronal cells from amyloid toxicity and minimize learning deficiency, memory impairment & cognitive decline.

- On June 7, 2022, the Company received a patent from the USPTO (#11,351,152) 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 CBD with other compounds. The combination is intended to reduce side effects caused by hydantoin anticonvulsant drugs by reducing the dosing of anticonvulsant drugs in humans, dogs, and cats.

- We have filed forty-one (41) patent applications and secured nine patents, including control of four in the Alzheimer's space. The Company is moving towards monetizing the patent portfolio as soon as commercialization begins.

Ram Mukunda, CEO of IGC, commented, "Fiscal 2023 was characterized by remarkable growth and progress as we continue to advance our drug formulations through FDA trials. IGC-AD1 is delivering strong results as it progresses through Phase 2B trials. We are delighted with the positive headway we are making in clinical trials, and we remain confident in the potential of IGC-AD1 to be a groundbreaking therapy, with the potential to treat Alzheimer's and to manage devastating symptoms that separate families, increase admissions to nursing homes, and drive the cost of Alzheimer's care. In addition to IGC-AD1, we continue to identify and acquire drug formulations that we believe have the potential to treat the symptoms brought on by a variety of chronic illnesses. Moreover, we continue to expand the market presence of our consumer products, as evidenced by a 129% increase in revenue compared to last year. Overall, we are very pleased with the progress we have made in Fiscal 2023 and believe that we are uniquely and advantageously positioned with a vertically integrated business model to continue driving growth through fiscal 2024 and beyond."

Financial Summary

In Fiscal 2023, the Company generated approximately $911,000 in revenue, representing an increase of 129% compared to $397,000 generated in the fiscal year ended March 31, 2022 ("Fiscal 2022). The primary source of revenue was the Life Sciences segment and the Company's formulations as white-labeled manufactured products and sales of branded holistic women's health care products, among others.

The Company reported Selling, general, and administrative ("SG&A") expenses for Fiscal 2023 of approximately $8.5 million, representing a decrease of approximately $4.7 million, or 36%, compared to the $13.2 million recorded in Fiscal 2022. This decline in SG&A expenses are attributable to a reduction in one-time expenses of approximately $4.2 million and a decrease of approximately $500 thousand in compensation, legal and marketing expenses, net realizable value ("NRV") adjustments, and other SG&A expenses.

In Fiscal 2023, the Company reported research and development ("R&D") expenses of approximately $3.5 million, representing an increase of $1.2 million or 49% compared to approximately $2.3 million in Fiscal 2022. The increase in R&D expenses is primarily attributed to the progression of Phase 2 trials on IGC-AD1 and pre-clinical studies on TGR-63, indicating the Company's dedication to advancing its product pipeline. As the development of TGR-63 and the Phase 2B trial on Alzheimer's gain momentum, the Company anticipates further increases in R&D expenses attributable to the progression of Phase 2 trials on IGC-AD1 and pre-clinical studies on TGR-63. We anticipate increased R&D expenses as the development of TGR-63 and the Phase 2B trial on Alzheimer's pick up more momentum.

Net loss for Fiscal 2023 was approximately $11.5 million or $0.22 per share, compared to approximately $15 million or $0.30 per share for Fiscal 2022.

About IGC Pharma, Inc.

IGC Pharma, Inc., (dba IGC) develops advanced cannabinoid-based formulations for treating diseases and conditions, including, but not limited to, Alzheimer's disease, period cramps ("dysmenorrhea"), premenstrual syndrome ("PMS"), and chronic pain. IGC has two investigational drug assets targeting Alzheimer's disease, IGC-AD1 and TGR-63, which have demonstrated in Alzheimer's cell lines the potential to be effective in suppressing or ameliorating key hallmarks of Alzheimer's disease, such as plaques or tangles. IGC-AD1 is a low-dose tetrahydrocannabinol ("THC") based formulation that is currently in a 146-person Phase 2 clinical trial for agitation in dementia due to Alzheimer's (clinicaltrials.gov, NCT05543681). IGC Pharma, Inc., also markets a wellness brand, Holief™, that targets women experiencing premenstrual syndrome and menstrual cramps.

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 U.S. Securities and Exchange Commission ("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 July 7, 2023, 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.

Contact:

Walter Frank
IMS Investor Relations
(203) 972-9200
igc@imsinvestorrelations.com

< Financial Tables to Follow>

IGC Pharma, Inc.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	March 31, 2023 ($)	March 31, 2022 ($)
ASSETS		
Current assets:		
Cash and cash equivalents	3,196	10,460
Accounts receivable, net	107	125
Short term investments	154	-
Inventory	2,651	3,548
Deposits and advances	358	978
Total current assets	**6,466**	**15,111**
Non-current assets:		
Intangible assets, net	1,170	917
Property, plant and equipment, net	8,213	9,419
Claims and advances	1,003	937
Operating lease asset	326	450
Total non-current assets	**10,712**	**11,723**
Total assets	**17,178**	**26,834**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	530	981
Accrued liabilities and others	1,368	1,460
Total current liabilities	**1,898**	**2,441**
Non-current liabilities:		
Long-term loans	141	144
Other liabilities	21	16
Operating lease liability	207	341
Total non-current liabilities	**369**	**501**
Total liabilities	**2,267**	**2,942**
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, 2023, or March 31, 2022.		
Common stock and additional paid-in capital, $0.0001 par value: 150,000,000 shares authorized; 53,077,436 and 51,054,017 shares issued and outstanding as of March 31, 2023, and March 31, 2022, respectively.	118,965	116,019
Accumulated other comprehensive loss	(3,389)	(2,968)
Accumulated deficit	(100,665)	(89,159)
Total stockholders' equity	**14,911**	**23,892**
Total liabilities and stockholders' equity	**17,178**	**26,834**

These financial statements should be read in connection with the accompanying notes on Form 10-K for fiscal year ending March 31, 2023, filed with the SEC on July 7, 2023.

IGC Pharma, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

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

	Years Ended March 31,	
	2023 ($)	**2022 ($)**
Revenue	911	397
Cost of revenue	(469)	(203)
Gross profit	**442**	**194**
Selling, general and administrative expenses	(8,552)	(13,292)
Research and development expenses	(3,461)	(2,330)
Operating loss	**(11,571)**	**(15,428)**
Impairment of investment	-	(49)
Other income, net	65	461
Loss before income taxes	**(11,506)**	**(15,016)**
Income tax expense/benefit	-	-
Net loss attributable to common stockholders	**(11,506)**	**(15,016)**
Foreign currency translation adjustments	(421)	(194)
Comprehensive loss	**(11,927)**	**(15,210)**
Net loss per share attributable to common stockholders:		
Basic and diluted	$ (0.22)	$ (0.30)
Weighted-average number of shares used in computing loss per share amounts:	52,576,258	49,991,631

These financial statements should be read in connection with the accompanying notes on Form 10-K for fiscal year ending March 31, 2023, filed with the SEC on July 7, 2023.