



IGC Reports Financial Results for the September 30, 2021, Quarter

BETHESDA, MD. October 29, 2021 / India Globalization Capital, Inc. (NYSE American: IGC) announces its financial results for the three months ended September 30, 2021, which is the second quarter of the Company's 2022 fiscal year.

The highlights for the quarter are:

- As previously disclosed, on September 7, 2021, the Company announced the completion of its Phase 1 clinical trial on IGC's tetrahydrocannabinol ("THC") based investigational new drug, IGC-AD1, intended to alleviate certain symptoms of individuals who have Alzheimer's disease. The primary endpoint of this Phase 1 trial was safety and tolerability. Based on this study and subject to FDA concurrence the cannabis-based investigational drug IGC-AD1 was generally safe and well-tolerated by the Alzheimer's trial participants. The trial's secondary endpoints including pharmacokinetics, genotyping, Neuropsychiatric Inventory (NPI), and measurement of suicide severity, have also been completed. We expect to report this data as it becomes available and after submission to the FDA.
- The Company is preparing an INDA submission to the FDA for a Phase 2/3 trial for the use of IGC-AD1 to address symptoms associated with Alzheimer's disease. The Company believes that this may be the first such filing using low doses of a natural phytocannabinoid, THC, on patients suffering from Alzheimer's disease.
- On September 17, 2021, the Company filed a provisional patent application (IGC-513) with the United States Patent and Trademark Office ("USPTO") for addressing Neuropsychiatric Symptoms (NPS) associated with dementia using a dosing pattern of IGC-AD1 that was employed in the recently completed Phase 1 trial on patients suffering from Alzheimer's disease. The patent filing specifically addresses reducing the overall presence and severity of NPS in dementia as measured by the NPI, a tool that assesses the presence of twelve symptoms such as delusion, hallucination, agitation/aggression, depression, anxiety, elation/euphoria, apathy, disinhibition, irritability, aberrant motor behavior, sleep disorder, appetite and eating disorders.
- On October 5, 2021, the Company received a Good Manufacturing Practice (GMP) certificate for its hemp processing facility in Vancouver Washington where it manufactures tinctures, lotions, gummies and other topical and consumable products.
- During the six months ended September 30, 2021, the Company raised approximately \$4.1 million of net proceeds from the issuance of equity stock. The Company had entered an "at the market" ("ATM") offering pursuant to a Sales Agreement entered on January 13, 2021, with The Benchmark Company, LLC for the issuance and sale of up to \$75,000,000 of the Company's shares of common stock, par value \$0.0001 per share.

Revenue in the quarters ended September 30, 2021, and September 30, 2020, were primarily derived from our Life Sciences segment, which involved sales of products such as lotion, gummies, and alcohol-based hand sanitizers, among others. Revenue was approximately \$56 thousand and \$125 thousand for the three months ended September 30, 2021, and the three months ended September 30, 2020, respectively. Revenue in our Infrastructure segment for the three months ended September 30, 2021, was \$3 thousand and \$67 thousand in the three months ended September 30, 2020. The revenue relates to the execution of a construction contract. Primarily due to COVID-19, we have limited visibility on when either of our segments will stabilize, generate significant revenue, and become predictable. We expect volatility in both segments in the foreseeable future.

Selling, General and Administrative (SG&A) expenses increased by approximately \$2.6 million to approximately \$4.1 million for the three months ended September 30, 2021, from approximately \$1.48 million for the three months ended September 30, 2020. The \$2.6 million increase in SG&A is attributable to the following: approximately \$1.7 million to a provision for stolen inventory at our vendor's premises, approximately \$352 thousand for previously announced legal settlements and associated legal expenses, approximately \$125 thousand for an IRS tax penalty, and non-cash increases of \$223 thousand and \$55 thousand for common stock-based compensation and depreciation respectively. The remaining increase of about \$ 153 thousand is related to marketing and other operating expenses.

Research and Development (“R&D”) expenses were attributed to conducting the Phase 1 trial on patients suffering from Alzheimer’s disease and product research in our Life Sciences segment. The R&D expenses for the three months ended September 30, 2021, are approximately \$276 thousand and approximately \$219 thousand for the three months ended September 30, 2020. We expect R&D expenses to increase with progression in trials on IGC-AD1, subject to FDA approval.

Net loss for the three months ended September 30, 2021, was approximately \$4.3 million or (\$0.08) per share, compared to approximately \$1.65 million or (\$0.04) per share for the three months ended September 30, 2020.

About IGC: IGC operates two lines of business: (i) infrastructure and (ii) life sciences. The Company is based in Potomac, Maryland, U.S.A. social media: www.igcinc.us / www.igcpharma.com

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. For the next several years, our success is highly correlated primarily with the successful outcome of our clinical trials and the recovery of the world and local economies following the COVID-19 pandemic, and, secondarily, on the sale of our products and services candidates. IGC may not be able to complete human trials on our investigational drug candidates, or, once conducted, the results of human trials testing may not be favorable or as anticipated. Our projections and investments anticipate stable pricing, which may not hold out over the next several years, and certain regulatory changes, specifically in states where medical cannabis has been, is, or will be legalized and the diseases which we anticipate our products will target are approved conditions for treatment or usage with cannabis/cannabinoids. We may not be able to protect our intellectual property adequately or receive patents. We may not receive regulatory approval for our products, or trials. An additional risk factor worth highlighting specifically related to patent licensing is that the patent applications we have licensed may not be granted by the USPTO, even if the Company is in full compliance with USPTO requirements. We may not have adequate resources including financial resources, to successfully conduct all requisite clinical trials, to bring a product to market, or to pay applicable maintenance fees over time. We may not be able to successfully commercialize our products even if they are successful and receive regulatory approval. Failure or delay with respect to any of the factors above could have a material adverse effect on our business, future results of operations, our stock price, and our financial condition. Actual results could differ materially from these forward-looking statements as a result of, the factors described both herein and in IGC’s SEC filings. IGC incorporates by reference the Risk Factors identified in its Annual Report on Form 10-K filed with the SEC on June 14, 2021, Quarterly Reports on Form 10-Q filed with the SEC on August 11, 2021 and October 29, 2021, 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 in fact occur.

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< **Financial Tables to Follow** >

India Globalization Capital, Inc.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	September 30, 2021 (\$)	March 31, 2021 (\$)
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	14,399	14,548
Accounts receivable, net	138	175
Inventory	5,498	5,478
Non-Marketable securities	-	80
Deposits and advances	1,669	3,236
	21,704	23,517
Total current assets		
Intangible assets, net	411	407
Property, plant and equipment, net	10,589	10,840
Non-Marketable securities	11	12
Claims and advances	611	603
Operating lease asset	510	488
	12,132	12,350
Total long-term assets		
	33,836	35,867
Total assets		
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	418	476
Accrued liabilities and others	1,594	1,588
Short-term loans	3	304
	2,015	2,368
Total current liabilities		
Long-term loans	146	276
Other liabilities	15	15
Operating lease liability	404	405
	565	696
Total non-current liabilities		
	2,580	3,064
Total liabilities		
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 September 30, 2021 and March 31, 2021.	-	-
Common stock and additional paid-in capital, \$0.0001 par value: 150,000,000 shares authorized; 51,041,017 and 47,827,273 shares issued and outstanding as of September 30, 2021 and March 31, 2021, respectively.	114,371	109,720
Accumulated other comprehensive loss	(2,840)	(2,774)
Accumulated deficit	(80,275)	(74,143)
	31,256	32,803
Total stockholders' equity		
	33,836	35,867
Total liabilities and stockholders' equity		

These financial statements should be read in connection with the accompanying notes on Form 10-Q for the quarter ended September 30, 2021, filed with the SEC on October 29, 2021.

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

	Three months ended September 30,	
	2021	2020
	(\$)	(\$)
Revenue	56	125
Cost of revenue	(18)	(99)
Gross Profit	38	26
Selling, general and administrative expenses	(4,110)	(1,483)
Research and development expenses	(276)	(219)
Operating loss	(4,348)	(1,676)
Impairment of investment	-	-
Other income, net	4	19
Loss before income taxes	(4,344)	(1,657)
	(4,344)	(1,657)
Net loss attributable to common stockholders		
		142
Foreign currency translation adjustments	20	
Comprehensive loss	(4,324)	(1,515)
 Loss per share attributable to common stockholders:		
Basic & diluted	\$ (0.09)	\$ (0.04)
Weighted-average number of shares used in computing loss per share amounts:	49,948,930	41,244,109

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