



IGC Reports Financial Results for the Fiscal Year Ended March 31, 2021

POTOMAC, MD. June 14, 2021 / India Globalization Capital, Inc. (NYSE American: IGC) announces its financial results for the Fiscal Year Ended March 31, 2021.

Revenue was approximately \$898 thousand and \$4.1 million for Fiscal 2021 and Fiscal 2020, respectively. In Fiscal 2021, the Company's revenues were significantly impacted by the COVID-19 pandemic, which hindered our ability to fully operate either of our two business lines. Revenue in Fiscal 2021 was primarily derived from our Life Sciences segment, which involved sales of products such as alcohol-based hand sanitizers, among others. In Fiscal 2020, our revenue was primarily derived from the infrastructure segment. Due to the ongoing impact of the COVID-19, we currently have limited visibility on when either of our business segments will stabilize, generate significant revenue, and become predictable. We expect volatility in both segments in the foreseeable future.

Since 2014, our team has been committed to researching the application of cannabinoids such as Tetrahydrocannabinol ("THC") and Cannabidiol ("CBD") in combination with other compounds to address various ailments, including Alzheimer's disease. With our research, we have developed intellectual property, formulations, and wellness and lifestyle brands.

As recently announced, we continue to focus on our Phase 1 human trial on patients suffering from Alzheimer's disease, for our patent pending Tetrahydrocannabinol (THC)-based investigational drug IGC-AD1. As Fiscal 2022 progresses, we expect to be opportunistic in providing personal protection equipment, including hand sanitizers, as the country reopens from the pandemic.

The Company's highlights for Fiscal 2021 include:

- On July 17, 2020, the Company filed a provisional patent application with the U.S. Patent and Trademark Office ("USPTO") for its IGC-511 formulation for a Cannabidiol-based composition and method for treating pain.
- On July 30, 2020, the U.S. Food and Drug Administration ("FDA") issued authorization for the Company to initiate a 12-subject Phase 1 human trial study to test the safety of IGC's tetrahydrocannabinol ("THC")-based investigational new drug, IGC-AD1, intended to alleviate the symptoms of individuals suffering from Alzheimer's disease. The Company commenced the Phase 1 trial process in November 2020 and proceeded with the trial throughout the remainder of Fiscal 2021 and into Fiscal 2022. After the close of Fiscal 2021, on May 1, 2021 the Company announced that it had completed Cohort 1 of Phase 1 of the trial. On June 7, 2021, the Company announced that it had completed Cohort 2 that comprised of a higher dosing level. As previously disclosed, IGC submitted IGC-AD1 to the FDA under Section 505(i) of the Federal Food, Drug, and Cosmetic Act.
- On August 5, 2020, the USPTO issued the Company a patent (#10,751,300) for the Company's cannabinoid formulation (IGC-502) for the treatment of seizures in humans and veterinary animals.
- On December 2, 2020, we filed a provisional patent application with the USPTO for our IGC-512 formulation for a cannabidiol-based composition and method for stress relief and calm restoring beverage.
- On March 2, 2021, the USPTO issued the Company a patent (#10,933,082) for the Company's cannabinoid composition and method for treating pain in patients with Psoriatic Arthritis, Fibromyalgia, Scleroderma, and other conditions.
- As of March 31, 2021, the Company was a party to two consolidated shareholder lawsuits (*Tchatchou v. India Globalization Capital, Inc.* and *Harris-Carr v. India Globalization Capital, Inc.*). On April 6, 2021, after the close of the fiscal year, the plaintiffs in those lawsuits and the Company reached a preliminary agreement in principle to settle all pending shareholder litigation. The settlement is subject to the agreement and execution of formal settlement documentation and approval by the United States District Court for the District of Maryland. Management expects that, if approved, a significant portion of the settlement would be covered by the Company's insurance policy, and the Company's contribution to the settlement is expected to not exceed \$200 thousand.

Selling, general and administrative ("SG&A") expenses increased by approximately \$1.9 million or 33% to \$7.9 million for Fiscal 2021, from approximately \$6 million for Fiscal 2020. The increase was attributed to one-time

settlement expenses, increased legal fees, \$307 thousand inventory related adjustments, increased compensation expenses attributed to increased head count and associated employee-related expenses, marketing and professional expenses related to our brands and depreciation expense related to increased Property, Plant and Equipment.

Research and Development (“R&D”) expenses for Fiscal 2021 are approximately \$929 thousand and approximately \$1 million for Fiscal 2020. The cost associated with this work is mostly research comprising of plant extracts that could be productized and data to support the efficacy of the extracts, including preparing for and conducting FDA trials, product research, designing, formulating and market analysis. We expect R&D expenses to increase with progression in Phase 1 trials on IGC-AD1.

Net loss for Fiscal 2021 was approximately \$8.8 million or \$0.21 per share, compared to approximately \$7.3 million or \$0.19 per share for Fiscal 2020. The larger loss is largely attributed to increased SG&A.

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 within the meaning of Section 21E of the Securities Exchange Act of 1934. 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 results 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, among other factors, competitive conditions in the industries in which IGC operates; failure to commercialize one or more of the technologies of IGC; general economic conditions that are less favorable than expected; the FDA’s general position regarding hemp-based products; the ongoing COVID-19 pandemic and its effect on global and regional economies in which IGC participates; and other factors, many of which are discussed in IGC’s SEC filings. IGC incorporates by reference the Risk Factors identified in its Annual Reports on Form 10-K filed with the SEC on June 14, 2021, and July 13, 2020, and Quarterly Reports on Form 10-Q filed with the SEC on August 19, 2020, November 20, 2020, and February 12, 2021, as if fully set forth 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)

	March 31, 2021	March 31, 2020
	<u>(\$)</u>	<u>(\$)</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	14,548	7,258
Marketable securities	-	5,081
Accounts receivable, net	175	133
Inventory	5,478	4,245
Non-Marketable securities	80	-
Deposits and advances	3,236	1,040
Total current assets	<u>23,517</u>	<u>17,757</u>
Intangible assets, net	407	252
Property, plant and equipment, net	10,840	9,780
Non-Marketable securities	12	11
Claims and advances	603	610
Operating lease asset	488	574
Total long-term assets	<u>12,350</u>	<u>11,227</u>
Total assets	<u>35,867</u>	<u>28,984</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	476	762
Accrued liabilities and others	1,588	1,134
Short-term loans	304	50
Total current liabilities	<u>2,368</u>	<u>1,946</u>
Long-term loans	276	-
Other liabilities	15	16
Operating lease liability	405	485
Total non-current liabilities	<u>696</u>	<u>501</u>
Total liabilities	<u>3,064</u>	<u>2,447</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, 2021 or March 31, 2020.	-	-
Common stock and additional paid-in capital, \$0.0001 par value: 150,000,000 shares authorized; 47,827,273 and 39,320,116 shares issued and outstanding as of March 31, 2021 and March 31, 2020, respectively.	109,720	94,754
Accumulated other comprehensive loss	(2,774)	(2,850)
Accumulated deficit	(74,143)	(65,367)
Total stockholders' equity	<u>32,803</u>	<u>26,537</u>
Total liabilities and stockholders' equity	<u>35,867</u>	<u>28,984</u>

These financial statements should be read in connection with the accompanying notes on Form 10-K for the fiscal year ending March 31, 2021, filed with the SEC on June 14, 2021.

India Globalization Capital, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

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

	Years Ended March 31,	
	2021	2020
	(\$)	(\$)
Revenue	898	4,072
Cost of revenue	(785)	(3,957)
Gross Profit	113	115
Selling, general and administrative expenses	(7,908)	(5,968)
Research and development expenses	(929)	(1,011)
Operating loss	(8,724)	(6,864)
Impairment of investment	(169)	(782)
Other income, net	82	331
Loss before income taxes	(8,811)	(7,315)
Income tax expense/benefit	-	-
Net loss attributable to common stockholders	(8,811)	(7,315)
Foreign currency translation adjustments	76	(431)
Comprehensive loss	(8,735)	(7,746)
 Loss per share attributable to common stockholders:		
Basic & diluted	\$ (0.21)	\$ (0.19)
Weighted-average number of shares used in computing loss per share amounts:	41,963,382	39,490,014

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