



IGC Pharma, Inc.

Reports Q3 results. We believe more positive clinical data in 2025 to be strong catalysts for stock. Raising P/T to \$4.25.

COMPANY UPDATE

Rating: BUY

Ticker: IGC

Price: \$0.30

Target: \$4.25

Reports Q3 results: IGC recently (on February 18) reported its fiscal Q3 2025 (ending December) results. Revenue was \$0.3 million, compared to our and consensus estimates of \$0.2 – 0.3 million. Net loss was \$1.8 million or EPS of \$(0.02), compared with our and consensus estimates of \$(0.03). There was no Q3 guidance. IGC is an early/clinical stage drug development company so it generates minimal revenue.

No guidance: Management did not provide forward guidance, but we believe ~\$3 million to be a reasonable near term quarterly cash burn rate.

Adjusting estimates: We are adjusting our FY25 estimates for revenue to \$1.3 million, from \$1.2 million, and for EPS to \$(0.10) from \$(0.11).

Reported positive interim results: In March 2024, IGC reported results of an interim analysis of its ongoing Phase 2 trial for IGC-AD1 as a treatment for Agitation in dementia from Alzheimer’s Disease (AAD). The interim data demonstrates a clinical and statistically significant reduction in agitation compared to placebo in patients with Alzheimer’s disease.

Positive data: Based on interim data, patients taking IGC-AD1, on average, experienced a more significant reduction in agitation scores compared to those on placebo, and the positive effects were observed as early as week two of the trial. This is the first interim data from the first 26 patients in the study (total patients in the study is expected to be 146).

Focus on Alzheimer’s: IGC has 5 novel therapeutic drug candidates for Alzheimer’s disease (AD), with two of them in later stage of development (IGC-AD1 which is in clinical trials and TGR-63). Alzheimer’s disease is a progressive neurologic disease that causes brain cells to die and memory or other cognitive impairments. Alzheimer’s is the leading cause of dementia, a decline in mental functions that negatively affects a person’s ability to function independently.

IGC-AD1: IGC-AD1 has shown significant promise in preclinical studies. In Alzheimer’s cell lines, IGC-AD1 has demonstrated the potential to effectively suppress or ameliorate two key hallmarks of Alzheimer’s disease: plaques and tangles. In a Phase 1 multiple ascending dose (MAD) trial, it exhibited potential efficacy in reducing neuropsychiatric symptoms, including agitation, anxiety, and depression. IGC-AD1 is currently in a Phase 2B, multi-center, randomized, double-blind, placebo-controlled trial, specifically designed to address agitation in dementia from Alzheimer’s disease.

Large market potential: Of the ten most fatal diseases in the U.S., Alzheimer’s is the only one with no known cure, ability to slow progression, or means of prevention. Currently available drugs for the treatment of Alzheimer’s provide limited and transient effects on cognition. There are 6.2 million Americans currently living with it, and that is estimated to grow to 13 million by 2050.

Wellness market: In February, the company announced a new product line with the launch of Holiby, a wellness brand offering scientifically formulated products for immune defense and sustained energy. This strategic expansion into the rapidly growing \$75 billion wellness industry.

Positive data likely to be catalyst: We believe additional strong positive data will likely be catalysts for the stock. Despite the long road ahead, we believe the billion dollars market potential presents high rewards for the risks.

Current valuation attractive: We are maintaining our BUY rating, but raising our 12-month price target to \$4.25 from \$4.00, based on a NPV analysis, representing significant upside from the current share price. We believe this valuation fairly balances out the high risks with large upside opportunities.

Company Description

Based in Potomac, MD, IGC Pharma is a clinical-stage pharmaceutical company developing novel therapies to treat, cure, or prevent Alzheimer’s disease.

United States
Healthcare

February 23, 2025

Edward Woo, CFA
(561) 327-9435
ewoo@ascendant.com

Stock Data

Exchange:	NYSE
52-week Range:	0.29 – 0.91
Shares Outstanding (million):	78
Market cap (\$million):	\$23
EV (\$million):	\$22
Debt (\$million):	\$0
Cash (\$million):	\$1
Avg. Daily Trading Vol. (\$million):	\$0.2
Float (million shares):	72
Short Interest (million shares):	1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Jun	0.3A		0.3E	
Q2 Sep	0.4A		0.5E	
Q3 Dec	0.3A	0.2E	0.3E	0.2E
Q4 Mar	<u>0.3E</u>		<u>0.4E</u>	<u>0.3E</u>
Total	1.3E	1.2E	1.5E	1.3E
EV/Revs	17x		15x	

Earnings per Share (pro forma)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Jun	(0.03)A		(0.03)E	
Q2 Sep	(0.02)A		(0.03)E	
Q3 Dec	(0.02)A	(0.03)E	(0.03)E	
Q4 Mar	<u>(0.02)E</u>	<u>(0.03)E</u>	<u>(0.03)E</u>	
Total	(0.10)E	(0.11)E	(0.11)E	(0.12)E
P/E	N/A		N/A	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 17.

Exhibit 1: IGC Pharma, Inc. Corporate Overview



IGCPHARMA

Company Overview

- Our focus is treating Alzheimer's disease (AD) through our growing pipeline of five pharmaceuticals.



- Lead therapeutic candidate IGC-AD1 is currently in a 146-person Phase 2b trial for Agitation in Dementia due to Alzheimer's. IGC-AD1 is a CB1r partial agonist that reduces neuroinflammation and restores neurotransmitter imbalance.



- TGR-63 and three other candidates have demonstrated in Alzheimer's cell lines the potential to ameliorate plaques and/or tangles, two hallmarks of Alzheimer's.



Source: Company reports.

Exhibit 2: IGC Pharma Investment Highlights

Investments Highlights

- One patented and four patent pending drug candidates targeting Alzheimer'
- All showing favorable pre-clinical results towards Alzheimer's disease pathology
- IGC-AD1 is currently in Phase 2B with data milestones expected in mid-2024
- Leading artificial intelligence partnerships
- Manufacturing and production facilities

CLEAN CAPITAL STRUCTURE

Source: Company reports.

Exhibit 3: IGC Pharma Pipeline Overview



Source: Company reports.

Exhibit 4: Alzheimer's Disease

OVERVIEW OF ALZHEIMER'S DISEASE

Alzheimer's Disease



Key Statistics:

7th leading cause of death in the United States

Between 2000 and 2019, deaths from heart disease have **decreased 7.3%** while deaths from Alzheimer's Disease have **increased 145%**

13 million Americans are projected to be living with Alzheimer's Disease by 2050

1-in-9 Americans over the age of 65 are estimated to be afflicted with Alzheimer's Disease



Alzheimer's Disease:

Alzheimer's Disease is an **irreversible, progressive brain disorder** that **slowly destroys memory and cognitive skills**, and eventually the **ability to carry out the simplest tasks**.

In most people with Alzheimer's Disease, symptoms first appear in their early to mid-60's. Estimates vary, but experts suggest that more than **6.5 million Americans** may have Alzheimer's Disease, considered by many as "**the most feared**" disease.

Alzheimer's Disease has **no current cure**, but five treatments for symptoms are available today while research continues.

Source: Alzheimer's Association and Alzamed Neuro, Inc.

Exhibit 5: Biomarkers of Alzheimer's Disease

Biomarkers of Alzheimer's Disease

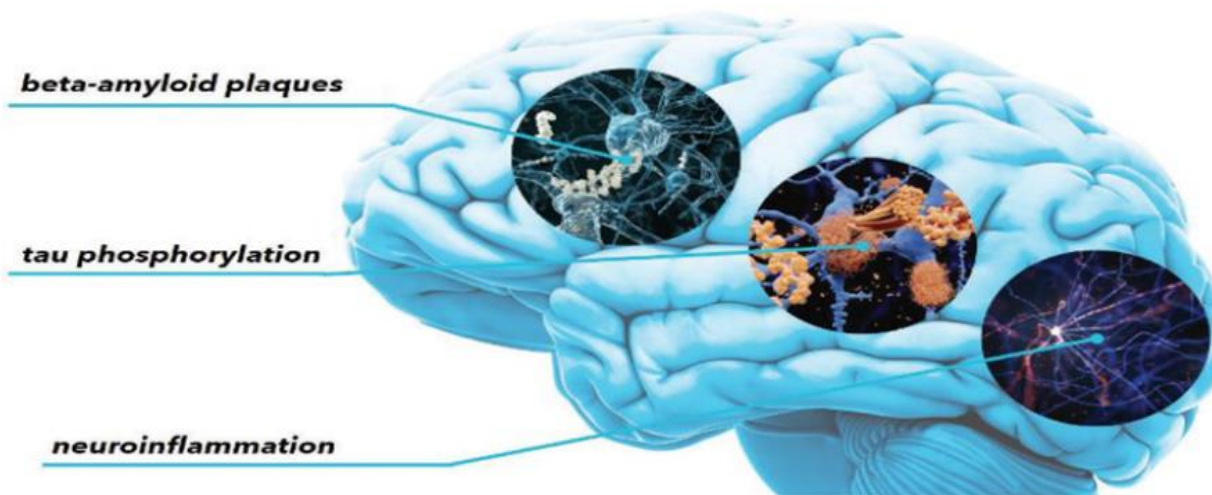


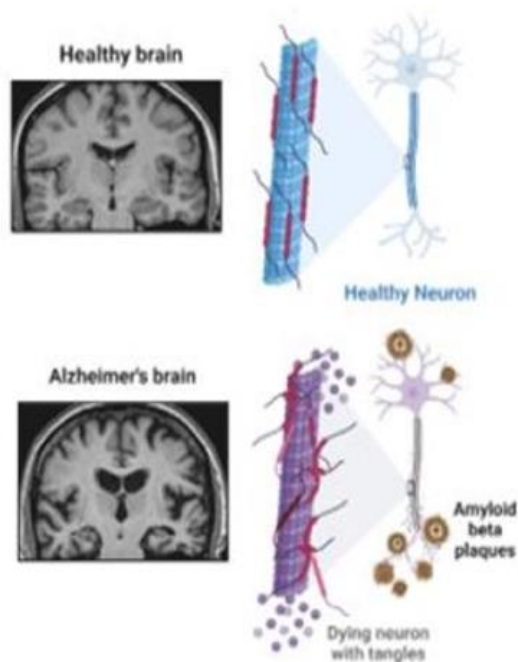
Figure 1: Hallmarks of Alzheimer's

- Extracellular Plaque: β -amyloid ($A\beta$)
- Tau Neurofibrillary Tangles (NTFs).

Causes loss of neurons & critical neuronal connections.

Also linked to Alzheimer's:

- Metabolism disruption
- Mitochondrial dysfunction
- Neuroinflammation



Source: Alzamed Neuro, Inc. and Company report.

Exhibit 6: What is Alzheimer's Disease?



Alzheimer's is a brain disease that causes problems with memory, thinking and behavior.

The brain has three main parts:



The **cerebrum** fills up most of your skull. It is involved in remembering, problem solving, thinking, and feeling. It also controls movement.



The **cerebellum** sits at the back of your head, under the cerebrum. It controls coordination and balance.

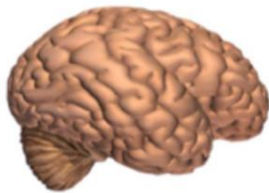


The **brain stem** sits beneath your cerebrum in front of your cerebellum. It connects the brain to the spinal cord and controls automatic functions such as breathing, digestion, heart rate and blood pressure.

Alzheimer's Changes the Whole Brain

Alzheimer's disease leads to nerve cell death and tissue loss throughout the brain. Over time, the brain shrinks dramatically, affecting nearly all its functions.

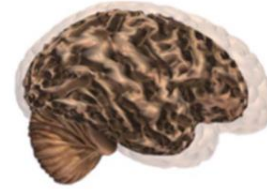
These images show:



A brain without the disease.



A brain with advanced Alzheimer's.



How the two brains compare.

Source: Alzheimer's Association.

Exhibit 7: Agitation in Alzheimer's

AGITATION IN ALZHEIMER'S

Agitation: excessive motor activity, verbal aggression, or physical aggression that is severe enough to impair personal relationships, social functioning, and/or daily activities¹.

Agitation starts early in AD and increases in severity as the disease progresses².

40-80% of Alzheimer's patients suffer from agitation³

Agitation is associated with 4:

- ✓ Higher admission rate to assisted living facilities
- ✓ Higher use of medications
- ✓ Long-term hospitalization
- ✓ Higher mortality
- ✓ In 2023 the FDA-approved Brexpiprazole to treat agitation in AD dementia - a repurposed atypical anti-psychotic with a black box warning

Source: Company reports.

Exhibit 8: IGC-AD1

OUR SOLUTION

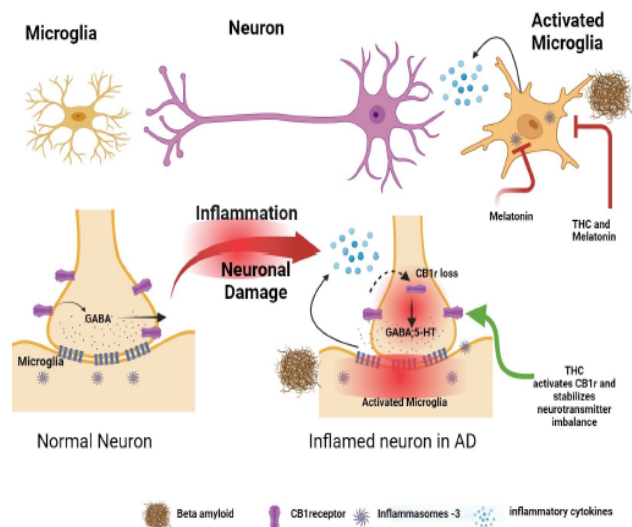
The Promise of IGC-AD1

A patent-protected compound in Phase 2B trials that targets agitation in Alzheimer's disease

Two APIs that target neuroinflammation, neurotransmitter imbalance, CB1r agonism and inflammasome-3, all implicated in agitation in AD

IGC-AD1 can potentially reduce agitation, and also act on Alzheimer's pathology (plaques, tangles) making it a significantly more powerful alternative

IGC-AD1 would be a treatment option that is not an antipsychotic with a black box warning



IGC-AD1 contains two APIs that are safer than traditional antipsychotic therapies.

Source: Company reports.

Exhibit 9: IGC-AD1 Phase 2 Interim Data (March 2024)

Positive Interim Results for IGC-AD1 in Reducing Alzheimer’s Agitation



Interim Data:

IGC-AD1’s interim results demonstrate a clinical and statistically significant reduction in agitation compared to placebo, suggesting a strong plausibility to address a substantial unmet medical need.

- ✓ The study’s primary goal is to assess the change in AAD after six weeks using a standard scale, the Cohen Mansfield Agitation Inventory (“CMAI”). Based on interim data, patients taking IGC-AD1, on average, experienced a more significant reduction in agitation scores compared to those on placebo, and the positive effects were observed as early as week two of the trial.
- ✓ This interim data validates IGC-AD1’s potential as a transformative therapeutic option with a large market opportunity in Alzheimer’s disease management.

Positive Interim Results for IGC-AD1 in Reducing Alzheimer’s Agitation

At the primary outcome, assessing the change in v as measured by the CMAI at week 6, the Cohen’s d effect size indicating the superiority of IGC-AD1 over placebo was 0.66.

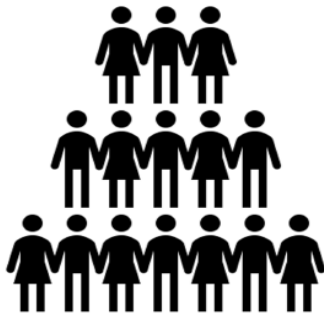
Source: Company reports.

Exhibit 10: Ongoing IGC-AD1 Phase 2B Trial

ON GOING IGC-AD1 PHASE IIb

Placebo Controlled, Double Blind, Randomized, Multi Site

Phase IIb protocol seeks to show that IGC-AD1 is effective, compared to placebo, in lowering agitation in participants with Alzheimer’s



Objective

- ✓ Evaluate if IGC-AD1 is superior to placebo in reducing agitation in a six-week trial

Key Inclusion Criteria

- ✓ Individuals 60 years and above
- ✓ Diagnosis of AD with established and persistent agitation

Sites

- ✓ 20-30 trial sites

TARGET: 146 Participants

Source: Company report.

Exhibit 11: TGR-63

AD DRUG CANDIDATE 2

TGR-63

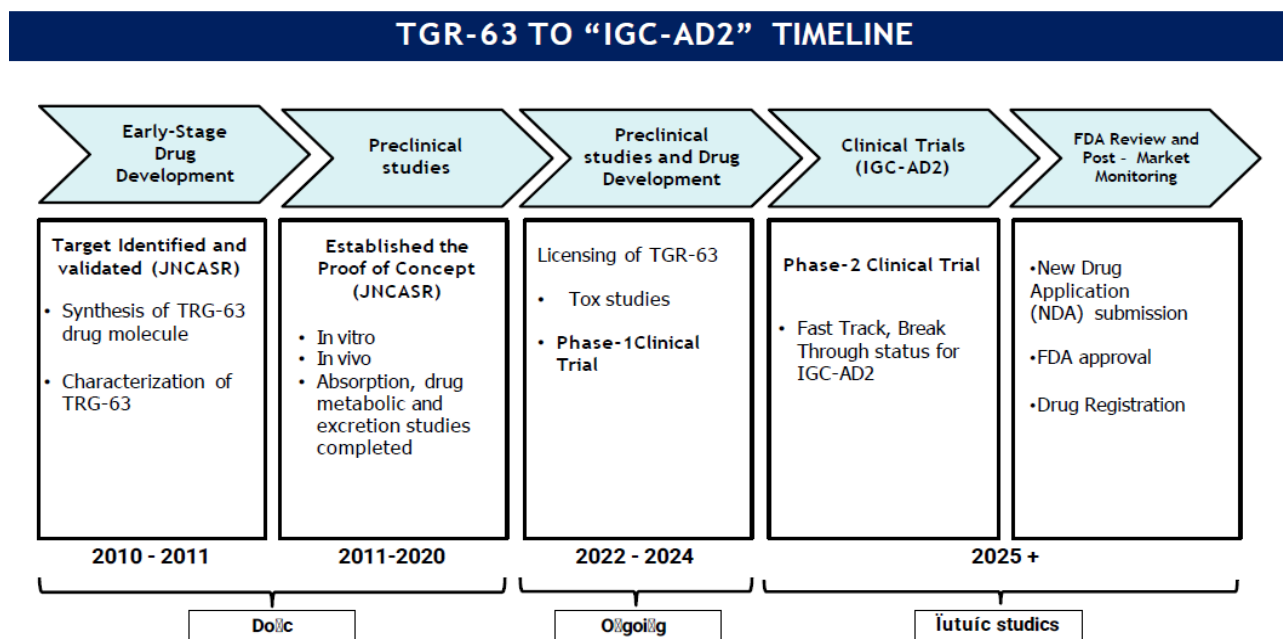
Background

TGR-63 A BREAKTHROUGH MOLECULE

- India-based Jawaharlal Nehru Centre for Advanced Scientific Research (JNCASR) created the TGR-63 molecule
- IGC acquired exclusive rights to TGR-63 from JNCASR researchers in 2022
- Pre-clinical testing demonstrates that TGR-63 holds potential to ameliorate plaque due to AD
- Behavioral tests with AD (APP/PS1) mice show that TGR-63 can:
 - ✓ Rescue neuronal cells from amyloid toxicity
 - ✓ Minimize learning deficiency, memory impairment & cognitive decline
- Current status: Toxicology and other studies leading to Phase 1 trials in progress

Source: Company report.

Exhibit 12: TGR-63 Product Development Timeline



Source: Company report.

Exhibit 13: Positive Interim Results for IGC-AD1 in Reducing Alzheimer's Agitation (on March 20, 2024)

IGC Pharma Announces Positive Interim Results for IGC-AD1 in Reducing Alzheimer's Agitation



Business Wire

Wed, March 20, 2024 at 8:00 AM PDT · 8 min read

- Interim Data: Study Achieves Primary End Point Demonstrating Clinical and Statistically Significant Reductions Compared to Placebo in Agitation Associated with Dementia Due to Alzheimer's Disease -

POTOMAC, Md., March 20, 2024--(BUSINESS WIRE)--IGC Pharma, Inc. ("IGC Pharma", "IGC", or the "Company") (NYSE American: IGC) today announced the results of an interim analysis of its ongoing Phase 2 trial investigating IGC-AD1 as a treatment for Agitation in dementia from Alzheimer's Disease ("AAD").

The interim data demonstrates a clinical and statistically significant reduction in agitation compared to placebo in patients with Alzheimer's disease, indicating strong therapeutic potential for IGC-AD1.

The study's primary goal is to assess the change in AAD after six weeks using a standard scale, the Cohen Mansfield Agitation Inventory ("CMAI"). Based on interim data, patients taking IGC-AD1, on average, experienced a more significant reduction in agitation scores compared to those on placebo, and the positive effects were observed as early as week two of the trial.

At the primary outcome, assessing the change in agitation as measured by the CMAI at week 6, the Cohen's d effect size indicating the superiority of IGC-AD1 over placebo was 0.66. The CMAI Least Square ("LS") mean difference between active, and placebo was -10.45, with a p-value of 0.037 (for combined week two and week six results). In addition, at the pre-specified secondary endpoint, change at week two, the effect size was 0.79. The Cohen's d is a standardized statistical effect size that describes the magnitude of the difference between two groups, taking into account the variability in outcomes.

Source: Company reports.

Exhibit 14: Q3 FY25 Results and Recent Highlights (as of February 18, 2025)

IGC Pharma Reports Third Quarter Fiscal 2025 Results

IGC Pharma, Inc.

Tue, February 18, 2025 at 5:30 AM PST • 8 min read



In This Article:

IGC -0.10%

POTOMAC, MARYLAND / ACCESS Newswire / February 18, 2025 / IGC Pharma, Inc. ("IGC" or the "Company") (NYSE American:IGC) today announced its financial results for the third fiscal quarter of 2025 ended December 31, 2024.

"The third quarter of fiscal 2025 was marked by our progress in advancing IGC-AD1 in our Phase 2 CALMA trial aimed at reducing agitation in Alzheimer's," said Mr. Ram Mukunda, CEO. "We are also planning to explore IGC-AD1 as an Alzheimer's disease-modifying therapy, aimed at reducing plaques and tangles in the brain, which positions IGC-AD1 in a significantly broader market. Our AI-driven research also gained recognition from the NIH through the PREPARE Challenge, reinforcing our leadership in Alzheimer's innovation. As we continue executing our strategy across Alzheimer's and metabolic disorders, we remain committed to delivering transformative therapies and driving long-term value for shareholders."

Q3 FY2025 Company's Highlights:

- **Recognition in Innovative Research:** On October 1, 2024, IGC Pharma celebrated winning two awards in the PREPARE Challenge (Pioneering Research for Early Prediction of Alzheimer's and Related Dementias EUREKA Challenge), for its compelling entry based on the Mexican Health and Aging Study ("MHAS") database.
- **Patient Enrollment in Toronto:** The Company marked a significant milestone on October 17, 2024, with the enrollment of patients at the Baycrest Academy for Research and Education in Toronto, Ontario, as part of its ongoing CALMA trial focusing on the treatment of agitation in Alzheimer's dementia.
- **Positive Interim Data Revealed:** On November 14, 2024, IGC Pharma announced additional interim data from its ongoing CALMA trial highlighting cognitive benefits of IGC-AD1 in Alzheimer's patients.
- **Expansion into Alzheimer's Disease Modifying Treatment:** On December 2, 2024, IGC Pharma announced an expansion of its clinical research program for IGC-AD1, to address cognitive impairment and underlying Alzheimer's disease pathology, such as reduction of plaques and tangles.

Source: Company reports.

Exhibit 15: IGC Pharma Expands Into \$75 Billion Wellness Market with the Launch of Holiby (as of 2/11/25)



February 11, 2025

IGC Pharma Expands into \$75 Billion Wellness Market with the Launch of Holiby™

– Product Launch Leverages IGC’s State-Of-The-Art Manufacturing Facility To Support Revenue-Generating Brand for Immunity & Energy –

POTOMAC, MD – February 11, 2025 – IGC Pharma, Inc. (NYSE American: IGC) (“IGC Pharma” or the “Company”) today announced the launch of Holiby™, a wellness brand offering scientifically formulated products for immune defense and sustained energy. This strategic expansion into the rapidly growing \$75 billion wellness industry establishes a new revenue stream while IGC Pharma continues advancing its pharmaceutical pipeline focused on treatments for Alzheimer’s disease and metabolic disorders.

IGC will leverage its existing capacity at its state-of-the-art manufacturing facilities in Washington State – originally established for pharmaceutical production – to manufacture and distribute Holiby’s over-the-counter (“OTC”) wellness products and formulations. This dual strategy creates near-term revenue growth and maximizes operational efficiencies while the company advances IGC-AD1 through its Phase 2 and Phase 3 clinical trials and further develops promising metabolic drug candidates.

“The launch of Holiby™ represents an exciting strategic expansion into the multi-billion-dollar wellness industry,” said Ram Mukunda, CEO of IGC Pharma. *“This is an opportunity to generate near-term revenue, drive brand growth, and establish IGC in both wellness and biotech innovation while also better leveraging our manufacturing facility.”*



Holiby’s first product line includes Immunity Gummies and Energy Gummies, designed to meet growing consumer demand for natural, effective health solutions:

- **Holiby™ Immunity Gummies:** Formulated with Elderberry, Echinacea, and Reishi Mushrooms to support immune resilience and protect against oxidative stress.
- **Holiby™ Energy Gummies:** Featuring Ashwagandha, Ginseng, and Maca Root, scientifically recognized for their ability to enhance stamina, reduce stress, and support cognitive performance.



Holiby™ products will be available for direct-to-consumer online sales and white-label partnerships with wellness brands, further expanding revenue opportunities.

Source: Company reports.

Exhibit 16: IGC Pharma, Inc. Stock Price (5-years)



Source: <https://bigcharts.marketwatch.com/>

Exhibit 17: Consensus Expectations (as of February 18, 2025)

	Revenue (mil)			EPS	
	2025E	2026E		2025E	2026E
Q1 Jun	\$0.3A		Q1 Jun	\$(0.03)A	
Q2 Sep	\$0.4A		Q2 Sep	\$(0.02)A	
Q3 Dec	\$0.3E		Q3 Dec	\$(0.03)E	
Q4 Mar	\$0.3E		Q4 Mar	\$(0.03)E	
Total	\$1.2E	\$1.4E	Total	\$(0.10)E	\$(0.10)E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, LSEG, and Ascendant Capital Markets estimates

FINANCIAL MODEL

IGC Pharma, Inc.

Income Statement (\$ mils)	Jun-22	Sep-22	Dec-22	Mar-23	2023	Jun-23	Sep-23	Dec-23	Mar-24	2024	Jun-24	Sep-24	Dec-24	Mar-25	2025	Jun-25	Sep-25	Dec-25	Mar-26	2026
Fiscal Year End: March 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.212	0.202	0.332	0.165	0.911	0.555	0.291	0.204	0.295	1.345	0.272	0.412	0.257	0.310	1.251	0.326	0.494	0.308	0.372	1.501
<u>Cost of Revenues</u>	<u>0.070</u>	<u>0.067</u>	<u>0.230</u>	<u>0.102</u>	<u>0.469</u>	<u>0.300</u>	<u>0.117</u>	<u>0.071</u>	<u>0.124</u>	<u>0.612</u>	<u>0.109</u>	<u>0.214</u>	<u>0.153</u>	<u>0.124</u>	<u>0.600</u>	<u>0.131</u>	<u>0.198</u>	<u>0.123</u>	<u>0.149</u>	<u>0.600</u>
Gross Profit	0.142	0.135	0.102	0.063	0.442	0.255	0.174	0.133	0.171	0.733	0.163	0.198	0.104	0.186	0.651	0.196	0.297	0.185	0.223	0.901
Research & development	1.394	0.768	0.806	0.493	3.461	0.747	1.268	0.903	0.855	3.773	0.889	0.917	0.852	1.000	3.658	1.100	1.100	1.100	1.100	4.400
Sales, general & administrative	1.550	1.855	1.574	3.573	8.552	1.647	1.397	2.228	1.486	6.758	1.670	1.041	1.130	1.100	4.941	1.300	1.300	1.300	1.300	5.200
Restructuring and other					0.000				3.345	3.345					0.000					0.000
Total operating expenses	2.944	2.623	2.380	4.066	12.013	2.394	2.665	3.131	5.686	13.876	2.559	1.958	1.982	2.100	8.599	2.400	2.400	2.400	2.400	9.600
Operating income (loss)	(2.802)	(2.488)	(2.278)	(4.003)	(11.571)	(2.139)	(2.491)	(2.998)	(5.515)	(13.143)	(2.396)	(1.760)	(1.878)	(1.914)	(7.948)	(2.204)	(2.103)	(2.215)	(2.177)	(8.699)
Interest income (expense)					0.000					0.000				(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.020)
Other income (expense)	0.017	0.046	0.029	(0.027)	0.065	0.064	0.040	(2.591)	2.630	0.143	0.018	0.043	0.049	0.000	0.110	0.000	0.000	0.000	0.000	0.000
Income before income taxes	(2.785)	(2.442)	(2.249)	(4.030)	(11.506)	(2.075)	(2.451)	(5.589)	(2.885)	(13.000)	(2.378)	(1.717)	(1.829)	(1.919)	(7.843)	(2.209)	(2.108)	(2.220)	(2.182)	(8.720)
Income taxes					0.000					0.000					0.000	0.000	0.000	0.000	0.000	0.000
Net income (loss)	(2.785)	(2.442)	(2.249)	(4.030)	(11.506)	(2.075)	(2.451)	(5.589)	(2.885)	(13.000)	(2.378)	(1.717)	(1.829)	(1.919)	(7.843)	(2.209)	(2.108)	(2.220)	(2.182)	(8.720)
Nonrecurring/noncash adjustments					0.000					0.000					0.000					0.000
Net income (pro forma)	(2.785)	(2.442)	(2.249)	(4.030)	(11.506)	(2.075)	(2.451)	(5.589)	(2.885)	(13.000)	(2.378)	(1.717)	(1.829)	(1.919)	(7.843)	(2.209)	(2.108)	(2.220)	(2.182)	(8.720)
EBITDA																				
Shares, Basic	51.6	52.2	53.1	53.4	52.6	53.1	54.3	63.7	64.2	58.8	72.8	76.0	77.6	79.7	76.5	80.2	80.7	81.2	81.7	81.0
Shares, Diluted	51.6	52.2	53.1	53.4	52.6	53.1	54.3	63.7	64.2	58.8	72.8	76.0	77.6	79.7	76.5	80.2	80.7	81.2	81.7	81.0
EPS Basic (pro forma)	(\$0.05)	(\$0.05)	(\$0.04)	(\$0.08)	(\$0.22)	(\$0.04)	(\$0.05)	(\$0.09)	(\$0.04)	(\$0.22)	(\$0.03)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.10)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.11)
EPS Diluted (pro forma)	(\$0.05)	(\$0.05)	(\$0.04)	(\$0.08)	(\$0.22)	(\$0.04)	(\$0.05)	(\$0.09)	(\$0.04)	(\$0.22)	(\$0.03)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.10)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.11)
Margins																				
Gross margin	67%	67%	31%	38%	49%	46%	60%	65%	58%	54%	60%	48%	40%	60%	52%	60%	60%	60%	60%	60%
Research & development	658%	380%	243%	299%	380%	135%	436%	443%	290%	281%	327%	223%	332%	323%	292%	337%	222%	357%	296%	293%
Sales, general & administrative	731%	918%	474%	2165%	939%	297%	480%	1092%	504%	502%	614%	253%	440%	355%	395%	398%	263%	422%	350%	346%
Operating margin	-1322%	-1232%	-686%	-2426%	-1270%	-385%	-856%	-1470%	-1869%	-977%	-881%	-427%	-731%	-618%	-635%	-675%	-425%	-718%	-586%	-580%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-1314%	-1209%	-677%	-2442%	-1263%	-374%	-842%	-2740%	-978%	-967%	-874%	-417%	-712%	-620%	-627%	-677%	-426%	-720%	-587%	-581%
YY % change																				
Total Revenue	175%	261%	134%	35%	129%	162%	44%	-39%	79%	48%	-51%	42%	26%	5%	-7%	20%	20%	20%	20%	20%
Gross margin	446%	255%	65%	-7%	128%	80%	29%	30%	171%	66%	-36%	14%	-22%	9%	-11%	20%	50%	78%	20%	38%
Research & development	214%	178%	114%	-60%	49%	-46%	65%	12%	73%	9%	19%	-28%	-6%	17%	-3%	24%	20%	29%	10%	20%
Sales, general & administrative	-13%	-55%	-24%	-33%	-36%	6%	-25%	42%	-58%	-21%	1%	-25%	-49%	-26%	-27%	-22%	25%	15%	18%	5%
Operating income (loss)	28%	-43%	-4%	-38%	-25%	-24%	0%	32%	38%	14%	12%	-29%	-37%	-65%	-40%	-8%	20%	18%	14%	9%
Net income (loss)	56%	-44%	-6%	-38%	-23%	-25%	0%	149%	-28%	13%	15%	-30%	-67%	-33%	-40%	-7%	23%	21%	14%	11%
EPS Diluted (pro forma)	45%	-46%	-9%	-41%	-27%	-28%	-4%	107%	-40%	1%	-16%	-50%	-73%	-46%	-54%	-16%	16%	16%	11%	5%

Source: Company reports and Ascendant Capital Markets estimates.

IGC Pharma, Inc.

Balance Sheet (\$ mils)	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Fiscal Year End: March 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	8.053	6.623	4.945	3.196	1.723	3.026	1.378	1.198	1.824	1.546	0.470	0.101	(1.265)	(2.210)	(4.866)	(6.385)
Short term investments		0.193	0.088	0.154	0.227	0.098						0.000	0.000	0.000	0.000	0.000
Accounts receivable, net	0.147	0.189	0.251	0.107	0.225	0.137	0.092	0.039	0.028	0.044	0.049	0.172	0.181	0.275	0.171	0.207
Inventory	3.622	3.750	3.748	2.651	2.641	2.636	1.925	1.540	1.510	1.510	1.433	1.239	0.979	1.483	0.925	1.115
Deferred income taxes												0.000	0.000	0.000	0.000	0.000
Prepaid expenses and other	0.905	0.444	0.322	0.358	0.262	0.220	0.188	0.928	1.045	1.150	1.099	0.620	0.653	0.989	0.617	0.743
Total current assets	12.727	11.199	9.354	6.466	5.078	6.117	3.583	3.705	4.407	4.250	3.051	2.131	0.548	0.537	(3.152)	(4.320)
Property and equipment, net	9.161	8.470	8.309	8.213	8.104	7.947	5.268	3.695	3.586	3.468	3.348	3.275	3.202	3.223	3.150	3.171
Claims and advances	0.922	0.950	1.028	1.003	1.017	0.998	0.999	0.688	0.688	0.687	0.681	0.681	0.681	0.681	0.681	0.681
Leases	0.419	0.387	0.357	0.326	0.295	0.263	0.227	0.198	0.193	0.161	0.129	0.129	0.129	0.129	0.129	0.129
Intangibles, net	0.937	0.952	1.022	1.170	1.179	1.181	1.182	1.616	1.720	1.803	1.869	1.869	1.869	1.869	1.869	1.869
Deferred income tax												0.000	0.000	0.000	0.000	0.000
Other												0.000	0.000	0.000	0.000	0.000
Total assets	24.166	21.958	20.070	17.178	15.673	16.506	11.259	9.902	10.594	10.369	9.078	8.085	6.429	6.439	2.677	1.530
Liabilities and stockholders' equity																
Accounts payable	0.456	0.456	0.466	0.530	0.672	0.549	0.648	0.773	0.771	0.768	0.835	1.006	1.060	1.606	1.002	1.208
Accrued expenses	1.200	0.926	0.890	1.368	1.459	1.557	1.288	1.567	1.718	2.034	1.822	2.196	2.314	3.505	2.186	2.635
Deferred income tax												0.000	0.000	0.000	0.000	0.000
Warrant liabilities												0.000	0.000	0.000	0.000	0.000
Leases												0.000	0.000	0.000	0.000	0.000
Other												0.000	0.000	0.000	0.000	0.000
Short term debt	0.003											0.000	0.000	0.000	0.000	0.000
Total current liabilities	1.659	1.382	1.356	1.898	2.131	2.106	1.936	2.340	2.489	2.802	2.657	3.202	3.374	5.111	3.188	3.843
Deferred income taxes												0.000	0.000	0.000	0.000	0.000
Warrant liabilities												0.000	0.000	0.000	0.000	0.000
Other long term liabilities	0.016	0.015	0.015	0.021	0.021	0.017	0.017	0.020	0.020	0.020	0.016	0.016	0.016	0.016	0.016	0.016
Leases	0.308	0.275	0.241	0.207	0.179	0.146	0.115	0.084	0.069	0.035	0.012	0.012	0.012	0.012	0.012	0.012
Long term debt	0.143	0.142	0.141	0.141	0.140	0.139	0.138	0.137	0.136	0.135	0.134	0.134	0.134	0.134	0.134	0.134
Total other liabilities	0.467	0.432	0.397	0.369	0.340	0.302	0.270	0.241	0.225	0.190	0.162	0.162	0.162	0.162	0.162	0.162
Preferred stock												0.000	0.000	0.000	0.000	0.000
Common stock	117.171	117.899	118.382	118.965	119.322	122.732	123.258	124.409	127.349	128.578	129.307	129.688	130.069	130.450	130.831	131.212
Additional paid-in capital												0.000	0.000	0.000	0.000	0.000
Retained earnings	(91.944)	(94.386)	(96.635)	(100.665)	(102.740)	(105.191)	(110.780)	(113.665)	(116.043)	(117.760)	(119.589)	(121.508)	(123.717)	(125.826)	(128.046)	(130.228)
Other												0.000	0.000	0.000	0.000	0.000
Accumulated other comprehensive income	(3.187)	(3.369)	(3.430)	(3.389)	(3.380)	(3.443)	(3.425)	(3.423)	(3.426)	(3.441)	(3.459)	(3.459)	(3.459)	(3.459)	(3.459)	(3.459)
Total stockholders' equity	22.040	20.144	18.317	14.911	13.202	14.098	9.053	7.321	7.880	7.377	6.259	4.721	2.893	1.165	(0.674)	(2.475)
Total stockholders' equity and liabilities	24.166	21.958	20.070	17.178	15.673	16.506	11.259	9.902	10.594	10.369	9.078	8.085	6.429	6.439	2.677	1.530

Balance Sheet Drivers

	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	427%	220%	97%	217%	47%	76%	92%	315%	384%	279%	428%	200%	200%	200%	200%	200%
Inventory as % of total rev	1708%	1856%	1129%	1607%	476%	906%	944%	522%	555%	367%	558%	400%	300%	300%	300%	300%
A/P as % of total rev	215%	226%	140%	321%	121%	189%	318%	262%	283%	186%	325%	325%	325%	325%	325%	325%
Accrued exp related as % of total rev	566%	458%	268%	829%	263%	535%	631%	531%	632%	494%	709%	709%	709%	709%	709%	709%
Activity Ratios																
A/R Days Sales Outstanding	62	84	68	58	36	42	41	12	9	10	17	50	50	50	50	50
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$0.43	\$0.39	\$0.35	\$0.28	\$0.25	\$0.26	\$0.14	\$0.11	\$0.11	\$0.10	\$0.08	\$0.06	\$0.04	\$0.01	-\$0.01	-\$0.03
Cash per Share (diluted)	\$0.16	\$0.13	\$0.09	\$0.06	\$0.04	\$0.06	\$0.02	\$0.02	\$0.03	\$0.02	\$0.01	\$0.00	-\$0.02	-\$0.03	-\$0.06	-\$0.08
Net cash per Share (diluted)	\$0.15	\$0.13	\$0.09	\$0.06	\$0.03	\$0.05	\$0.02	\$0.02	\$0.02	\$0.02	\$0.00	\$0.00	-\$0.02	-\$0.03	-\$0.06	-\$0.08

Source: Company reports and Ascendant Capital Markets estimates



IGC Pharma, Inc.

Cash Flow Statement (\$ mils)	Jun-22	Sep-22	Dec-22	Mar-23	2023	Jun-23	Sep-23	Dec-23	Mar-24	2024	Jun-24	Sep-24	Dec-24	Mar-25	2025	Jun-25	Sep-25	Dec-25	Mar-26	2026	
Fiscal Year End: March 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(2.785)	(2.442)	(2.249)	(4.030)	(11.506)	(2.075)	(2.451)	(5.589)	(2.885)	(13.000)	(2.378)	(1.717)	(1.829)	(1.919)	(7.843)	(2.209)	(2.108)	(2.220)	(2.182)	(8.720)	
Depreciation	0.162	0.170	0.172	0.153	0.657	0.155	0.158	0.160	0.164	0.637	0.162	0.145	0.157	0.100	0.564	0.100	0.100	0.100	0.100	0.400	
Amortization					0.000					0.000					0.000					0.000	
Non-cash lease expense					0.000					0.000					0.000					0.000	
Debt related amortization expense					0.000					0.000					0.000					0.000	
Stock comp	1.152	0.624	0.484	0.583	2.843	0.357	0.550	0.526	0.340	1.773	0.402	0.402	0.381	0.381	1.566	0.381	0.381	0.381	0.381	1.524	
Deferred income taxes					0.000					0.000				0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Change in fair value of warrant liability					0.000					0.000					0.000					0.000	
Accrued interest										0.000					0.000					0.000	
Writedowns and impairments				0.126	0.126			3.358	0.090	3.448					0.000					0.000	
Other gains/losses					0.000				0.093	0.093				(0.014)	(0.014)					0.000	
Other	0.068	(0.023)	(0.006)		0.039	(0.053)	0.001	0.010	(0.002)	(0.044)					0.000					0.000	
Changes in operating assets and liabilities:																					
Accounts receivable	(0.023)	(0.042)	(0.062)	0.132	0.005		(0.030)	0.044	(0.039)	(0.025)	0.011	(0.016)	(0.005)	(0.123)	(0.133)	(0.009)	(0.093)	0.103	(0.035)	(0.034)	
Inventory	(0.074)	(0.128)	0.002	1.097	0.897	(0.118)	0.133	(0.023)	1.016	1.008	0.030	0.077	0.194	0.301	0.301	0.260	(0.504)	0.558	(0.190)	0.124	
Prepaid expenses & other curre	0.073	0.461	0.031	0.026	0.591	0.010	0.071	0.088	(0.019)	0.150	(0.118)	(0.109)	0.037	0.480	0.290	(0.033)	(0.336)	0.372	(0.127)	(0.124)	
Income tax					0.000					0.000					0.000					0.000	
Other assets	0.015	(0.028)	0.013	(0.150)	(0.150)	0.020	(0.020)	0.004	0.311	0.315		0.001	0.006	0.000	0.007	0.000	0.000	0.000	0.000	0.000	
Accounts payable	(0.524)		0.008	0.065	(0.451)	0.142	(0.123)	0.098	0.126	0.243	(0.002)	(0.002)	0.066	0.171	0.233	0.054	0.546	(0.604)	0.206	0.201	
Accrued expenses	(0.258)	(0.277)	(0.037)	0.484	(0.088)	0.091	0.094	(0.268)	0.280	0.197	0.151	0.316	(0.216)	0.374	0.625	0.118	1.191	(1.319)	0.449	0.439	
Deferred revenue					0.000					0.000					0.000					0.000	
Other liabilities	(0.002)	(0.001)	(0.004)	(0.003)	(0.010)	0.003	(0.001)	0.005	(0.001)	0.006	(0.010)	(0.002)	0.009	0.000	(0.003)	0.000	0.000	0.000	0.000	0.000	
Net cash (used in) provided by	(2.196)	(1.686)	(1.648)	(1.517)	(7.047)	(1.468)	(1.618)	(1.587)	(0.526)	(5.199)	(1.752)	(0.996)	(1.317)	(0.342)	(4.407)	(1.339)	(0.824)	(2.629)	(1.398)	(6.190)	
Cash flow from investing activities																					
Purchases of property and equi	(0.127)	0.404	(0.038)	(0.011)	0.228	(0.020)	(0.035)	(0.068)	(0.015)	(0.138)	(0.038)	(0.029)	(0.027)	(0.027)	(0.121)	(0.027)	(0.121)	(0.027)	(0.121)	(0.296)	
Purchases of short-term investments	(0.193)	0.105	(0.066)		(0.154)	0.128	0.026		0.154	0.154					0.000					0.000	
Acquisitions	(0.031)	(0.029)	(0.084)	(0.165)	(0.309)	(0.028)	(0.020)	(0.019)	(0.310)	(0.377)	(0.093)	(0.052)	(0.077)		(0.222)					0.000	
Other					0.000	0.043	(0.001)		0.002	0.044		0.016			0.016					0.000	
Net cash used in investing activ	(0.158)	0.182	(0.017)	(0.242)	(0.235)	(0.005)	0.072	(0.061)	(0.323)	(0.317)	(0.131)	(0.065)	(0.104)	(0.027)	(0.327)	(0.027)	(0.121)	(0.027)	(0.121)	(0.296)	
Cash flow from financing activities																					
Issuance of debt					0.000					0.000				0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Repayment of debt	(0.001)	(0.001)		(0.001)	(0.003)	(0.001)	(0.001)	(0.001)		(0.003)	(0.001)	(0.001)	(0.001)		(0.003)					0.000	
Issuance of stock		0.103			0.103		2.860	0.000	0.667	3.527	2.508	0.795	0.346	0.000	3.649	0.000	0.000	0.000	0.000	0.000	
Proceeds from stock option exercises					0.000					0.000					0.000					0.000	
Other					0.000					0.000					0.000					0.000	
Dividends and distributions					0.000					0.000					0.000					0.000	
Cash provided by (used in) fina	(0.001)	0.102	0.000	(0.001)	0.100	(0.001)	2.859	(0.001)	0.667	3.524	2.507	0.794	0.345	0.000	3.646	0.000	0.000	0.000	0.000	0.000	
Effect of exchange rate on cash	(0.052)	(0.028)	(0.013)	0.011	(0.082)	0.001	(0.010)	0.001	0.002	(0.006)	0.002	(0.011)			(0.009)					0.000	
Net increase (decrease) in cash	(2.407)	(1.430)	(1.678)	(1.749)	(7.264)	(1.473)	1.303	(1.648)	(0.180)	(1.998)	0.626	(0.278)	(1.076)	(0.369)	(1.097)	(1.366)	(0.945)	(2.656)	(1.519)	(6.486)	
Beginning cash and equivalents	10.460	8.053	6.623	4.945	10.460	3.196	1.723	3.026	1.378	3.196	1.198	1.824	1.546	0.470	1.198	0.101	(1.265)	(2.210)	(4.866)	0.101	
Ending cash and equivalents	8.053	6.623	4.945	3.196	3.196	1.723	3.026	1.378	1.198	1.198	1.824	1.546	0.470	0.101	0.101	(1.265)	(2.210)	(4.866)	(6.385)	(6.385)	

Source: Company reports and Ascendant Capital Markets estimates

ANALYST CERTIFICATION

Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

IGC Pharma, Inc.



Source: <https://bigcharts.marketwatch.com/>

	Report Date		Price
Report	Date	Rating	Target
1	2/12/2024	Buy	2.75
2	2/20/2024	Buy	3.00
3	3/24/2024	Buy	3.25
4	6/20/2024	Buy	3.25
5	7/24/2024	Buy	3.50
6	8/31/2024	Buy	3.75
7	12/4/2024	Buy	4.00
8	1/20/2025	Buy	4.00

- Ascendant Capital Markets, LLC has not received compensation for advisory or investment banking services from the company in the past 12 months.

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Risks & Considerations

Risks to attainment of our share price target include balance sheet/liquidity risks, failure of product candidates to demonstrate safety and efficacy in clinical trials, failure to gain regulatory approvals, ability to commercialize product, failure to obtain suitable reimbursement, competition, changing macroeconomic factors, investor sentiment for investing in biotech stocks, and changes in consumer or government priorities for healthcare.

Ascendant Capital Markets, LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of January 10, 2025)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	56	98%	20	36%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	57	100%	20	35%

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