Neuralstem, Inc.
Form 424B5
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Registration No. 333-218608

PROSPECTUS SUPPLEMENT

(To Prospectus dated June 23, 2017)

3,000,000 Shares of Common Stock

We are offering 3,000,000 shares of our common stock, $0.01 par value per share, at a purchase price of $0.70 per share, to certain institutional investors. In a concurrent private placement, we are also offering to such investors, warrants to purchase up to 3,000,000 shares of our common stock (the "Warrants"), with an exercise price of $0.75 per share. The Warrants and the shares of our common stock issuable upon the exercise of the Warrants (the "Warrant Shares") are being offered pursuant to the exemption provided in Section 4(a)(2) under the Securities Act of 1933, as amended (the "Securities Act") and Rule 506(b) promulgated thereunder, and they are not being offered pursuant to this prospectus supplement and the accompanying prospectus. The Warrants being issued in the concurrent private placement are not listed on any securities exchange, and we do not expect to list the Warrants.

Our common stock is listed on the Nasdaq Capital Market and traded under the symbol "CUR" The last reported sale price of our common stock on the Nasdaq Capital Market on October 24, 2018 was $0.753 per share.

As of October 24, 2018, the aggregate market value of the outstanding common stock held by non-affiliates, computed by reference to the price at which our common stock was last sold on September 4, 2018 was $15,710,114, based on 15,205,060 shares of our outstanding common stock as of October 24, 2018, of which 12,772,450 shares were held by non-affiliates. During the 12 calendar months prior to and including the date of this prospectus (excluding this offering), we have not sold any securities pursuant to General Instruction I.B.6 of Form S-3.

Investing in our securities involves a high degree of risk. See the section entitled "Risk Factors" appearing on pages S-7 of this prospectus supplement and elsewhere in this prospectus supplement and the accompanying base prospectus for a discussion of information that should be considered in connection with an investment in our securities.

We have retained H.C. Wainwright & Co., LLC ("Wainwright") to act as our exclusive placement agent in connection with the offer and sale of the shares of our common stock. The placement agent has agreed to use its reasonable best efforts to sell the shares of common stock offered by this prospectus supplement and the accompanying prospectus. We have agreed to pay the placement agent the placement agent fees set forth in the table below, which assumes that we sell all of the shares of common stock we are offering.

	Per Share	Total
Offering Price	$ 0.70	$2,100,000
Placement Agent Fees(1)(2)	$ 0.049	$147,000
Proceeds, before expenses, to us(2)	$ 0.651	$1,953,000

(1) In addition, we have agreed to reimburse the placement agent for certain of its expenses and to grant warrants to purchase shares of our common stock to the placement agent as described under the "Plan of Distribution" on page S-12 of this prospectus supplement (the " Placement Agent Warrants ").

(2) The amount of the offering proceeds to us presented in this table does not give effect to the exercise, if any, of the Warrants being issued in the concurrent private placement or of the Placement Agent Warrants.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

We anticipate delivery of the shares will take place on or about October 29, 2018, subject to the satisfaction of certain closing conditions.

H.C. Wainwright & Co.

The date of this prospectus supplement is October 25, 2018.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is part of the registration statement on Form S-3 (File No. 333-218608) that we filed with the Securities and Exchange Commission, or the SEC, using a "shelf" registration process to register sales of our securities under the Securities Act of 1933, as amended, or the Securities Act. This document consists of two parts. The first part is this prospectus supplement, including the documents incorporated by reference, which describes the specific terms of this offering. The second part is the accompanying prospectus filed with the SEC as part of the registration statement that was declared effective by the SEC on June 23, 2017, including the documents incorporated by reference, that gives more general information, some of which may not apply to this offering. Generally, when we refer only to the "prospectus," we are referring to both parts combined.

This prospectus supplement may add to, update or change information in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement or the accompanying prospectus. To the extent there is a conflict between the information contained in this prospectus supplement and the accompanying prospectus, you should rely on information contained in this prospectus supplement, provided that if any statement in, or incorporated by reference into, one of these documents is inconsistent with a statement in another document having a later date, the statement in the document having the later date modifies or supersedes the earlier statement. Any statement so modified will be deemed to constitute a part of this prospectus only as so modified, and any statement so superseded will be deemed not to constitute a part of this prospectus.

We sometimes refer to the shares of common stock offered hereby as the "securities" or "Shares".

This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us, the securities being offered and other information you should know before investing in our securities. You should also read and consider information in the documents to which we have referred you in the section of this prospectus supplement entitled "Where You Can Find More Information."

You should rely only on this prospectus supplement, the accompanying prospectus and the information incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus as well as any free writing prospectus. We and the underwriters have not authorized anyone to provide you with information that is in addition to or different from that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement, the accompanying prospectus and any related free writing prospectus do not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than as of the date of this prospectus supplement or the accompanying prospectus, as the case may be, or in the case of the documents incorporated by reference, the date of such documents regardless of the time of delivery of this

prospectus supplement and the accompanying prospectus or any sale of our securities. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference into this prospectus supplement or the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

The industry and market data contained or incorporated by reference in this prospectus supplement and the accompanying prospectus are based either on our management's own estimates or on independent industry publications, reports by market research firms or other published independent sources. Although we believe that such data contained herein from such sources is reliable, there can be no assurance or guarantee as to the accuracy or completeness of the information obtained from these sources. Unless otherwise indicated, all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus concerning our industry in general or any segment thereof, including information regarding our general expectations and market opportunity, is based on management's estimates using internal data, data from industry related publications, consumer research and marketing studies and other externally obtained data.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information appearing elsewhere in this prospectus supplement or in the accompanying prospectus or incorporated by reference into this prospectus supplement and the accompanying prospectus and does not contain all of the information that may be important to you or that you should consider before investing in our securities. Before making an investment decision, you should read this prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus in their entirety, including "Risk Factors" beginning on page S-7 of this prospectus supplement.

As used in this prospectus supplement, unless context otherwise requires, the words "we," "us," "our," "the Company," "Neuralstem" and "Registrant" refer to Neuralstem, Inc. and its subsidiary. Also, any reference to "common share" or "common stock," refers to our $0.01 par value common stock. Additionally, any reference to "Series A Preferred Stock" refers to our Series A 4.5% Convertible Preferred Stock.

Our Business

Overview

We are focused on the research and development of nervous system therapies based on our proprietary human neural stem cells and our small molecule compounds with the goal of gaining approval from the United States Food and Drug Administration or FDA, and its international counterparts, to market and commercialize such therapies. We are headquartered in Germantown, Maryland.

Our patented technology platform has three core components:

1. Over 300 lines of human, regionally specific neural stem cells, some of which we believe have the potential to be used to treat serious or life-threatening diseases through direct transplantation into the central nervous system;

2. Proprietary screening capability – our ability to generate human neural stem cell lines provides a platform for chemical screening and discovery of novel compounds; and

3. Small molecules that have resulted from Neuralstem's neurogenesis screening platform that we believe may have the potential to treat wide variety of nervous system conditions.

Our technology platform to date has produced two lead assets in clinical development: our NSI-189 phosphate small molecule program and NSI-566 stem cell therapy program.

We have developed and maintain what we believe is a strong portfolio of patents and patent applications that form the proprietary base for our research and development efforts. We own or exclusively license over 10 U.S. issued and pending patents and over 70 foreign issued and pending patents related to our stem cell technologies for use in treating disease and injury. We own over 15 U.S. issued and pending patents and over 70 foreign issued and pending patents related to our small molecule compounds.

We believe our technology, in combination with our expertise, and established collaborations with major research institutions, could facilitate the development and commercialization of products for use in the treatment of a wide array of nervous system disorders including neurodegenerative conditions and regenerative repair of acute and chronic disease.

Clinical Development Program Review

We have devoted the majority of our efforts and financial resources to the pre-clinical and clinical development of our small molecule compounds and our stem cell therapeutics. Below is a description of our most advanced clinical programs, their intended indication and current stage of development.

Clinical Pipeline

Clinical Pipeline Summary

NSI-566 Phase 1 safety trial for the treatment of motor deficits in stroke has been completed. The database has been locked and we are undergoing full data analysis. The topline results warrant further studies with larger cohorts to demonstrate safety and efficacy, compared to a randomized control arm. The company has initiated a Phase 2 trial in China. The Company is also actively planning for a Phase 2/3 efficacy trial in the US.

- In August 2018, we initiated a Phase 2 trial in China. This trial will enroll ischemic stroke patients with chronic partial paralysis with moderate to severe motor dysfunction, with the same key inclusion/exclusion criteria as the Phase 1 trial. All operations will occur at BaYi Brain Hospital, the site of Phase 1 study, and all follow-up assessments will be conducted by blinded, independent neurologists at Beijing Rehabilitation Hospital.

- In June 2018, we presented an abstract at the annual International Society of Stem Cell Research (ISSCR). The abstract released some key findings from our Phase 1 chronic stroke study in China, namely that NSI-566 treatment of 9 chronically hemiparetic stroke patients resulted in statistically significant improvement from baseline of motor functioning and clinical status.

- In March 2016, we completed dosing the final planned cohort, for a total of nine subjects. Subjects are currently being monitored through their 24-month observational follow-up period. The trial is being conducted by Suzhou Neuralstem, a wholly owned subsidiary of Neuralstem in China.

NSI-566 Phase 1 and 2 safety trials for the treatment of Amyotrophic Lateral Sclerosis (ALS): Analysis of combined Phase 1 and 2 data compared to matched historical datasets indicate preliminary evidence of clinical benefit of stabilizing function in the stem-cell treated patients. We intend to meet with FDA to discuss potential study designs for an efficacy trial.

- On May 3, 2018, we announced the results from a study published in the Annals of Clinical and Translational Neurology in a manuscript entitled "Long-term Phase 1/2 Intraspinal Stem Cell Transplantation Outcomes in Amyotrophic Lateral Sclerosis" that support the potential of transplanted human spinal cord-derived neural stem cells (HSSC) to stabilize functioning of ALS patients.

NSI-566 Phase 1 safety trial for the treatment of chronic Spinal Cord Injury (cSCI): The first cohort of 4 subjects (thoracic injury) tolerated the stem cell treatment well and showed early evidence of benefit; the study has progressed to the second cohort of 4 subjects (cervical injury), which has enrolled 1 patient so far.

- In June 2018, the study investigators published the results of the first cohort in the journal *Cell Stem Cell*. The results support the potential of transplanted NSI-566 to benefit patients with cSCI. At 18 months to 27 months after surgery, the analysis of motor and sensory function and electrophysiology showed improvement in three of the four patients after NSI-566 transplantation. There was no evidence of serious adverse events, suggesting the procedure is well-tolerated.

- In January 2016, we reported on the interim status of the Phase 1 safety data on all four subjects with stable thoracic spinal cord injuries; the stem cell treatment demonstrated feasibility and safety. A self-reported ability to contract some muscles below the level of injury was confirmed via clinical and electrophysiological follow-up examinations in one of the four subjects treated. All subjects will be followed for five years. This study is being conducted with support from the University of California, San Diego (UCSD) School of Medicine.

NSI-189 Phase 2 randomized, placebo-controlled, double-blind clinical trial for the treatment of MDD: The results point to the potential utility as an augmentation therapy to current antidepressants (SSRIs) by improving cognition, outlook, and energy that may complement SSRIs. The Company is seeking the advice and financial support of a partner to determine the best way forward for the MDD program.

- In July 2017, the company announced, top-line results from its exploratory Phase 2 clinical trial examining the efficacy of NSI-189 at 40 mg QD and 40 mg BID compared to placebo for the treatment of MDD. The study, which utilized the two-staged sequential parallel comparison design (SPCD), did not meet its primary efficacy endpoint of a statistically significant reduction in depression symptoms on the MADRS. However, the 40 mg QD dose was directionally positive on the MADRS. Of secondary efficacy endpoints analyzed so far, the patient-rated SDQ achieved statistical significance (p=0.044) with NSI-189 40 mg QD compared to placebo in the overall SPCD analysis. Results were also directionally positive on the Hamilton Depression Rating Scale (HAM-D17) at both doses. Both the 40 mg QD and 40 mg BID doses were well-tolerated with no serious adverse events reported.

- The clinical trial was initiated in May 2016 and the last subject completed the study in May 2017. 220 subjects were randomized for a 12-week interventional study with NSI-189 or placebo. The study was conducted under the direction of Principal Investigator (PI) Maurizio Fava, MD, Executive Vice Chair, Department of Psychiatry and Executive Director, Clinical Trials Network and Institute, Massachusetts General Hospital.

Pre-Clinical Development Pipeline

Our preclinical research on NSI-189 is focused on identifying its mechanism of action and investigating its potential utility as a neuroregenerative drug that can prevent or reverse various types of central and peripheral nerve degeneration and that may have significant cognitive benefit in diseases that impact memory and cognition. Recent preclinical data support the potential benefits of NSI-189 in other indications beyond MDD.

- Since 2016, we have been collaborating with the laboratory of Dr. Baudry at Western University of Health Sciences, California, and others to obtain proof-of-principle data for NSI-189 in reversing cognitive and neurological deficits in animal models of Angelman Syndrome, an inherited rare disease with known genetic defect that results in mental developmental arrest in early childhood. Positive results could position NSI-189 for a Phase 2a clinical trial for adult patients with Angelman Syndrome.

- Under a Phase 2 Small Business Innovation Research ("SBIR") grant from NIH/NINDS, we are collaborating with the laboratory of Drs. Calcutt and Jolivalt at UCSD to obtain the proof-of-principle data for NSI-189 in preventing/reversing peripheral/central neuropathy due to diabetes in animal models. Positive results could position NSI-189 for a Phase 2a clinical trial for diabetic neuropathy.

- We are testing NSI-189 in animal models of Alzheimer's disease at the laboratory of Dr. Jolivalt at UCSD.

- Therapeutic potential of NSI-189 on cognition has also been tested in an animal model of radiation-induced brain injury and subsequent cognitive impairment. This study was conducted at the laboratory of Dr. Limoli at University of California Irvine. The data, published in the journal *Radiation Research*, demonstrate that NSI-189 mitigates the cognitive damage done by cranial radiotherapy to rats.

Our preclinical studies with NSI-566 have served to provide a foundation for our ongoing clinical trials by demonstrating performance and efficacy of this cell line in animal models for ALS, spinal cord injury, and ischemic stroke, and demonstrated safety in large animals. Additional studies involving NSI-566 are directed at identifying new therapeutic indications.

- We have been collaborating with the laboratory of Dr. Bullock at the University of Miami to obtain proof-of-principle data for NSI-566 in reversing motor deficits due to severe/penetrating brain injury in animal models. In March 2017, interim preclinical data were published in *Journal of Neurotrauma*, which showed robust engraftment and long-term survival of NSI-566 post transplantation in a rat model of penetrating ballistic-like brain injury (PBBI). On June 11, 2018, we received a $150,000 Department of Defense contract to support the development of NSI-566 human neural stem cell line as a candidate therapeutic for severe Traumatic Brain Injury (TBI).

In addition to NSI-566 we have developed an inventory of over 300 unique stem cell lines. These stem cell lines include cortex, hippocampus, midbrain, hindbrain, cerebellum, and spinal cord. We believe these lines possess unique properties and represent candidates for both transplantation-based strategies to treat disease and for screening of compound libraries to discover novel drug therapies.

- One cell line we have been developing is NSI-532.IGF for Alzheimer's disease (AD). This cell line is a fetal cortex-derived neural stem cell line genetically engineered to overexpress human insulin-like growth factor 1 (IGF-1), which is well-known for its neurogenic and neuroprotective properties. This work is being conducted at the laboratory of Dr. Feldman at the University of Michigan to obtain proof-of-principle data for NSI-566 in slowing/reversing neurodegeneration in animal models of AD. In January 2016, preliminary data were published in *Stem Cells Translational Medicine*, which showed a promise as a possible disease-modifying Alzheimer's intervention.

Our Technologies

Small Molecule Pharmaceutical Compounds.

Utilizing our proprietary stem cell-based screening capability, we have discovered and patented a series of small molecule compounds. We believe our low molecular weight organic compounds can efficiently cross the blood/brain barrier. In mice, research indicated that the small molecule compounds both stimulate neurogenesis of the hippocampus and increase its volume. We believe the small molecule compounds may promote synaptogenesis and neurogenesis in the human hippocampus thereby providing therapeutic benefits in indications such as MDD and may also provide clinical benefit in indications such as Angelman Syndrome, Diabetic Neuropathy, Cognition, Stroke and Radiation Induced Cognitive Deficit.

Our portfolio of small molecule compounds which includes NSI-189 are covered by 10 U.S. exclusively owned issued and pending patents and over 60 exclusively owned foreign issued and pending patents.

Stem Cells.

Our stem cell-based technology has both therapeutic and screening characteristics.

From a therapeutic perspective, our stem cell-based technology enables the isolation and large-scale expansion of regionally specific, human neural stem cells from all areas of the developing human brain and spinal cord thus enabling the generation of physiologically relevant human neurons of different types. We believe that our stem cell technology will enable the replacement or supplementation of malfunctioning or dead cells thereby creating a neurotrophic environment that offers protection to neural tissue as a way to treat disease and injury. Many significant and currently untreatable human diseases arise from the loss or malfunction of specific cell types in the body. Our focus is the development of effective methods to generate replacement cells from neural stem cells. We believe that creating a neurotrophic environment by replacing damaged, malfunctioning or dead neural cells with fully functional ones may be a useful therapeutic strategy in treating many diseases and conditions of the central nervous system.

Our Proprietary and Novel Screening Platform

Our human neural stem cell lines form the foundation for functional cell-based assays used to screen for small molecule compounds that can impact biologically relevant outcomes such as neurogenesis, synapse formation, and protection against toxic insults. We have developed over 300 unique stem cell lines representing multiple different regions of the developing brain and spinal cord at multiple different time points in development, enabling the generation of physiologically relevant human neural cells for screening, target validation, and mechanism-of-action studies. This platform provides us with a unique and powerful tool to identify new chemical entities to treat a broad range of nervous system conditions. NSI-189 was discovered using our stem cell-based screening platform.

Intellectual Property

We have developed and maintain what we believe is a strong portfolio of patents and patent applications that form the basis for our research and development efforts. We own or exclusively license over 10 U.S. issued and pending patents and over 70 foreign issued and pending patents related to our stem cell technologies for use in treating disease and injury. We own over 10 U.S. issued and pending patents and over 60 foreign issued and pending patents related to our small molecule compounds. Our issued patents have expiration dates ranging from 2017 through 2035. Two of our original patents covering methods and composition of matter associated with our stem cell technologies expired in 2016. In our opinion, the expiration of these patents is not material to our intellectual property.

Operating Strategy

We generally employ an outsourcing strategy where we outsource our preclinical and clinical development activities to contract research organizations and academic partners. Manufacturing of our small molecule portfolio is also outsourced to organizations with approved facilities and manufacturing practices. Manufacturing of our stem cells is proprietary, and we operate a closed, in-house system to ensure the protection of all critical know-how associated with the technology. All non-critical corporate functions are outsourced as well. This model allows us to better manage cash on hand and minimize non-vital expenditures. It also allows for us to operate with relatively fewer employees and lower fixed costs than that required by other companies conducting similar business.

Employees

As of October 26, 2018, we had five (5) full-time employees. Of these full-time employees, four (4) work on research and development and clinical operations and one (1) works in administration. We also use the services of numerous outside consultants in business and scientific matters.

Our Corporate Information

We were incorporated in Delaware in 2001. Our principal executive offices are located at 20271 Goldenrod Lane, Germantown, Maryland 20876, and our telephone number is (301) 366-4841. Our website is located at www.neuralstem.com.

We have not incorporated by reference into this prospectus supplement the information in, or that can be accessed through, our website and you should not consider it to be a part of this prospectus supplement.

THE OFFERING

Issuer	Neuralstem, Inc.
Common stock offered by us	3,000,000 shares of common stock.
Offering price	$0.70 per share of common stock.
Common stock to be outstanding after this offering	18,160,014 shares.
Concurrent private placement of Warrants	We are offering 3,000,000 shares of our common stock in this offering at a price of $0.70 per share. In a concurrent private placement, we are also issuing to investors Warrants to purchase an additional 3,000,000 shares of our common stock. Each Warrant will be exercisable for one share of our common stock at an exercise price of $0.75 per share. Each Warrant shall be exercisable six months after the date of issuance and have a term of exercise equal to five years from the initial exercise date. The Warrants and the Warrant Shares are not being registered under the Securities Act and are being offered pursuant to an exemption provided in Section 4(a)(2) of the Securities Act and Rule 506(b) promulgated thereunder. The Warrants are not and will not be listed for trading on any national securities exchange. Each purchaser will be an "accredited investor" as such term is defined in Rule 501(a) under the Securities Act.
Use of Proceeds	We intend to use the net proceeds received from this offering for pre-clinical and clinical activities, working capital and general corporate purposes. Please see "Use of Proceeds" on page S-11.
Risk Factors	Investing in our securities involves a high degree of risk. See " Risk Factors " beginning on page S-7 of this prospectus supplement and page 3 of the accompanying prospectus, as well as the risk factors sections of any documents incorporated by reference into this prospectus supplement.
Market for our Common Stock	Our common stock is listed and traded on Nasdaq Capital Market under the symbol "CUR"

The number of shares of our common stock to be outstanding immediately after this offering is based on 15,160,014 shares of our common stock outstanding as of June 30, 2018 and excludes:

- 182,266 shares issued since June 30, 2018;

- 3,887,387 shares underlying outstanding Series A 4.5% Convertible Preferred Stock;

- 1,832,502 shares underlying outstanding options issued pursuant to our equity compensation and inducement plans having a weighted average exercise price of $10.37 per share;

- 3,897,374 shares of our common stock issuable upon exercise of outstanding warrants having a weighted average exercise price of $9.14 per share;

- 56,281 shares of our common stock reserved for issuance upon the vesting and termination of certain transfer restrictions with regard to restricted stock units;

- 311,699 shares of our common stock reserved for issuance pursuant to future grants and/or award under our equity compensation and inducement plans; and

- 3,00,000 shares of common stock reserved for issuance upon exercise of the warrants offered to the investors in the concurrent private placement having an exercise price of $0.75 per share; and

- 180,000 shares of common stock reserved for issuance upon exercise of the warrants to be issued as compensation to the placement agent in this offering, having an exercise price of $0.875 per share.

Except as otherwise indicated herein, all information in this prospectus supplement, including the number of shares that will be outstanding after this offering, does not assume or give effect to the conversion of Preferred Shares or exercise of options or warrants outstanding as of June 30, 2018 or to the exercise of the Warrants offered in the concurrent private placement or to the Placement Agent Warrants.

RISK FACTORS

Investing in our securities involves a high degree of risk. Before making an investment decision, you should carefully consider the risks described below, together with all of the other information included in this prospectus supplement, the accompanying prospectus, and the information incorporated by reference herein and therein.

For a discussion of additional risks associated with our business, our intellectual property, government regulation and approval of our product candidates, our industry and an investment in our common stock, see the section entitled "Risk Factors" in our most Annual Report on Form 10-K, for the year ended December 31, 2017, and any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement.

If any of the risks described below, or those incorporated by reference into this prospectus supplement actually occur, our business, financial condition or results of operations could suffer. In that case, the trading price of our common stock may decline and you may lose all or part of your investment. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, financial condition and results of operations. Certain statements below are forward-looking statements. See the information included under the heading "Note Regarding Forward-Looking Statements."

Our management will have broad discretion over the use of the net proceeds from this offering, you may not agree with how we use the proceeds and the proceeds may not be invested successfully.

Our management will have broad discretion as to the use of the net proceeds from this offering and could use them for purposes other than those contemplated currently and described under "Use of Proceeds" on page S-11. Accordingly, you will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that, pending their use, we may invest the net proceeds in a way that does not yield a favorable, or any, return for our company.

There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.

We are generally not restricted from issuing additional common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. The market price of our common stock could decline as a result of sales of common stock or securities that are convertible into or exchangeable for, or that represent the right to receive, common stock after this offering or the perception that such sales could occur.

You will experience immediate and substantial dilution in the net tangible book value per share of our common stock.

The public offering price of our common stock and accompanying warrant being offered is substantially higher than the net tangible book value per share of our common stock outstanding prior to this offering. Therefore, if you purchase our common stock and warrants in this offering, you will incur an immediate substantial dilution of $0.30 in net tangible book value per share from the price you paid, based on our financial statements as of June 30, 2018. If the warrants offered hereby or outstanding options or warrants to purchase our common stock are exercised, you will experience additional dilution. For a further description of the dilution that you will experience immediately after this offering, see “Dilution.”

As a result of this offering, 3,996,154 warrants with anti-dilution price protection provisions will have their exercise prices reduced to the offering price, or in some cases, below the offering price.

As a result of this offering, 3,996,154 warrants with anti-dilution price protection provisions will have their exercise prices reduced. These warrants include (i) 1,538,462 warrants issued in our May 2016 registered offering, (ii) 207,692 warrants issued in our May 2016 private placement, and (iii) 2,250,000 warrants issued in our August 2017 registered offering. Each of these outstanding warrants will have their exercise prices reduced to at least the offering price of the securities sold hereunder. The warrants issued in our August 2017 offering may be reduced to the quotient of the sum of the three lowest volume weighted average prices of the common stock during the five trading day period immediately following the public announcement of the dilutive issuance (October 25, 2018) divided by three.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the other documents we have filed with the SEC that are incorporated herein by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any projections of financing needs, revenue, expenses, earnings or losses from operations, or other financial items, any statements of the plans, strategies and objectives of management for future operations, any statements concerning product research, development and commercialization plans and timelines, any statements regarding safety and efficacy of product candidates, any statements of expectation or belief and any statements of assumptions underlying any of the foregoing. In addition, forward-looking statements may contain the words “believe,” “anticipate,” “expect,” “estimate,” “intend,” “plan,” “project,” “will be,” “will continue,” “will res
“could,” “may,” “might,” or any variations of such words or other words with similar meanings. All forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements and risk factors set forth in the “Risk Factors” section and elsewhere in this prospectus supplement, in the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2017 and any subsequent Quarterly Reports on Form 10-Q filed with the SEC.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. You should read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we do not undertake any obligation to update or revise any forward-looking statements contained in this prospectus supplement, the accompanying prospectus or such other documents, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

We estimate that the net proceeds from this offering, after payment of placement agent fees and estimated offering expenses and other fees payable by us, will be approximately $1.9 million.

Except as otherwise described in any free writing prospectus that we may authorize to be furnished to you, we currently intend to use the net proceeds from this offering to further our clinical and preclinical programs and for working capital and general corporate purposes.

We have not determined the amounts we plan to spend on any of the areas listed above or the timing of these expenditures. As a result, our management will have broad discretion to allocate the net proceeds from this offering. Pending application of the net proceeds as described above, we expect to invest the net proceeds in short-term, interest-bearing, investment-grade securities.

DIVIDEND POLICY

Our business requires significant funding. We currently plan to invest all available funds and any future earnings in our business and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently are prohibited by the terms of our outstanding indebtedness from paying dividends on our common stock, except with the prior consent of our lenders.

DILUTION

Our net tangible book value as of June 30, 2018, was approximately $5.4 million, or $0.35 per share of our common stock. Net tangible book value per share of our common stock is determined by dividing total tangible assets (less total tangible liabilities) by the aggregate number of shares of our common stock outstanding as of June 30, 2018. Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of common stock and accompanying warrants in this public offering and the net tangible book value per share of our common stock immediately after this offering.

After giving effect to the sale of 3,000,000 shares of common stock in this offering at a price of $0.70 per share and warrant, and after deducting estimated placement agent fees and other estimated offering expenses paid or payable by us, our as adjusted net tangible book value as of June 30, 2018 would have been approximately $7.2 million, or approximately $0.40 per share. This represents an immediate increase in net tangible book value of $0.05 per share to our existing stockholders and immediate dilution in net tangible book value of $0.30 per share to purchasers in this offering. The following table illustrates this calculation on a per share basis:

Offering price per share in this offering		$0.70
Net tangible book value per share as of June 30, 2018	$0.35	
Increase in as adjusted net tangible book value per share attributable to purchasers in this offering	$0.05	
As adjusted net tangible book value per share immediately after this offering	0	0.40
Dilution per share to purchasers in this offering	0	$0.30

The number of shares of our common stock to be outstanding immediately after this offering is based on 15,160,014 shares of our common stock outstanding as of June 30, 2018 and excludes:

- 182,266 shares issued since June 30, 2018;

- 3,887,387 shares underlying outstanding Series A 4.5% Convertible Preferred Stock;

- 1,832,502 shares underlying outstanding options issued pursuant to our equity compensation and inducement plans having a weighted average exercise price of $10.37 per share;

- 3,897,374 shares of our common stock issuable upon exercise of outstanding warrants having a weighted average exercise price of $9.14 per share;

- 56,281 shares of our common stock reserved for issuance upon the vesting and termination of certain transfer restrictions with regard to restricted stock units;

- 311,699 shares of our common stock reserved for issuance pursuant to future grants and/or award under our equity compensation and inducement plans; and

- 3,180,000 shares of common stock reserved for issuance upon exercise of the warrants offered hereby

The above illustration of dilution per share to investors participating in this offering assumes no exercise of options or warrants to purchase shares of our common stock, including the Warrants to be issued to the purchasers in this offering in the concurrent private placement or the Placement Agent Warrants (see “Private Placement of Warrants” for more information). The exercise of any such securities will increase dilution to purchasers in this offering.

Because there is no minimum offering amount required as a condition to the closing of this offering, the dilution per share to new investors may be more than that indicated above in the event that the actual number of shares sold, if any, is less than the maximum number of shares of common stock we are offering.

PRIVATE PLACEMENT OF WARRANTS

In a concurrent private placement, we are issuing to each of the investors in this offering Warrants to purchase additional shares of our common stock. The aggregate number of Warrant Shares exercisable pursuant to the Warrants is 3,000,000. The Warrants will be exercisable at an exercise price of $0.75 per share. The exercise price and number of Warrant Shares issuable upon the exercise of the Warrants will be subject to adjustment in the event of any stock dividend and split, reverse stock split, recapitalization, reorganization or similar transaction, as described in the Warrants.

Each Warrant shall be exercisable six months after the date of issuance and have a term of exercise equal to five years from the initial exercise date. A holder of Warrants will have the right to exercise the Warrants on a “cashless” basis in certain circumstances as described in the Warrants, including, among others, while there is no effective registration statement registering the Warrant Shares issuable upon exercise of the Warrants. Subject to limited exceptions, a holder of Warrants will not have the right to exercise any portion of its Warrants if the holder, together with its affiliates, would beneficially own in excess of 4.99% of the number of shares of our common stock outstanding immediately after giving effect to such exercise, provided that the holder may increase or decrease the beneficial ownership limitation up to 9.99%, provided, further, that any increase in the beneficial ownership limitation shall not be effective until 61 days following notice of such change to the Company.

The Warrants and the Warrant Shares are not being registered under the Securities Act pursuant to the registration statement of which this prospectus supplement and the accompanying base prospectus form a part and are not being offered pursuant to this prospectus supplement and the accompanying base prospectus. The Warrants and the Warrant Shares are being offered pursuant to the exemption provided in Section 4(a)(2) of the Securities Act and Rule 506(b) promulgated thereunder. All purchasers are required to be “accredited investors” as such term is defined in Rule 501(a) under the Securities Act.

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PLAN OF DISTRIBUTION

Pursuant to an engagement letter agreement dated October 25, 2018, we have engaged H.C. Wainwright & Co., LLC ("Wainwright" or the "placement agent") to act as our exclusive placement agent in connection with this offering of our shares of common stock pursuant to this prospectus supplement and accompanying prospectus. Under the terms of the engagement letter, the placement agent has agreed to be our exclusive placement agent, on a reasonable best efforts basis, in connection with the issuance and sale by us of our shares of common stock in this takedown from our shelf registration statement. The terms of this offering were subject to market conditions and negotiations between us, the placement agent and prospective investors. The engagement letter does not give rise to any commitment by the placement agent to purchase any of our shares of common stock, and the placement agent will have no authority to bind us by virtue of the engagement letter. Further, the placement agent does not guarantee that it will be able to raise new capital in any prospective offering. The placement agent may engage sub-agents or selected dealers to assist with this offering.

The placement agent proposes to arrange for the sale of the shares we are offering pursuant to this prospectus supplement and accompanying prospectus to one or more investors through securities purchase agreements directly between the purchasers and us.

We expect to deliver the shares of our common stock being offered pursuant to this prospectus supplement on or about October 29, 2018, subject to customary closing conditions.

We have agreed to pay the placement agent a total cash fee equal to 7.0% of the gross proceeds of this offering. We will also pay the placement agent $25,000 for non-accountable expenses and an expense allowance of $35,000 for legal fees and other out-of-pocket expenses. We estimate the total expenses payable by us for this offering will be approximately $0.2 million, which amount includes the placement agent's fees and reimbursable expenses. In addition, we have agreed to issue to the placement agent Placement Agent Warrants to purchase up to 6.0% of the aggregate number of shares of common stock sold in this offering (180,000 shares). The Placement Agent Warrants will have substantially the same terms as the Warrants issued to the investors in the concurrent private placement, except that the Placement Agent Warrants will have an exercise price equal to $0.875, or 125% of the offering price per share in this offering and such Placement Agent Warrants will be exercisable for five years from the effective date of this offering. Pursuant to FINRA Rule 5110(g), the Placement Agent Warrants and any shares issued upon exercise of the Placement Agent Warrants shall not be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of the securities by any person for a period of 180 days immediately following the date of effectiveness or commencement of sales of this offering, except the transfer of any security: (i) by operation of law or by reason of our reorganization; (ii) to any FINRA member firm participating in this offering and the officers or partners thereof, if all securities so transferred remain subject to the lock-up restriction set forth above for the remainder of the time period; (iii) if the aggregate amount of our securities held by the placement agent or related persons do not exceed 1% of the securities being offered; (iv) that is beneficially owned on a pro-rata basis by all equity owners of an investment fund, provided that no participating member manages or otherwise directs investments by the fund and the participating members in

the aggregate do not own more than 10% of the equity in the fund; or (v) the exercise or conversion of any security, if all securities remain subject to the lock-up restriction set forth above for the remainder of the time period.

We have agreed to indemnify the placement agent and specified other persons against certain liabilities relating to or arising out of the placement agent's activities under the placement agency agreement and to contribute to payments that the placement agent may be required to make in respect of such liabilities.

The placement agent may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act, and any commissions received by it and any profit realized on the resale of the securities sold by it while acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. As an underwriter, the placement agent would be required to comply with the requirements of the Securities Act and the Exchange Act, including, without limitation, Rule 415(a)(4) under the Securities Act and Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of purchases and sales of shares of common stock and warrants by the placement agent acting as principal. Under these rules and regulations, the placement agent:

· may not engage in any stabilization activity in connection with our securities; and

· may not bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities, other than as permitted under the Exchange Act, until it has completed its participation in the distribution.

From time to time, the placement agent may provide in the future various advisory, investment and commercial banking and other services to us in the ordinary course of business, for which they have received and may continue to receive customary fees and commissions. However, except as disclosed in this prospectus supplement, we have no present arrangements with the placement agent for any further services.

LEGAL MATTERS

The validity of the issuance of the securities offered hereby will be passed upon for us by the Silvestre Law Group, P.C., Westlake Village, California. The Silvestre Law Group, P.C. or its affiliates or principals own 46,156 of our common stock purchase warrants.

EXPERTS

The financial statements incorporated in this prospectus by reference from our Annual Reports on Form 10-K have been audited by Dixon Hughes Goodman LLP, our current independent registered public accounting firm. Such financial statements have been so incorporated in reliance upon their authority as experts in accounting and auditing.

The firm does not have an interest in the shares being registered in the registration statement to which this prospectus supplement forms a part.

WHERE YOU CAN FIND MORE INFORMATION

We are a public company and file annual, quarterly and current reports, proxy statements and other information with the SEC. You may obtain copies of our public filings, as noted in the paragraph below or by writing or telephoning us at:

Neuralstem, Inc.

Attn: Investor Relations

20271 Goldenrod Lane

Germantown, Maryland 20876

Phone: (301)-366-4960

Our SEC filings are available to the public over the Internet at the SEC's website at *http://www.sec.gov*. You may also read and copy any document we file at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. You can also inspect reports, proxy statements and other information about us at the offices of the National Association of Securities Dealers, Reports Section, 1735 K Street, N.W., Washington, D.C. 20006. We maintain a website at http://www.neuralstem.com. Information contained in or accessible through our website does not constitute a part of this prospectus.

This prospectus supplement and the accompanying prospectus are part of a registration statement on Form S-3 that we filed with the SEC registering the securities that may be offered and sold hereunder. The registration statement, including exhibits thereto, contains additional relevant information about us and these securities that, as permitted by the rules and regulations of the SEC, we have not included in this prospectus supplement or the accompanying prospectus. A copy of the registration statement can be obtained at the address set forth above. You should read the registration statement for further information about us and these securities.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC permits us to "incorporate by reference" the information contained in documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents rather than by including them in this prospectus supplement or the accompanying prospectus. Information that is incorporated by reference is considered to be part of this prospectus supplement, and you should read it with the same care that you read this prospectus supplement. Later information that we file with the SEC will automatically update and supersede the information that is either contained, or incorporated by reference, in this prospectus supplement, and will be considered to be a part of this prospectus supplement from the date those documents are filed.

We incorporate by reference into this prospectus supplement the following documents and information filed with the SEC:

- Our Annual Report on Form 10-K filed with the Commission on April 2, 2018, for the year ended December 31, 2017;

- Our Quarterly Reports on Form 10-Q filed with the Commission on May 15, 2018 (for the the three months ended March 31, 2018) and August 13, 2018 (for the three and six months ended June 30, 2018);

- Our Definitive Proxy Statement on Form 14A for our 2018 Annual Meeting of Stockholders, filed with the SEC on April 25, 2018;

- Our Current Reports on Form 8-K filed with the Commission on January 9, 2018, January 24, 2018, March 16, 2018, April 2, 2018, May 15, 2018, June 8, 2018, June 14, 2018, June 14, 2018, July 5, 2018, August 9, 2018, August 15, 2018 and October 29, 2018 (excluding any information furnished in such reports under Item 2.02 and Item 7.01); and

- the description of our common stock and related rights contained in our registration statement on Form 8-A (File No. 001-33672), filed with the Commission on July 1, 2015, including any amendment or report filed for the purpose of updating such description.

We also incorporate by reference into this prospectus supplement all additional documents that we file with the SEC under the terms of Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 that are made after the date of this prospectus supplement and before the termination of the offering of securities offered by this prospectus supplement. We are not, however, incorporating, in each case, any documents or information that we are deemed to furnish and not file in accordance with SEC rules.

You may request a copy of any of the documents incorporated by reference into this prospectus supplement, at no cost, by writing or telephoning us at the following address: Neuralstem, Inc., Attn: Investor Relations, 20271 Goldenrod Lane, Germantown, Maryland 20876 Phone: 301-366-4960.

Filed Pursuant to Rule 424(b)(2)

Registration No. 333-218608

PROSPECTUS

NEURALSTEM, INC.

$100,000,000

COMMON STOCK

PREFERRED STOCK

WARRANTS

RIGHTS

PURCHASE CONTRACTS

UNITS

This prospectus will allow us to issue, from time to time at prices and on terms to be determined at or prior to the time of the offering, up to $100,000,000 of any combination of the securities described in this prospectus, either individually or in units. We may also offer common stock upon conversion of or exchange for the preferred stock; common stock or preferred stock upon the exercise of warrants, rights or performance of purchase contracts; or any combination of these securities upon the performance of purchase contracts.

This prospectus describes the general terms of these securities and the general manner in which these securities will be offered. We will provide you with the specific terms of any offering in one or more supplements to this prospectus. The prospectus supplements will also describe the specific manner in which these securities will be offered and may also supplement, update or amend information contained in this document. You should read this prospectus and any prospectus supplement, as well as any documents incorporated by reference into this prospectus or any prospectus supplement, carefully before you invest.

Our securities may be sold directly by us to you, through agents designated from time to time or to or through underwriters or dealers. For additional information on the methods of sale, you should refer to the section entitled “Plan of Distribution” in this prospectus and in the applicable prospectus supplement. If any underwriters or agents are

involved in the sale of our securities with respect to which this prospectus is being delivered, the names of such underwriters or agents and any applicable fees, commissions or discounts and over-allotment options will be set forth in a prospectus supplement. The price to the public of such securities and the net proceeds that we expect to receive from such sale will also be set forth in a prospectus supplement.

The aggregate market value of our outstanding common stock held by non-affiliates was $42,236,000 based on 11,911,877 shares of outstanding common stock as of May 31, 2017 of which approximately 9,470,044 shares were held by non-affiliates, and based on the last reported sale price of our common stock as noted above. Pursuant to General Instruction I.B.6 of Form S-3, in no event will we sell securities pursuant to this prospectus with a value of more than one-third of the aggregate market value of our common stock held by non-affiliates in any twelve-month period, so long as the aggregate market value of our common stock held by non-affiliates is less than $75,000,000. In the event that subsequent to the date of this prospectus, the aggregate market value of our outstanding common stock held by non-affiliates equals or exceeds $75,000,000, then the one-third limitation on sales shall not apply to additional sales made during the corresponding you in reliance on this prospectus. During the prior twelve calendar months prior to, and including, the date of this prospectus, we have not sold any securities pursuant to General Instruction I.B.6 of Form S-3.

Our common stock is listed on the NASDAQ Capital Market under the symbol “CUR” On May 31, 2017, the last reported sale price of our common stock was $4.46 per share. The applicable prospectus supplement will contain information, where applicable, as to any other listing, if any, on the NASDAQ Capital Market or any securities market or other securities exchange of the securities covered by the prospectus supplement. Prospective purchasers of our securities are urged to obtain current information as to the market prices of our securities, where applicable. Our principal executive offices are located at 20271 Goldenrod Lane, Germantown, Maryland 20876, and our telephone number is (301) 366-4960.

INVESTING IN OUR SECURITIES INVOLVES RISKS. YOU SHOULD REVIEW CAREFULLY THE RISKS AND UNCERTAINTIES DESCRIBED UNDER THE HEADING "RISK FACTORS" ON PAGE 6 AND CONTAINED IN THE APPLICABLE PROSPECTUS SUPPLEMENT AND ANY RELATED FREE WRITING PROSPECTUS AND UNDER SIMILAR HEADINGS IN THE OTHER DOCUMENTS THAT ARE INCORPORATED BY REFERENCE INTO THIS PROSPECTUS.

Neither the Securities and Excha