India Globalization Capital, Inc.
Form 424B5
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PROSPECTUS SUPPLEMENT
(To the Prospectus effective May 11, 2018)

$15,000,000

Common Stock

India Globalization Capital, Inc.

We have entered into an At-the-Market (ATM) Offering Agreement (the "Sales Agreement") with The Benchmark Company, LLC ("Benchmark") and ViewTrade Securities, Inc. ("ViewTrade" and together with Benchmark, the "Managers") relating to shares of our common stock, par value $0.0001 per share. Under the Sales Agreement, we may offer and sell shares of our common stock having an aggregate offering price of up to $15,000,000 from time to time through the Managers, as our sales agents. Under the terms of the Sales Agreement, we may also sell shares to the Managers as principal for their own accounts.

The Managers are not required to sell any specific number or dollar amount of shares of our common stock but will use their commercially reasonable efforts, as our agents and subject to the terms of the Sales Agreement, to sell the shares offered by this prospectus supplement and the accompanying prospectus. Sales of the shares, if any, may be made by any means permitted by law and deemed to be an "at the market" offering as defined in Rule 415 under the Securities Act of 1933, as amended, or the Securities Act, including sales made directly on the NYSE American, at market prices, in negotiated transactions at market prices prevailing at the time of sale or at prices related to such prevailing market prices, and/or any other method permitted by law. The price per share will be at prevailing market prices when we have an order to sell our shares in effect. An order to sell our shares may contain a minimum sales price as well as a maximum number of shares to be sold under the order.

The Managers will be entitled to compensation at a fixed commission rate of 5.0% of the gross sales price per share sold. We have also agreed to reimburse certain expenses of the Managers in connection with the Sales Agreement. The net proceeds to us that we receive from sales of our common stock will depend on the number of shares actually sold and the offering price for such shares. The actual proceeds to us will vary. In connection with the sale of shares of our common stock on our behalf, the Managers may be deemed to be an "underwriter" within the meaning of the Securities Act, and the compensation of the Managers may be deemed to be underwriting commissions or discounts.

We have agreed to provide indemnification and contribution to the Managers against certain liabilities, including liabilities under the Securities Act or the Securities Exchange Act of 1934, as amended, or the Exchange Act. See "Plan of Distribution" beginning on page S-12 for more information regarding the Managers' compensation and expenses.

Our shares of common stock trade on the NYSE American under the symbol "IGC." On September 28, 2018, the last reported sale price of our common stock as reported on the NYSE American was $6.45 per share.

Investing in our common stock involves risks. Before investing in our common stock, you should carefully consider the risk factors described in "Risk Factors" in this prospectus supplement beginning on page S-8, in the accompanying prospectus and in other documents incorporated by reference, including our annual report on Form 10-K for the fiscal year ended March 31, 2018 filed with the Securities and Exchange Commission on June 21, 2018.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We urge you to carefully read this prospectus supplement and the accompanying prospectus which will describe the terms of the offering before you make your investment decision.

Benchmark **VIEWTRADE SECURITIES INC.**

The date of this prospectus supplement is October 1, 2018.

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ABOUT THIS PROSPECTUS SUPPLEMENT

Unless otherwise stated or the context otherwise requires, references in this prospectus supplement or the accompanying prospectus to "IGC," "we," "our," "us" or similar references are to India Globalization Capital, Inc. and its consolidated subsidiaries.

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and other matters relating to us. The second part is the accompanying prospectus, which gives more general information about the securities we may offer from time to time, some of which may not apply to this offering. This prospectus supplement and the accompanying prospectus are part of a "shelf" registration statement that we filed with the U.S. Securities and Exchange Commission (or the "SEC") using the SEC's shelf registration rules.

You should read both this prospectus supplement and the accompanying prospectus together with additional information described in this prospectus supplement in the section titled "Where You Can Find More Information." If there is any inconsistency between the information in this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

Any statement made in this prospectus supplement, in the accompanying prospectus or in any document incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

The industry and market data and other statistical information contained in the documents we incorporate by reference in this prospectus are based on management's own estimates, independent publications, government publications, reports by market research firms or other published independent sources, and, in each case, are believed by management to be reasonable estimates. Although we believe these sources are reliable, we have not independently verified the information.

The information in this prospectus supplement is accurate as of the date on the front cover. You should not assume that the information contained in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of the applicable document, or that information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects or other important facts or circumstances may have changed since those

dates.

In making your investment decision, you should rely only on the information contained in or incorporated by reference in this prospectus supplement and in the accompanying prospectus. Neither we nor the Managers have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the Managers are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. This prospectus supplement and accompanying prospectus does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement and accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. You should assume that the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus or in any free writing prospectus that we may provide to you is accurate only as of the date of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary is provided solely for your convenience. It is not intended to be complete. You should carefully read this entire prospectus supplement, the accompanying prospectus and all the information included or incorporated by reference herein or therein carefully, especially the risks discussed in the section titled "Risk Factors" beginning on page S-8 of this prospectus supplement and the Risk Factors contained in the accompanying prospectus and the other documents incorporated by reference herein.

Business Overview

The Company's main focus is to develop and commercialize cannabinoid based alternative therapies for indications such as Alzheimer's disease, Parkinson's disease, and pain. Our lead product is Hyalolex, which is not a U.S. Food and Drug Administration ("FDA") approved pharmaceutical product. It is a cannabinoid based alternative oral combination therapy whose active ingredients have been shown to help alleviate symptoms associated with Alzheimer's disease. The Company has filed several patents for its pipeline of products including ones for the treatment of Alzheimer's, Parkinson's and Central Nervous System related disorders, pain, eating disorders, and seizures in cats and dogs. The commercialization of Hyalolex™ is expected to commence in late 2018. In addition, since inception, the Company operates a legacy business that involves trading commodities and heavy equipment rental.

Business Strategy

Our immediate goal is to commercialize our lead product Hyalolex™. Simultaneously, we plan to conduct pre-clinical and clinical trials that enable the commercialization of Serosapse for symptoms associated with Parkinson's and IGC-501 for indications of neuropathic pain. Our near-term goal is to commercialize all three products in 2019 and establish three separate brands centered around each of our products. We expect to support each of the products with blockchain technology that builds patient experience, educates, and delivers product origin assurance. We believe our products and positioning are unique, and our strategy will build substantial stake holder value.

Products: Alternative therapies (Complementary and Alternative Medicine, "CAM")

We are focused on the development and commercialization of cannabinoid-based combination therapies. Cannabinoids are chemical compounds that exert a range of effects on the body, including impacting the immune response, gastrointestinal maintenance and motility, muscle functioning, and nervous system response and functioning. Phytocannabinoids are cannabinoids that occur naturally in the cannabis plant. Phytocannabinoids are

abundant in the viscous resin produced by glandular structures called trichomes. There are over 480 different compounds in the cannabis plant. Many of them have been identified as cannabinoids. Of these, THC (delta-9-tetrahydrocannabinol) is the main psychoactive component in the plant with many therapeutic uses. The other broadly pursued non-psychoactive phytocannabinoid, CBD (Cannabidiol), is pleiotropic influencing many pathways in humans, dogs, and cats, and may be used to provide relief to a variety of symptoms including pain, seizures, and eating disorders. In medical applications, cannabinoids are extracted from the cannabis plant using a variety of well-established technologies, including using, among others, carbon dioxide, or CO2, butane and alcohol as solvents. The refined extracted material is isolated for specific active ingredients like THC and CBD, among others, and used in formulations as the primary or secondary active ingredient.

Our strategy is to use cannabinoids synergistically with other active ingredients that, in many cases, have been established to treat specific conditions. Through the synergies for our combination therapies we intend to decrease side effects, increase bio-availability, and enhance efficacy. This strategy in some cases leads to “new and improved” products, and in others it results in novel products with surprising results, as in the case of Hyalolex™.

We have filed eight provisional patents with the United States Patent and Trademark Office (“USPTO”), in the phytocannabinoid-based combination therapy space, for the indications of pain, medical refractory epilepsy, and cachexia. In addition, in May 2017, we acquired an exclusive license to a patent filed by the University of South Florida Research Foundation entitled “Cannabidiol and Synthetic Dronabinol for treatment of Alzheimer’s Disease.”

In addition to advanced formulations for Hyalolex™ for Alzheimer’s, Serosapse™ for Parkinson’s, and IGC-501 for pain, we are working on two other products: (i) Natrinol which is a natural substitute for Marinol, or synthetic THC and is aimed at relieving nausea and vomiting and increasing appetite in patients with AIDS and cancer and (ii) Caesafin which uses combination therapy to alleviate seizures in dogs and cats. Neither of these product candidates are FDA approved and they are not considered to be pharmaceutical drugs. They fall in the category of complimentary alternative medicines, or CAMS.

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We have developed and deployed a QR code-based system that allows patients to access a website with specific information on our alternative medicine products. Each QR code is specific to a state and displays information specific to that state. We are in the process of creating a mobile optimized version that will expand the product information available to patients to include location of dispensaries that carry our products, based on zip code, and in turn also allow us to gather information through surveys and obtain feedback from patients.

As the number of states in which the product is available increases, we expect to expand the backend to a blockchain that allows for inputs directly from growers, processors, and dispensaries. This information will collectively display product identification and product origination by providing the patient with information regarding the origin, chemicals, and processes used to manufacture the product. We expect to expand the QR code-based system in several phases in this and our next fiscal year.

Services: Legacy Infrastructure

Since our inception, we have participated in various aspects of the infrastructure industry. During the fiscal year ended March 31, 2018, we streamlined our legacy infrastructure business to infrastructure commodity trading and heavy equipment rental. We trade infrastructure commodities such as steel and iron ore, among others, and we rent heavy equipment. Our subsidiary, Techni Bharathi Private Ltd (“TBL”) in India is responsible for heavy equipment rental, and its subsidiary, IGC Enterprises Ltd. in Hong Kong, is responsible for infrastructure trading.

As part of the rental business, we supply equipment and operators to construction companies. This segment of our business is very small and limited to the city of Kochi in Kerala, India. As part of the trading business, we have four customers and no principal supplier. We are opportunistic and intend to buy from any of the South Asian countries. This segment of our business is highly competitive, and our differentiation is based primarily on price and industry knowledge of commodity requirements for infrastructure projects. Our strategy in fiscal 2019 for the legacy business is to maintain annual revenue of $3-$5 million and focus on growing margin by reducing the cost of money and by modest investments in heavy equipment.

The pricing for steel and iron ore are heavily influenced by tariffs and demand for infrastructure development. We do not hedge or take long term positions on commodities. We limit our exposure by contractually ensuring that every purchase has a vetted legitimate buyer and ensuring rapid closing of transactions. On a transaction basis, this business does not require special government approvals. We have the requisite business licenses that allow us to operate in this segment.

Patents, Development Pipeline and Licenses

The success of our products depends in large part on our ability to:

- commercialize products, create brand awareness and adequately establish the production, procurement and supply chain;
- obtain and maintain patent and other legal protections for the proprietary technology, inventions, and improvements we consider important to our business;
- prosecute our patent applications and defend our issued patents;
- preserve the confidentiality of our trade secrets; and
- operate without infringing the patents and proprietary rights of third parties.

We intend to continue to seek appropriate patent protection for certain of our product candidates, drug delivery systems, molecular modifications, as well as other proprietary technologies and their uses by filing patent applications in the United States and selected other countries. We intend for these patent applications to cover, where possible, claims for medical uses, processes for preparation, processes for delivery and formulations.

Although, the Company believes the registration of patents is an important part of its business strategy and its success depends in part on such registration, the Company cannot guarantee that such patent filings will result in a successful registration with the USPTO. Please see Item 1A, Risk Factors, in our annual report for the year ended March 31, 2018, filed with the SEC on June 21, 2018, on Form 10-K.

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The table below provides a status of the patent filings:

Formulation	Indication	Provisional Filing	PCT Filing	Subsequent Activity
IGC-501	Pain	9/16/14	9/16/15	US National Case Filed on 6/15/16
IGC-502	Seizures	1/25/15	1/14/16	US National Case Filed on 6/15/16
IGC-503	Seizures	4/1/15	3/25/16	PCT Application Published on 10/6/16
IGC-504	Eating Disorders	8/12/15	8/11/16	US and National Filing on 2/12/18
IGC-505	Seizures	6/15/16	6/15/16	US National Filing Anticipated on 12/15/18
IGC-506	Eating Disorders	2/28/17	2/27/18	US and National Filing Anticipated on 8/28/19
IGC-507 IGC-AD1	Alzheimer's Disease	7/30/2015	Anticipated in 2018	US and National Filing Anticipated in 2018
IGC-508	CNS Disorders	3/29/2018	Anticipated in 2019	US and National Filing Anticipated in 2019

Technology and Intellectual Property

We file patents or provisional patent applications, copyright, trademark and trade secret laws of general applicability and enter into employee confidentiality and invention assignment agreements in addition to utilizing other intellectual property protection methods to safeguard our technology, research and development. We hold all rights to the patents that have been filed by us with the USPTO.

Competitive Advantage

We believe that there are three factors coalescing to create entrepreneurial opportunities in the cannaceutical industry. The first is deregulation of the industry. This is taking place in the U.S., Canada, Germany, and other parts of the world. We believe that during any major deregulation, it takes several years for market equilibrium to be achieved. Most large companies do not react quickly and that creates entrepreneurial opportunities, including as a first mover. The second factor is that the plant has cannabinoids that work on several pathways, in humans and animals, and that these cannabinoids can potentially be used to treat many diseases and aliments. The third factor is a rising awareness and demand for natural products including natural complementary and alternative medicines.

Our competitive advantage with products such as Hyalolex™ emerges from the following: a) first to market, b) proprietary data, c) patents and patent filings, d) deep understanding of synergies, e) several years of research, and f) a \ differentiated marketing strategy. Apart from these competitive advantages specific to Hyalolex™, our management

has experience and deep knowledge of deregulating industries; access to foreign markets where testing and clinical trials have less regulatory hurdles; access to intellectual property experts; access to a network of doctors and PhDs; knowledge of FDA trials, cannabinoid extraction techniques, and cannabinoid plant genetics.

Core Business Competencies

Our core competencies include the following:

- A network of doctors, PhDs, and intellectual property legal experts that have a sophisticated understanding of drug discovery, research, FDA filings, intellectual protection and product formulation.
- Knowledge of various cannabis strains, their phytocannabinoid profile, extraction methodology, and impact on various pathways.
- Knowledge of cannabinoid-based combination therapies.

Corporate Information

Our principal office is located at 4336 Montgomery Avenue, Bethesda, Maryland 20814 and our telephone number is +1 (301) 983-0998. Operationally, our U.S. East Coast based staff works from our corporate office in Potomac, Maryland or nearby virtual offices. We also maintain offices in the State of Washington for our West Coast based staff.

Our commodity trading, equipment rental and accounting headquarters are located in Kochi, Kerala, India, housing the majority of our India based staff, and we have employees in Delhi, Nagpur and Chennai, India.

We maintain corporate websites at http://www.igcinc.us, http://www.igcpharma.com and http://www.hyalolex.com. The contents of our websites and the downloadable files found there are not incorporated by reference into this prospectus supplement or the accompanying prospectus and should not be considered to be part of this prospectus supplement or the accompanying prospectus.

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We have proprietary rights to a number of trademarks used in this prospectus which are important to our business, and have applied for trademarks. Solely for convenience, the trademarks and trade names in this prospectus are referred to without the ® and TM symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. All other trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners.

For additional information about us, you should refer to the information described in “Where You Can Find More Information” in this prospectus supplement.

The following chart presents our current direct and indirect consolidated operating subsidiaries.

Our Scientific and Special Advisors include the following:

Dr. James A. Saunders is an expert in plant genomics, natural product plant biochemistry, gene transfer, extraction technologies, hybridization and DNA finger printing.

Dr. Chuanhai Cao conducted the research on Alzheimer’s cell lines and transgenic mice that led to the filing of the patent by the University of South Florida for the use of THC as a potential therapeutic agent for Alzheimer’s. He is an advisor to our Company in the areas of Alzheimer’s disease, Parkinson’s disease, clinical trials and neuroscience, among other areas.

Dr. Carrolee Barlow, MD, Ph.D. is a renowned expert in neuroscience and neurodegeneration. She is the Parkinson’s Institute and Clinical Center’s Chief Executive Officer. Dr. Barlow’s career has focused on clinical care, laboratory, and clinical research, academia and industry. She is the founder and former Chief Scientific Officer and Chief Medical Officer of BrainCells, Inc., a biotechnology company located in San Diego, California focused on the discovery and development of small molecules that stimulate adult hippocampal neurogenesis for the treatment of neurological and psychiatric disease using human neural stem cell technology.

Dr. Craig Cheifetz is an advisor to our Company broadly in the areas of clinical trials, biotechnology, neuroscience, immunology and microbiology, among other areas. He is the Regional Dean of Virginia Commonwealth University Medical Center Inova Fairfax Campus and the Medical Director of Inova VIP 360.

Dr. Carolina Gutierrez de Piñeres is an advisor to our Company and has over 12 years of experience in scientific research of psychological processes in normal and pathological conditions, including Alzheimer's disease, Parkinson's disease or other dementias and neurocognitive disorders.

Jack Lynch conceptualizes and helps implement our patent filings and the overall intellectual property strategy for our Company. He has over 50 years' experience in practice before the U.S. District and Appellate courts and the U.S. Patent and Trademark Office.

Recent Developments

On September 25, 2018, IGC executed a distribution and partnership agreement for several products including a sugar free, energy drink called 'Nitro G'. IGC will pay 797,000 shares of restricted, unregistered, common stock, for a 10-year agreement, with an option for multiple 5-year extensions, for the rights to market the products in the U.S., Canada, Mexico and South America and exclusive global rights to all developed CBD-infused products. IGC plans to create a branded, hemp/CBD-infused version of the formulation that addresses market demand for energy drinks with the inclusion of healthy properties derived from hemp including CBD. This transaction is particularly timely given the language of the 2018 Farm Bill that currently addresses potentially legalizing, on a federal level, industrial hemp and products derived from it, including hemp oil that contains CBD.

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The Offering

Common stock offered	Shares of common stock, par value $0.0001 per share, having an aggregate offering price of up to $15,000,000.
Common stock to be outstanding immediately after this offering (1)	Up to 33,364,054 shares, assuming the sale of up to 2,325,581 shares hereunder at a price of $6.45 per share, the closing price per share on the NYSE American on September 28, 2018, for aggregate gross proceeds of $15,000,000. Actual shares issued will vary depending on the sales prices under this offering.
Manner of offering	"At-the-market" offering that may be made from time to time through The Benchmark Company, LLC and ViewTrade Securities, Inc., our sales agents, on a commercially reasonable efforts basis. See "Plan of Distribution" on page S-12.
Use of proceeds	We currently intend to use the estimated net proceeds from the sale of our shares in this offering to finance marketing and brand awareness campaigns; finance the costs of filing patents; repay outstanding indebtedness; run pre-clinical and clinical trials on our phytocannabinoid-based therapies; develop and test products based on our patent pending formulations; fund potential acquisitions of, investments in and joint ventures with, complementary (including competitive) businesses, products and technologies (although we currently have no commitments or agreements with any third parties in that regard); and for working capital purposes. See "Use of Proceeds" on page S-10.
NYSE American trading symbol	IGC
Risk factors	An investment in our common stock involves significant risks. Before making an investment in our common stock, you should carefully review the "Risk Factors" section below, and the risk factors stated in the accompanying prospectus, as well as the other documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

(1) The number of shares of common stock to be outstanding immediately after this offering is based on 31,038,473 issued and outstanding as of June 30, 2018. This number excludes the following: (i) approximately 1,407,228 shares of common stock issued by us to our employees, directors and vendors from July 1, 2018 to September 18, 2018; (ii) approximately 1,195,435 shares of our common stock issuable upon the exercise of the public warrants and units that have an exercise price of $5.00 a warrant, (iii) approximately 960,000 shares of our common stock reserved for issuance upon exercise of the outstanding stock options at an average exercise price of $0.34 per share; (iv) 869,565 shares of common stock that are pending issuance pursuant to a private placement announced on Form 8-K on September 12, 2018; (v) 797,000 shares of common stock that are pending issuance pursuant to the distribution and partnership agreement for CBD-infused products announced on September 25, 2018; and (vi) 3,900,000 shares of common stock issued pursuant to our At-the-Market Offering Agreement with the Managers dated September 22,2018 and that certain Prospectus Supplement filed pursuant to Rule 424(b)(5) of the Securities Act of 1933, as amended, filed with the SEC on September 24, 2018.

RISK FACTORS

You should carefully consider the risk factors described in the accompanying prospectus and in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, as well as the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, and the risk factors set forth below before deciding to invest in shares of our common stock. Such risks and uncertainties are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. The occurrence of any of the events or actions described in these risk factors may have a material adverse effect on our business or financial performance.

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Risks Related to this Offering

Future sales of common stock by us could cause our stock price to decline and dilute your ownership percentage in our Company.

There are currently 11,656,668 outstanding public warrants to purchase 1,165,667 shares of our common stock at an exercise price of $5.00 per 10 warrants, expiring on March 6, 2019. In addition, there are a residual 99,227 outstanding units that can be converted to 9,923 shares of common stock and 198,454 public warrants that can be used to purchase of 19,845 shares of our common stock at an exercise price of $5.00 per 10 warrants, also expiring on March 6, 2019. If exercised, the units may be converted into approximately 29,768 shares of common stock. We have approximately 960,000 stock options to purchase shares of our common stock, at an average price of $0.34 per share, of which 470,000 options expire in 2023 and 490,000 expire in 2022. In addition, we expect to issue 869,565 shares of restricted stock for gross proceeds of $1 million as set forth in our Current Report on Form 8-K filed with the SEC on September 12, 2018; and 797,000 shares of common stock that are pending issuance pursuant to the Strategic Distribution and Partnership Agreement for CBD-infused products announced on September 25, 2018. We are not restricted from issuing additional shares of our common stock or preferred stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock or preferred stock or any substantially similar securities. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock by us in the market or the perception that such sales could occur. If we raise funds or make acquisitions by issuing additional securities in the future or the outstanding warrants or stock options to purchase our common stock are exercised, the newly-issued shares will also dilute your ownership percentage in our company.

The market price for our common stock after this offering may be lower than the offering price, and our stock price may be volatile.

The trading volume in our common stock may fluctuate and cause significant price variations to occur. Fluctuations in our stock price may not be correlated in a predictable way to our performance or operating results. Our stock price may fluctuate as a result of a number of events and factors such as those described elsewhere in this “Risk Factors” section, events described in this prospectus supplement and the accompanying prospectus, and other factors that are beyond our control. In addition, the stock market, in general, has historically experienced significant price and volume fluctuations. Our common stock has also been volatile, with our 52-week price range being at a low of $0.31 and a high of $7.48 per share. These fluctuations are often unrelated to the operating performance of particular companies. These broad market fluctuations may cause declines in the market price of our common stock.

Our management team will have broad discretion over the use of the net proceeds from this offering.

Our management will use their discretion to direct the net proceeds from this offering. We intend to use a significant portion of the net proceeds for working capital, acquisitions, repayment of indebtedness and other general corporate purposes. Working capital purposes may include capital expenditures, and payment of payables in the ordinary course of our business and prior practices. Our management's judgments may not result in positive returns on your investment and you will not have an opportunity to evaluate the economic, financial or other information upon which our management bases its decisions.

We do not intend to pay dividends on our common stock. Consequently, your ability to achieve a return on your investment will depend on the appreciation in the price of our common stock.

We have never declared or paid any cash dividend on our common stock. We currently anticipate that we will retain future earnings, if any, for the development, operation and expansion of our business, and we do not anticipate declaring or paying any cash dividends on our common stock for the foreseeable future. Consequently, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares.

You may experience immediate and substantial dilution.

The offering price per share in this offering may exceed the net tangible book value per share of our common stock outstanding prior to this offering. Assuming that an aggregate of 2,325,581 shares of our common stock are sold during the term of the Sales Agreement with the Managers at a price of $6.45 per share, the closing price of our common stock on the NYSE American on September 28, 2018, for aggregate gross proceeds of $15,000,000, after deducting commissions and estimated aggregate offering expenses payable by us, you will experience immediate increase of $0.41 per share, representing the difference between our as adjusted pro forma net tangible book value per share as of June 30, 2018 after giving effect to this offering and the assumed offering price. The exercise of outstanding stock options and warrants may result in further dilution of your investment. See the section entitled "Dilution" below for a more detailed illustration of the dilution you would incur if you participate in this offering.

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Risks Related to Our Growth and Expansion Strategy

Our Company is in a very new and highly regulated industry. Significant and unforeseen changes in policy may have material impacts on our business.

Continued development in the phytocannabinoids industry is dependent upon continued state legislative authorization of cannabis as well as legislation and regulatory policy at the federal level. The federal Controlled Substances Act currently makes cannabis use and possession illegal on a national level. While there may be ample public support for legislative authorization, numerous factors impact the legislative process. Any one of these factors could slow or halt use and handling of cannabis in the United States or in other jurisdictions, which would negatively impact our development of phytocannabinoid-based therapies and our ability to test and productize these therapies.

Many U.S. state laws are in conflict with the federal Controlled Substances Act. While we do not intend to harvest, distribute or sell cannabis in the United States, it is unclear whether regulatory authorities in the United States would object to the registration or public offering of securities in the United States by our Company, to the status of our Company as a reporting company, or even to investors investing in our Company if we engage in legal cannabis production and supply pursuant to the laws and authorization of the jurisdiction where the activity takes place. In addition, the status of cannabis under the Controlled Substances Act may have an adverse effect on federal agency approval of pharmaceutical use of phytocannabinoid products. Any such objection or interference could delay indefinitely or increase substantially the costs to access the equity capital markets, test our therapies, or create products from these phytocannabinoid based therapies.

The nature of our products, customer base and sales channels cause us to lack visibility regarding future demand for our products, which makes it difficult for us to predict our revenues or operating results.

It is important to the success of our business that we have the ability to accurately predict the future demand for our products. However, several factors contribute to a lack of visibility with respect to future orders, including:

the lengthy and unpredictable sales cycle for our products that can extend from six to 24 months or longer;
the project-driven nature of our customers' requirements;
the uncertainty of the extent and timing of market acceptance of our new products;
the requirement to obtain industry certifications or regulatory approval for some products; and
the diversity of our product lines and geographic scope of our product distribution.

This lack of visibility impacts our ability to forecast inventory requirements. An overestimate of our customers' future requirements for products may lead to excess inventory, which would increase costs and potentially require us to write-off inventory that becomes obsolete. If we underestimate our customers' future requirements, we may have inadequate inventory, which could interrupt and delay delivery of our products to our customers and could cause our revenues to decline. If any of these events occur, they could negatively impact our revenues, which could prevent us from achieving or sustaining profitability.

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FORWARD-LOOKING STATEMENTS AND IMPORTANT FACTORS

This prospectus supplement, the accompanying prospectus, and the documents incorporated herein or therein by reference contain "forward-looking statements" within the meaning of Section 27A and Section 21E of the Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included or incorporated in this prospectus and any prospectus supplement regarding our strategy, future operations, financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "p "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We cannot guarantee that we actually will achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. There are a number of important factors that could cause our actual results to differ materially from those indicated by these forward-looking statements. These important factors include the factors that we identify in the documents we incorporate by reference in this prospectus, as well as other information we include or incorporate by reference in this prospectus and any prospectus supplement. See "Risk Factors." You should read these factors and other cautionary statements made in this prospectus, and any accompanying prospectus supplement, and in the documents we incorporate by reference, as being applicable to all related forward-looking statements wherever they appear in the prospectus and any accompanying prospectus supplement, and in the documents incorporated by reference. We do not assume any obligation to update any forward-looking statements made by us, except to the extent required by U.S. federal securities laws.

Forward-looking statements are based upon, among other things, our assumptions with respect to:

- our ability to successfully register patents, create and market new products and services, including leasing products in India, and achieving customer acceptance in the industries we serve;
- our ability to accurately predict the future demand for our products and services;
- competition in using phytocannabinoids for pharmaceutical and nutraceutical therapies;
- federal and state legislation and administrative policy regulating phytocannabinoids;
- our ability (based in part on regulatory concerns) to build and or lease facilities for vertical farming that can eventually be used by us to produce pharmaceutical grade phytocannabinoids;
- our ability to obtain and protect patents for the use of phytocannabinoids;
- our ability to enter into new licenses and contracts, and perform them successfully;
- current and future economic and political conditions in North America, Hong Kong and India; and
- other assumptions described in this prospectus supplement underlying or relating to any forward-looking statements.

You should consider the limitations on, and risks associated with, forward-looking statements and not unduly rely on the accuracy of predictions contained in such forward-looking statements. As noted above, these forward-looking statements speak only as of the date when they are made. Moreover, in the future, we may make forward-looking statements through our senior management that involve the risk factors and other matters described in our most recent Annual Report on Form 10-K and in this prospectus supplement, as well as other risk factors subsequently identified,

including, among others, those identified in our filings with the SEC in our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K.

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USE OF PROCEEDS

We currently intend to use the estimated net proceeds from the sale of our shares in this offering to fund our working capital and capital expenditure requirements over the next 12 to 36 months. In particular, we plan to utilize the net proceeds to:

cover working capital needs, including paying continuing product development expenses, employees' and officers' salaries and ongoing public reporting costs;
finance marketing and brand awareness campaigns in North America and other countries;
finance the costs of filing patents;
repay outstanding indebtedness;
run pre-clinical and clinical trials on our phytocannabinoid-based therapies;
develop and test products based on our patent pending formulations; and