

# **Adial Pharmaceuticals Announces Closing of Initial Public Offering**

CHARLOTTESVILLE, Va., July 31, 2018 — **Adial Pharmaceuticals, Inc.** (NASDAQ:ADIL) (NASDAQ:ADILW), a clinical-stage biopharmaceutical company focused on the development of a therapeutic agent for the treatment of alcohol use disorder, today announced the closing of its initial public offering of units for gross proceeds of \$7.32 million, prior to deducting underwriting discounts and commissions and offering expenses payable by the Company.

The offering was comprised of 1,464,000 units, priced at a public offering price of \$5.00 per unit, with each unit consisting of one share of common stock and a five-year warrant to purchase one share of common stock at an exercise price of \$6.25 per share. The shares of common stock and warrants comprising the units were transferable immediately upon issuance. Adial Pharmaceuticals, Inc. granted the underwriters a 45-day option to purchase at the initial public offering price up to an additional 219,600 shares of common stock and/or warrants to purchase up to 219,600 shares of common stock. As of July 30, 2018, the underwriters had purchased 170,652 warrants pursuant to their over-allotment option.

Joseph Gunnar & Co., LLC acted as sole book-running manager for the offering and Dawson James acted as a co-manager for the offering.

The offering was made only by means of a prospectus. A copy of the prospectus relating to the offering may be obtained by contacting Joseph Gunnar & Co, LLC, Prospectus Department, 30 Broad Street, 11th Floor, New York, NY 10004, telephone 212-440-9600, email: [prospectus@jgunnar.com](mailto:prospectus@jgunnar.com)

A registration statement (including a preliminary prospectus) relating to the securities was declared effective by the U.S. Securities and Exchange Commission (the “SEC”) on July 26, 2018. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

## **About Adial Pharmaceuticals, Inc.**

Adial Pharmaceuticals is a clinical-stage biopharmaceutical company focused on the development of a therapeutic agent for the treatment of alcohol use disorder (“AUD”) using our lead investigational new drug product, AD04. A Phase 2b University of Virginia investigator sponsored clinical trial of AD04 for the treatment of AUD showed promising results and no overt safety concerns (there were no statistically significant serious adverse events reported). The Company plans to commence a Phase 3 clinical trial using AD04 for the potential treatment of AUD in subjects with certain target genotypes.

## **Forward Looking Statements**

This communication contains certain “forward-looking statements” within the meaning of the U.S. federal securities laws. Such statements are based upon various facts and derived utilizing numerous important assumptions and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements preceded by, followed by or that otherwise include the words “believes,” “expects,” “anticipates,” “intends,” “projects,” “estimates,” “plans” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “may” and “could” are generally forward-looking in nature and not historical facts, although not all forward-looking statements include the foregoing. Any forward-looking statements included herein reflect our current views, and they involve certain risks and uncertainties, including, among others, that our business plans may change as circumstances warrant. These risks should not be construed as exhaustive and should be read together with the other cautionary statement included in our registration statement on Form S-1 that we have filed with the SEC and the final prospectus. Any forward-looking statement speaks only as of the date on which it was initially made. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future

events, changed circumstances or otherwise, unless required by law.

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