

Adial Pharmaceuticals Files Post-Effective Amendments to Registration Statements For Outstanding Shares Underlying Existing Warrants and Shelf Registration Statement to Provide Financial Flexibility

CHARLOTTESVILLE, VA / April 23, 2020 / Adial Pharmaceuticals, Inc. (NASDAQ:ADIL; ADILW), a clinical-stage biopharmaceutical company focused on the development of treatments for addiction, announced that it has filed with the Securities and Exchange Commission (SEC), a post-effective amendment to a previously filed registration statement on Form S-1 to register the 2,133,750 shares of common stock underlying warrants previously issued by the Company as part of its follow-on offering in 2019, and another post-effective amendment to a previously filed registration statement on Form S-1 to register 1,634,652 shares of common stock underlying warrants previously issued by the Company to investors in its initial public offering, and warrants to purchase 58,560 shares of common stock previously issued to the underwriters. Additionally, a registration statement on Form S-3 “shelf registration” was filed with the SEC. The shelf registration provides the Company flexibility to potentially raise capital in the future to execute its strategy, including advancement of the Company’s lead drug candidate, AD04, assuming positive results from the ONWARD™ Phase 3 pivotal trial of AD04 in genetically identified subjects for the treatment of Alcohol Use Disorder (AUD), as well as to consider strategic options given the interest in Adial and the strength of our platform.

William Stilley, Chief Executive Officer of Adial Pharmaceuticals, “We filed the S-1 amendments, just as we did last year, to simply fulfill our contractual requirement as part of our IPO and 2019 follow-on financing in order to maintain the registration of the warrants already outstanding and provide ease for trading of the common stock underlying the warrants, which could result in Adial receiving funds from the possible exercise of these warrants. The filing of the S-3 provides us greater flexibility to raise capital in the future and our advisors have recommended that we make this filing, which is routine for many public companies. However, it is also important to note that we project that we have sufficient cash on hand to execute on our business model as we advance towards what we believe will be meaningful catalysts to drive shareholder value.”

About Adial Pharmaceuticals, Inc.

Adial Pharmaceuticals is a clinical-stage biopharmaceutical company focused on the development of treatments for addictions. The Company’s lead investigational new drug product, AD04, is a genetically targeted, serotonin-3 receptor antagonist, therapeutic agent for the treatment of Alcohol Use Disorder (AUD) and is currently being investigated in the Company’s landmark ONWARD™ Phase 3 Pivotal Clinical Trial for the potential treatment of AUD in subjects with certain target genotypes, which are to be identified using the Company’s proprietary companion diagnostic genetic test. A Phase 2b clinical trial of AD04 for the treatment of AUD showed promising results in reducing frequency of drinking, quantity of drinking and heavy drinking (all with statistical significance), and no overt safety concerns (there were no statistically significant serious adverse events reported). AD04 is also believed to have the potential to treat other addictive disorders such as Opioid Use Disorder, gambling, and obesity. www.adialpharma.com

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. The forward-looking statements include statements regarding potentially raising capital in the future to execute our strategy, including advancement of the Company’s lead drug

candidate, AD04, having sufficient cash on hand to execute on our business model, and the potential of AD04 to treat other addictive disorders such as Opioid Use Disorder, gambling, and obesity. Any forward-looking statements included herein reflect our current views, and they involve certain risks and uncertainties, including, among others, our ability to expand our proprietary companion diagnostic genetic test to other clinical trials including the planned Opioid Use Disorder clinical trials, our ability to obtain FDA approval of the test as a companion diagnostic, our ability to raise capital in the future to execute our strategy, our ability to maintain sufficient cash on hand to execute on our business model, our ability to expand the use of AD04 for use in patients with Opioid Use Disorder, gambling and obesity, the ability of AD04 therapy to perform as designed, to demonstrate safety and efficacy, as well as results that are consistent with prior results, our ability to enroll patients and complete the clinical trials on time and achieve desired results and benefits, our ability to obtain regulatory approvals for commercialization of product candidates or to comply with ongoing regulatory requirements, regulatory limitations relating to our ability to promote or commercialize our product candidates for specific indications, acceptance of its product candidates in the marketplace and the successful development, marketing or sale of products, our ability to maintain our license agreements, the continued maintenance and growth of our patent estate, our ability to establish and maintain collaborations, our ability to obtain or maintain the capital or grants necessary to fund its research and development activities, and our ability to retain our key employees or maintain our Nasdaq listing. These risks should not be construed as exhaustive and should be read together with the other cautionary statement included in our Annual Report on Form 10-K for the year ended December 31, 2019, subsequent Quarterly Reports on Form 10-Q and Current reports on Form 8-K filed with the Securities and Exchange Commission. 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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