

Adial Pharmaceuticals Receives Notice of Allowance of Additional Patent for the Treatment of Alcohol Use Disorder with AD04 in Patients Identified Using a Molecular Genetic Biomarker

CHARLOTTESVILLE, VA / December 16, 2019 / Adial Pharmaceuticals, Inc. (NASDAQ:ADIL; ADILW), a clinical-stage biopharmaceutical company focused on the development of treatments for addiction, today announced that it has received a Notice of Allowance for the issuance of a patent by the United States Patent and Trademark Office (USPTO), titled: "Serotonin Transporter Gene and Treatment of Alcoholism." This patent addresses a method of treating alcohol use disorder (AUD) in patients with a specific genetic biomarker in the serotonin transporter gene by administering the Company's investigational new drug product, AD04, a 5-HT₃ antagonist, to patients with the TT genotype. This patent builds upon a previous Company patent for patients with the LL/TT genotype.

The genetic biomarker is part of the genetic panel used to identify patients expected to respond to treatment with AD04. As previously announced, Adial recently completed the validation of its proprietary genetic test through its partnership with Eurofins Biopharma Services. This test will be used to identify potential subjects for inclusion in the planned Phase 3 trial of AD04 as a treatment for AUD in biomarker positive subjects.

William Stille, Chief Executive Officer of Adial Pharmaceuticals, commented, "We continue to aggressively build our patent estate around AD04. This is the second Notice of Allowance by the USPTO in the same patent family targeting patients with specific biomarkers in the serotonin transporter gene. This marks another important milestone as we progress towards commencing our Phase 3 trial of AD04. By targeting specific genotypes, we believe that we have uniquely positioned AD04 as a potential best-in-class therapy for the treatment of alcohol use disorder, and our patent strategy is to develop the broadest patent protection possible by filing multiple patents within the same patent domain to make it more difficult for potential future competitors."

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 therapeutic agent for the treatment of Alcohol Use Disorder (AUD). 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). The Company plans to commence a Phase 3 clinical trial using AD04 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. 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 the use of the test to identify potential subjects for inclusion in the planned Phase 3 trial of AD04 as a treatment for AUD in biomarker positive subjects, the targeting of specific genotypes, uniquely positioning AD04 as a potential best-in-class

therapy for the treatment of alcohol use disorder and the potential of AD04 to treat AUD and 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 commence the Phase 3 clinical trials as expected, the 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, the 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, our ability to implement our patent strategy and continue the 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, 2018, 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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