

# **Adial Pharmaceuticals Retires All Outstanding Debt**

December 24, 2018

CHARLOTTESVILLE, Va., Dec. 24, 2018 — **Adial Pharmaceuticals, Inc. (NASDAQ: ADIL;ADILW)**, [www.adialpharma.com](http://www.adialpharma.com), a clinical-stage biopharmaceutical company focused on the development of medicines for addiction, today announced that the holder of the sole remaining, outstanding convertible note has fully converted the balance of the note into common shares of the Company. As previously reported, the convertible note had a face value of \$325,000 and was convertible into 162,500 shares of common stock.

William Stilley, CEO of Adial Pharmaceuticals, commented, “As we position Adial for continued success in 2019, I am pleased to report that we have now completed the retirement of all outstanding debt instruments by facilitating the conversion of this note obligation. We appreciate the support and confidence this shareholder has provided leading up to and since our recent IPO. Looking ahead, our goal is to drive shareholder value in the coming year by achieving key clinical milestones, while maintaining a clean capital structure and healthy balance sheet.”

## **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.

## **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. These statements are based upon current beliefs, expectations and assumptions and include statements regarding continuing to position Adial for success in 2019, driving shareholder value in the coming year by achieving key clinical milestones, while maintaining a clean capital structure and healthy balance sheet, AD04’s potential use in patients with opioid use disorder, gambling and obesity and the expected benefit AD04 will bring to patients. Any forward-looking statements included herein reflect our current views, and they involve certain risks and uncertainties, including, among others, the ability commence the Phase 3 clinical trials in the first half of 2019, the

ability to expand the use of AD04 for use in patients with opioid use disorder, 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, 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 registration statement on Form S-1 that we have filed with the SEC and the final prospectus and our Current Report on Form 10-Q for the quarter ended September 30, 2018. 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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