

Adial Pharmaceuticals Enters into Common Stock Purchase Agreement with Keystone Capital Partners to Support Strategic Opportunities and Future Growth Initiatives

CHARLOTTESVILLE, VA / November 25, 2020 / Adial Pharmaceuticals, Inc. (NASDAQ:ADIL; ADILW) (“Adial” or the “Company”), a clinical-stage biopharmaceutical company focused on the development of treatments for addictions, today announced that it has entered into a Common Stock Purchase Agreement (the “Purchase Agreement”) with Keystone Capital Partners (“Keystone Capital”), a New York-based family office with investments in biotech, real estate and consumer products. Pursuant to the Purchase Agreement, the Company will have the right to sell to Keystone Capital up to \$15 million of the Company’s common stock from time-to-time during the term of the Purchase Agreement subject to certain conditions including the effectiveness of a registration statement relating to the shares. Sales of common stock, and the timing of any sales, are solely at the option of the Company and the Company is under no obligation to sell securities pursuant to this arrangement.

“We decided to enter into this agreement with Keystone as we believe they have a strong fundamental understanding our business, and are an ideal strategic partner to support any financial needs that may arise,” said William Stilley, CEO of Adial Pharmaceuticals. “We have no immediate plans to raise capital, with over \$7 million of cash on hand as of September 30, 2020; however, this transaction provides additional flexibility and capability to take advantage of strategic opportunities and future growth initiatives when they may arise.”

“We are pleased to enter into this relationship with Adial,” said Fred Zaino, Managing Partner and Chief Investment Officer of Keystone. “After evaluating Adial, its clinical pipeline, and its management team, and after thorough due diligence, we believe Adial represents a promising investment opportunity. Formation of this partnership memorializes our intention to build a long-term relationship with Adial, committing capital as necessary as the Company builds its business in the growing space of addiction that is currently woefully underserved.”

Details of the Purchase Agreement and Registration Rights Agreement are available in the Company’s Form 8-K, which has been filed with the securities and Exchange Commission and is available at www.sec.gov or visit the Company’s web site [here](#).

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) and is currently being investigated in a Phase 3 clinical 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

About Keystone Capital Partners

Founded in 2019, Keystone Capital Partners is a family office based in New York with investments in biotech, real estate and consumer products.

To learn more about the Keystone team, visit www.keystone-cp.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 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, our ability to enroll patients and complete clinical trials on time and achieve desired results and benefits as expected, 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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