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Adial Pharmaceuticals Announces Research Collaboration Agreement with the University of Virginia to Advance Next Generation Adenosine Compounds for Wound Healing

Collaboration targeting development of new adenosine formulations that can be absorbed transdermally

CHARLOTTESVILLE, Va., Sept. 28, 2021 (GLOBE NEWSWIRE) -- **Adial Pharmaceuticals, Inc. (NASDAQ: ADIL; ADILW)** ("Adial" or the "Company"), a clinical-stage biopharmaceutical company focused on developing therapies for the treatment and prevention of addiction and related disorders, today announced that Purnovate, a wholly owned subsidiary of Adial Pharmaceuticals, has entered into a research agreement with Dr. Mark Roeser from the University of Virginia School of Medicine to develop new formulations of the Company's proprietary adenosine compounds for wound healing through transdermal administration (i.e., through the skin).

Under the Agreement, Purnovate will supply certain lead adenosine compounds and Dr. Roeser's research team will be responsible for evaluating these compounds for efficacy and determination of the ideal formulations for maximum absorption with the goal of initiating future clinical trials. The University of Virginia will fund the pre-clinical research activities and the parties will jointly own mutually developed intellectual property.

Dr. Roeser is a renowned cardiac surgeon and medical researcher from the University of Virginia School of Medicine. Previously, Dr. Roeser studied how adenosine 2A receptor activation can attenuate tissue damage caused when blood supply returns to tissue after a lack of oxygen. Currently, Dr. Roeser's research is focused on wound healing, specifically for the treatment of burns. Through his research, Dr. Roeser was able to conclude that adenosine 2A receptor agonists can mitigate burn progression through dampening of local inflammatory processes.

Dr. Roeser stated, "We are excited to commence our collaboration with Adial to examine the potential of its adenosine compounds as novel therapies for burn and wound healing."

William Stilley, Chief Executive Officer of Adial Pharmaceuticals, commented, "Dr. Roeser's background in wound healing will be instrumental as we move an important step closer toward our goal of advancing a new generation of adenosine compounds with the appropriate selectivity and solubility for transdermal penetration. The results of Dr. Roeser's research may establish new IP that can serve to expand the value of our lead compounds."

We believe there is enormous market potential for a compound that can promote wound healing, while providing the advantage of easy transdermal administration. There are countless applications for such a therapy and the pressure ulcer wound market alone is expected to reach \$11.2 billion by 2026, according to [Fortune Business Insights](#). Given my personal and long-standing family history with the University of Virginia, where I completed my undergraduate studies and my MBA at Darden, and where the Phase 2B study of AD04 for the treatment of Alcohol Use Disorder, Adial's lead drug currently being studied in our Phase 3 Onward™ trial, was conducted, we welcome this latest collaboration. In addition to wound healing, we are also exploring a number of similar collaborations with premier institutions around other indications."

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™ pivotal Phase 3 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. The Company is also developing adenosine analogs for the treatment of pain and other disorders. Additional information is available at www.adialpharma.com.

About Purnovate, Inc.

Purnovate, Inc., a wholly owned subsidiary of Adial Pharmaceuticals, is a pharmaceutical development and chemistry company focused on inventing and developing selective, potent, stable, and soluble adenosine analogs to treat diseases and disorders such as pain, cocaine addiction, inflammation, infectious disease, cancer, asthma, and diabetes. www.purnovate.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 Purnovate's adenosine compounds as novel therapies for burn and wound healing, the results of the

research establishing new IP that can serve to expand the value of Purnovate's lead compounds, the enormous market potential for a compound that can promote wound healing, while providing the advantage of easy transdermal administration, the pressure ulcer wound market alone is expected to reach \$11.2 billion by 2026, 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 achieve key milestones for our pre-clinical adenosine program for non-opiate pain relief, including the ability of the research being conducted by the University of Virginia to generate results that expand the value of Purnovate's lead compounds, and support the potential of its adenosine compounds as novel therapies for burn and wound healing, our ability to complete the ONWARD™ Phase 3 trial of AD04 as a genetically targeted treatment for Alcohol Use Disorder through data read-out as planned, our ability to enroll patients within the timelines anticipated 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, 2020, 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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