

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): September 8, 2022

**Adial Pharmaceuticals, Inc.**

(Exact name of registrant as specified in charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001-38323**

(Commission File Number)

**82-3074668**

(IRS Employer  
Identification No.)

**1180 Seminole Trail, Suite 495  
Charlottesville, Virginia 22901**

(Address of principal executive offices and zip code)

**(434) 422-9800**

(Registrant's telephone number including area code)

(Former Name and Former Address)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock	ADIL	NASDAQ
Warrants	ADILW	NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Adial Pharmaceuticals, Inc. (the "Company") entered into an amendment (the "Amendment") to the current consulting agreement with Dr. Bankole A. Johnson, the Company's Chief Medical Officer, which Amendment is effective as of September 8, 2022. Pursuant to the terms of the Amendment, Dr. Johnson will continue to serve as the Company's Chief Medical Officer under the consulting agreement and will receive a compensation fee of \$36,250 per month (an increase of \$5,000 per month) for services rendered to the Company. In addition, upon achievement of certain milestones, Dr. Johnson will be entitled to receive the cash bonus and/or equity grant described below.

Subject to the Company obtaining stockholder approval to increase the number of shares of the Company's common stock, par value \$0.001 per share (the "Common Stock"), available for issuance under the Company's 2017 Equity Incentive Plan, as amended (the "Plan"), by a minimum of 1,000,000 shares of Common Stock, Dr. Johnson will be entitled to receive (1) a grant of restricted stock units ("RSUs") that represent the right to receive an aggregate of 60,000 shares of Common Stock pursuant to the Plan and the Company's form of Restricted Stock Unit Agreement, which RSUs will vest in full on September 8, 2023, the one-year anniversary of the effective date of the Amendment; and (2) (i) a grant of RSUs that represent the right to receive up to an aggregate of 430,000 shares of Common Stock and (ii) cash bonuses up to \$200,000 upon the achievement of certain milestones associated with the regulatory advancement of the Company's drug candidate AD04 as set forth in the Amendment. In the event the Company is not able to increase the number of shares of Common Stock under the Plan by a minimum of 1,000,000 shares and determines it would not be in the best interests of the Company to issue shares of Common Stock, then all or some of the RSUs, as determined by Company, will be monetized based on the closing price of the Common Stock on the Nasdaq Capital Market at the time of the grant or achievement of any such milestone.

The foregoing description of the Amendment is qualified in its entirety by reference to the full text of the Amendment, a copy of which is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit Number</b>	<b>Description</b>
10.1	<a href="#">Amendment, dated September 8, 2022, to Consulting Agreement between Adial Pharmaceuticals, Inc. and Dr. Bankole A. Johnson, dated March 24, 2019, as amended on March 22, 2022*</a>
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

\*Certain portions of this Exhibit have been redacted pursuant to Item 601(b)(10) of Regulation S-K. The redacted information has been marked by brackets as [\*\*\*]. The Company agrees to furnish supplementally an unredacted copy of this Exhibit to the SEC upon request.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: September 13, 2022

ADIAL PHARMACEUTICALS, INC.

By: /s/ Cary J. Claiborne  
Name: Cary J. Claiborne  
Title: President and Chief Executive Officer

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**CERTAIN INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [\*\*\*], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL**

**AMENDMENT TO CONSULTING AGREEMENT**

This Amendment (this "Amendment") effective as of the 8th day of September, 2022 to the Consulting Agreement, dated March 24, 2019, as amended March 22, 2022 (the "Consulting Agreement"), by and between Adial Pharmaceuticals, Inc. (the "Company") and Bankole A. Johnson ("Consultant"). Capitalized terms used herein without definition shall have the meanings assigned in the Consulting Agreement.

**WHEREAS**, Consultant was retained under the Consulting Agreement by the Company to serve as its Chief Medical Officer; and

**WHEREAS**, in recognition of the hard work and performance by Consultant, the Company desires to amend the Consulting Agreement.

**NOW THEREFORE**, for the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree to amend the Consulting Agreement as follows:

1. **Amendment.** Exhibit D to the Consulting Agreement is hereby deleted in its entirety and replaced with Exhibit E attached hereto.

2. **Severability.** The provisions of this Amendment are severable and if any part of it is found to be unenforceable the other paragraphs shall remain fully valid and enforceable.

3. **No Other Amendments; Confirmation.** All other terms of the Consulting Agreement shall remain in full force and effect. The Consulting Agreement, as amended by this Amendment, constitutes the entire agreement between the Parties with respect to the subject matter thereof.

4. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but both of which together shall constitute one and the same instrument.

5. **Governing Law.** This Amendment is made and shall be construed and performed under the laws of the Commonwealth of Virginia without regard to its choice or conflict of law principles and the Parties agree to Virginia as the exclusive venue for any disputes arising hereunder.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the Parties hereto have caused this Amendment to the Consulting Agreement to be duly executed as of the day and year first above written.

**ADIAL PHARMACEUTICALS, INC.**

By: /s/ Joseph Truluck  
 Name: Joseph Truluck  
 Title: Chief Financial Officer

/s/ Bankole A. Johnson  
**BANKOLE A. JOHNSON**

**EXHIBIT E  
 CONSULTING SERVICES**

Consultant shall perform for Company the Services/Additional Services described below.

**SERVICES AND WORK PLAN**

Consultant shall render Services/Additional Services as, where and when requested by Company, which Services/Additional Services shall include, without limitation, the following:

- If requested, serving as the principal investigator for Company clinical trials;
- If requested, serving as a safety reviewer;
- If requested, preparation of reports and publications related to the Company's business;
- Performance of the additional responsibilities set forth on the attached Schedule E-1 to this Exhibit E ("Additional Services"); and
- Other activities and responsibilities reasonably requested by the Company.

Additionally, and without limiting the above, Consultant will file applications for grant funding for which the Company is eligible on behalf of the Company. In the event grant funding is secured, Consultant will and hereby does, grant the Company unconditional rights to, within the bounds of applicable laws and regulations, direct the proper use of the grant funding, and Consultant agrees that he will take no actions to redirect grant funding, or to otherwise contravene the value of the grant to the

Company, without the prior written consent of the Company, which consent will be at the Company's sole and final discretion. Consultant may apply for grants for other entities if such grants are not for the development of a pharmaceutical product or products and are not competitive to any product of the Company at the time of the grant filing, without the prior written permission of the Company.

**COMPENSATION**

Compensation for Services provided pursuant to the Consulting Agreement, as amended by this Amendment, shall be \$36,250 per month (the "Monthly Compensation") for each month that Services are provided, payable in two equal installments on the 1st and 15th days of the month following the month in which Services are performed. The Monthly Compensation will be effective as of August 1, 2022.

Consultant shall continue to be entitled to receive payment under the Company's Grant Incentive Plan as amended on December 4, 2018 (the "GIP") for any grants related to the development of AD04 and will no longer be eligible under the GIP for grants unrelated to AD04.

Upon full and final achievement of each milestone set forth on the attached Schedule E-1 to this Exhibit E, Consultant shall be entitled to receive the cash bonus and/or equity grant set forth and conditioned thereon.

Subject to the Company increasing the pool of shares in the Company's 2017 Equity Incentive Plan, as amended (the "Plan") by a minimum of one million (1,000,000) shares, Consultant shall also be entitled to receive (1) a restricted stock unit ("RSU") grant for Sixty Thousand (60,000) shares of the Company's common stock pursuant to the Plan and the Company's form of Restricted Stock Unit Agreement, vesting in full only on the one-year anniversary of the date of this Amendment; and (2) the RSU grants provided for in Schedule E-1 of Exhibit E. In the event the Company is not able to increase the pool of shares by a minimum of one million (1,000,000) shares and determines it would not be in the best interests of the Company to issue shares, then all or some of the RSU's which are granted under this Exhibit E or Schedule E-1 to Exhibit E, as determined by Company, will be monetized based on the closing price of the share value at the time of the grant or achievement of any one milestone.

Consultant shall receive no other payment or expense reimbursement for Consultant's provision of Services as described herein.

**Schedule E-1 to**  
**Exhibit E**

**SERVICES AND ADDITIONAL SERVICES MILESTONES**

Cash	Stock (RSUs)	Milestones
<b>Exhibit E Services – no cash</b>	<b>Exhibit E Services – no stock</b>	***]
<b>Exhibit E Services – no cash</b>	<b>Exhibit E Services – no stock</b>	***]
<b>\$ 37,500</b>	<b>25,000</b>	***]
<b>\$ 37,500</b>	<b>25,000</b>	***]
<b>Exhibit E Services – no cash</b>	<b>50,000</b>	***]
<b>\$ 75,000</b>	<b>100,000</b>	***]
<b>Exhibit E Services – no cash</b>	<b>Exhibit E Services – no stock</b>	***]
<b>Per GIP</b>	<b>50,000</b>	***]
<b>Exhibit E Services – no cash</b>	<b>50,000</b>	***]
<b>Exhibit E Services – no cash</b>	<b>20,000</b>	***]
<b>Exhibit E Services – no cash</b>	<b>10,000</b>	***]
<b>\$ 50,000</b>	<b>100,000</b>	***]

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