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Cardiol Therapeutics Announces Increase to Previously Announced Bought Deal Public Offering

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Oakville, ON – May 14, 2020 – Cardiol Therapeutics Inc. (TSX: CRDL; OTCQX: CRTPF) (“Cardiol” or the “Company”), a leader in the production of pharmaceutical cannabidiol (CBD) and the development of innovative cannabidiol products for heart diseases, is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. (the "Underwriters") to increase the size of its previously announced bought deal financing. The Underwriters have agreed to purchase, on a bought deal basis pursuant to the filing of a short form prospectus, an aggregate of 6,000,000 units (the "Units") at a price of \$2.50 per Unit (the "Offering Price") for aggregate gross proceeds to the Company of \$15,000,000 (the "Offering").

Each Unit shall consist of one Class A Common share (each a "Unit Share") and one-half of one common share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire one Class A common share of the Company (a "Warrant Share") at an exercise price of \$3.25 per Warrant Share for a period of 24 months from closing of the Offering, subject to a Warrant acceleration right exercisable by the Company if the daily volume weighted average trading price of the Company's Class A Common shares (the "Common Shares") on the Toronto Stock Exchange (the "TSX") is greater than \$4.50 per Common Share for the preceding 10 consecutive trading days.

The Company has granted the Underwriters an option (the "Over-Allotment Option") to purchase up to an additional 900,000 Units (the "Additional Units" and collectively with the Units, the "Offered Units") at the Offering Price, exercisable at any time, for a period of 30 days after and including the Closing Date, which would result in additional proceeds of \$2,250,000. The Over-Allotment Option is exercisable to acquire Additional Units, Unit Shares, and/or Warrants (or any combination thereof) at the discretion of the Underwriters.

The Offered Units will be offered by way of a short form prospectus to be filed in all provinces of Canada except Quebec. The Offering is expected to close on June 4,

2020, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the TSX and the applicable securities regulatory authorities. The Company will use best efforts to obtain the necessary approvals to list the Common Shares and the Warrant Shares on the TSX.

Cardiol intends to use the proceeds of the Offering for its pre-clinical and clinical trials in heart failure, the commercialization of its pharmaceutical cannabidiol products, additional product development, and for general corporate purposes.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act of 1933 (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Cardiol Therapeutics

Cardiol Therapeutics Inc. (TSX: CRDL; OTCQX: CRTPF) is focused on producing pharmaceutical cannabidiol (CBD) products and developing innovative therapies for heart diseases, including acute myocarditis and other causes of heart failure. The Company’s lead product, CardiolRx™, is formulated to be the most consistent cannabidiol formulation on the market. CardiolRx is pharmaceutically produced, manufactured under cGMP, and is THC free (<5 ppm). The Company also plans to commercialize CardiolRx in the billion-dollar market for medicinal cannabinoids in Canada and is pursuing distribution opportunities in Europe and Latin America.

In heart failure, Cardiol is planning an international clinical study of CardiolRx in acute myocarditis, a condition caused by inflammation in heart tissue, which remains the most common cause of sudden cardiac death in people less than 35 years of age. The Company is also developing proprietary nanotechnology to uniquely deliver pharmaceutical cannabidiol and other anti-inflammatory drugs directly to sites of inflammation in the heart associated with heart failure. Heart failure is the leading cause of death and hospitalization in North America with associated annual healthcare costs in the U.S. alone exceeding \$30 billion. For further information about Cardiol Therapeutics, please visit cardiolrx.com.

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Cautionary statement regarding forward-looking information:

This news release contains “forward-looking information” within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact, that address activities, events or developments that Cardiol Therapeutics Inc. (“Cardiol”) believes, expects or anticipates will, may, could or might occur in the future are “forward-looking information”. Forward-looking information is frequently identified by the use of words such as “plans”, “expects”, “projects”, “intends”, “believes”, “anticipates”, “forecasts”, and other similar words and phrases, including variations (and negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or conditions “may”, “could”, “should”, “would”, or “will” be taken, occur or be achieved. Forward-looking information contained herein may include, but is not limited to, statements with respect to: the anticipated closing date for the Offering; the future performance or the intended business strategy of Cardiol, including, but not limited to, the plan to commercialize CardiolRx and the planning of an international clinical study of CardiolRx in acute myocarditis; the potential for Cardiol’s licensed drug encapsulation and delivery technologies to enhance the bioavailability of pharmaceuticals; management’s expectations regarding estimated future pharmaceutical research and development opportunities, collaborations and prospects; the success and proposed timing of Cardiol’s product development activities; the ability of Cardiol to develop its product candidates; Cardiol’s plans to research, discover, evaluate and develop additional products; Cardiol’s proposed future collaborations to advance Cardiol’s lead nanoformulations into clinical development; and the potential for Cardiol’s cannabinoid-based products to provide sources of future revenue. Forward-looking information contained herein reflects the current expectations or beliefs of Cardiol based on information currently available to it and is subject to a variety of known and unknown risks and uncertainties and other factors that could cause the actual events or results to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. These risks and uncertainties and other factors include that the success of Cardiol’s product candidates will require significant capital resources and years of clinical development efforts; the results of clinical testing and trial activities of Cardiol’s products; Cardiol’s ability to obtain regulatory approval and market acceptance of its products; Cardiol’s ability to raise capital and the availability of future financing; Cardiol’s lack of operating history; unforeseeable deficiencies in the development of Cardiol’s product candidates; uncertainties relating to the availability and costs of financing needed in the future for Cardiol’s research and development initiatives; Cardiol’s ability to manage its research, development, growth and operating expenses; the potential failure of clinical trials to demonstrate acceptable levels of safety and efficacy of Cardiol’s product candidates; Cardiol’s ability to retain key management and other personnel; risks related to fluctuations in medicinal cannabinoid markets in Canada and worldwide; uncertainties regarding Cardiol’s ongoing collaborative and manufacturing partnerships; uncertainties regarding results of researching and developing products for human use; Cardiol competes in a highly competitive and evolving industry; Cardiol’s ability to obtain and maintain current and future intellectual property protection; and other

risks and uncertainties and factors. These risks, uncertainties and other factors should be considered carefully, and investors should not place undue reliance on the forward-looking information. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Cardiol disclaims any intent or obligation to update or revise such forward-looking information, whether as a result of new information, future events or results or otherwise. Although Cardiol believes that the expectations reflected in the forward-looking information are reasonable, they do involve certain assumptions, risks, and uncertainties and are not (and should not be considered to be) guarantees of future performance. It is important that each person reviewing this news release understands the significant risks attendant to the operations of Cardiol.