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Cardiol Therapeutics Announces Filing of 2019 Year-End Financial Statements and MD&A

Oakville, ON – March 26, 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 medicines for heart disease, today filed its audited Year-end Financial Statements and Management’s Discussion and Analysis for the year ended December 31, 2019. Both are available under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at www.cardiolrx.com.

“2019 was a pivotal year for Cardiol Therapeutics,” stated David Elsley, President and CEO. “We attracted industry-leading talent to our management team, world class stewardship and experience to our Board of Directors, and global thought leaders in cardiology to the Steering Committee for our Phase 2 international trial in acute myocarditis. We also established the commercial infrastructure and pharmaceutical supply chain necessary to support the commercial launch of the purest cannabidiol in the world – a product specifically formulated for consistency, stability, and purity to meet the needs of millions of people who should not be exposed to THC.

The Company’s most significant achievement to date followed our 2019 fiscal year end with the signing of an exclusive supplier agreement with Canada’s largest pharmacy retailer, Shoppers Drug Mart, to supply our pharmaceutical cannabidiol formulation to patients nationwide. Formulated purely for medical purposes and manufactured under the most stringent quality standards set by the pharmaceutical industry, the commercialization of our pharmaceutical high purity, THC free (<5ppm) cannabidiol oil aims to address a growing market need for patients who should not be exposed to THC.”

2020 is expected to witness significant growth for Cardiol, as the Company builds brand awareness of the purest pharmaceutical cannabidiol formulation in the world with its commercial launch in Canada’s \$1.2 billion medicinal cannabinoids market, the development of plans for expansion into Europe and Latin America, and the initiation of its international trial in patients with acute myocarditis, an inflammatory form of heart failure that represents a leading cause of sudden cardiac death in children and young adults. This international study is being planned at world-leading heart institutes, including the Cleveland Clinic, the Mayo Clinic, the Houston Methodist DeBakey Heart and Vascular Center, the University of Ottawa Heart Institute, the University of Pittsburgh Medical Center, and Charité Hospital Berlin.

Highlights during the 2019 Fiscal Period

- The appointment of Mr. Thomas Moffatt, BBA, as Chief Commercial Officer. Mr. Moffatt is a senior operations and retailing executive with an extensive background in the

pharmacy retail space. Mr. Moffatt spent more than 20 years with Shoppers Drug Mart ("Shoppers") where, as National Vice-President Operations and Strategy, he led the repositioning of Shoppers in the Canadian market. Mr. Moffatt was most recently the Chief Operating Officer and Vice-President, Operations at Rx Drug Mart Inc., where he was responsible for the growth, marketing and development of all operations for more than 45 stores, including marketing, personnel and strategic activities.

- The appointment of Andrea B. Parker, MSc, PhD, as Director of Clinical Affairs. Dr. Parker is a Clinical Epidemiologist with more than 30 years' experience in clinical trials design, management, and execution in industry and academic settings. She was involved in the organization and execution of many large-scale international clinical trials, specializing in cardiovascular disease, pain management, and imaging techniques and is the former Chief Scientific Officer at Peter Munk Cardiac Centre, University Health Network. Dr. Parker holds a MSc in Clinical Epidemiology from Harvard School of Public Health and a PhD in Medical Sciences from the University of Toronto.
- The completion of the manufacturing scale-up for commercialization of the Company's CardiolRx 100 cannabidiol formulation. CardiolRx 100 (100 mg/mL CBD with 3,000 mg of cannabidiol per bottle) is designed to be the safest and most consistent high concentration cannabidiol formulation available to Canadians that is THC free (<5ppm). It is pharmaceutically produced in a Health Canada approved, FDA registered and inspected, cGMP facility.
- The formation of a Clinical Steering Committee, comprising world-renowned key opinion leaders in acute myocarditis from North America and Europe, for a Phase 2 international trial in acute myocarditis using the Company's CardiolRx 100 cannabidiol formulation.
- The appointment of Mr. Colin Stott to Cardiol's Board of Directors. Mr. Stott is the former Scientific Affairs Director, International and R&D Operations Director for GW Pharmaceuticals plc, a world leader in the development of cannabinoid therapeutics that created Epidiolex®, the first FDA-approved cannabidiol therapy for use as an orphan drug in the treatment of rare forms of paediatric epilepsy.

Highlights Subsequent to Year-End

- The signing of a supplier agreement to become a medical cannabidiol supplier to Shoppers, Canada's national pharmacy retailer. Under the terms of the agreement, the Company will supply Cardiol's pharmaceutical cannabidiol products to Shoppers for sale in all provinces and territories in Canada through Shoppers' online store, Medical Cannabis by Shoppers. Products will be sold initially in three dosage formats: 100mg/mL, 50mg/mL, and 25mg/mL. Shoppers also has the right to purchase all future products available from Cardiol's product line, subject to any and all regulations.
- The receipt of a No Objection Letter from Health Canada to conduct a Phase 1 study of the Company's pharmaceutically produced high concentration, pure cannabidiol formulation. The Company plans to initiate the study in Q2, 2020. The Phase 1 study is designed to measure the pharmacokinetics (blood levels of drug) following single and

multiple doses of the Company's extra strength 100mg/mL concentration pharmaceutical cannabidiol formulation in up to up to 55 healthy subjects, both in the fasting and fed states. The study will also measure standard safety parameters at escalating doses to help select the optimal dosing levels for the Company's planned international Phase 2 study in acute myocarditis later this year.

Outlook for 2020

The Corporation expects that its current working capital will be sufficient to fund operations and capital requirements through March 31, 2021, notwithstanding its plans to generate revenues in the Canadian and international markets.

During the remainder of 2020, Cardiol expects the following catalysts for growth:

1. The commercial launch throughout Canada of the Company's pharmaceutical cannabidiol, which is expected to set a new industry standard for product purity and consistency.
2. The initiation of a clinical trial program to begin in H2 2020, designed to demonstrate impact of the Company's proprietary pharmaceutical cannabidiol formulation on acute myocarditis.
3. The development of global expansion plans to support the commercialization of CardiolRx pharmaceutical cannabidiol in Europe and Latin America.

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: future events; the future performance or the intended business strategy of Cardiol, including, but not limited to, the plan to commercialize CardiolRx™ 100 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.