



**CARDIOL THERAPEUTICS INC.  
CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2025  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

---

## Cardiol Therapeutics Inc.

### Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

|   | As at<br>September 30,<br>2025 | As at<br>December 31,<br>2024 |
|---|--------------------------------|-------------------------------|
| <b>ASSETS</b>                               |                                |                               |
| <b>Current assets</b>                       |                                |                               |
| Cash and cash equivalents (note 3)          | \$ 11,622,408                  | \$ 30,580,029                 |
| Accounts receivable                         | 37,494                         | 100,366                       |
| Other receivables                           | 158,386                        | 261,255                       |
| Prepaid expenses                            | 988,532                        | 726,509                       |
| <b>Total current assets</b>                 | <b>12,806,820</b>              | <b>31,668,159</b>             |
| <b>Non-current assets</b>                   |                                |                               |
| Property and equipment (note 4)             | 140,981                        | 195,592                       |
| <b>Total assets</b>                         | <b>\$ 12,947,801</b>           | <b>\$ 31,863,751</b>          |
| <b>EQUITY AND LIABILITIES</b>               |                                |                               |
| <b>Current liabilities</b>                  |                                |                               |
| Accounts payable and accrued liabilities    | \$ 3,252,727                   | \$ 6,976,736                  |
| Current portion of lease liability (note 5) | 36,925                         | 33,009                        |
| <b>Total current liabilities</b>            | <b>3,289,652</b>               | <b>7,009,745</b>              |
| <b>Non-current liabilities</b>              |                                |                               |
| Lease liability (note 5)                    | 97,274                         | 125,523                       |
| <b>Total liabilities</b>                    | <b>3,386,926</b>               | <b>7,135,268</b>              |
| <b>Equity</b>                               |                                |                               |
| Share capital (note 7)                      | 187,362,629                    | 179,335,421                   |
| Contributed surplus                         | 28,102,576                     | 24,647,163                    |
| Deficit                                     | (205,904,330)                  | (179,254,101)                 |
| <b>Total equity</b>                         | <b>9,560,875</b>               | <b>24,728,483</b>             |
| <b>Total equity and liabilities</b>         | <b>\$ 12,947,801</b>           | <b>\$ 31,863,751</b>          |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Commitments (note 11)

Subsequent events (notes 8 and 14)

Approved on behalf of the Board:

"David Elsley", Director

"Guillermo Torre-Amione", Director

## Cardiol Therapeutics Inc.

### Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

|   | Three Months<br>Ended<br>September 30,<br>2025 | Three Months<br>Ended<br>September 30,<br>2024 | Nine Months<br>Ended<br>September 30,<br>2025 | Nine Months<br>Ended<br>September 30,<br>2024 |
|---|--|--|---|---|
| <b>Operating expenses</b> (notes 8, 12, 13)                     |  |  |   |   |
| General and administration (note 12)                            | \$ 5,393,522                                   | \$ 10,389,712                                  | \$ 15,009,650                                 | \$ 20,503,966                                 |
| Research and development (note 12)                              | 4,786,578                                      | 3,750,688                                      | 11,275,671                                    | 9,783,261                                     |
| Loss before other income  | (10,180,100)                                   | (14,140,400)                                   | (26,285,321)                                  | (30,287,227)                                  |
| Interest income (note 3)  | 122,256  | 201,864  | 551,192                                       | 886,567                                       |
| Gain (loss) on foreign exchange                                 | 93,563   | (142,033)                                      | (872,176)                                     | 638,919                                       |
| Change in derivative liability (note 6)                         | -  | 1,352,085                                      | -   | 234,529                                       |
| Other income  | -  | -  | -   | 28,223  |
| <b>Net loss and comprehensive loss for the period</b>           | <b>\$ (9,964,281)</b>                          | <b>\$ (12,728,484)</b>                         | <b>\$ (26,606,305)</b>                        | <b>\$ (28,498,989)</b>                        |
| <b>Basic and diluted net loss per share</b> (note 10)           | <b>\$ (0.12)</b>                               | <b>\$ (0.18)</b>                               | <b>\$ (0.32)</b>                              | <b>\$ (0.42)</b>                              |
| <b>Weighted average number of common shares<br/>outstanding</b> | <b>84,727,401</b>                              | <b>69,841,202</b>                              | <b>83,337,682</b>                             | <b>68,621,684</b>                             |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## Cardiol Therapeutics Inc.

### Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

|  | Nine Months<br>Ended<br>September 30,<br>2025 | Nine Months<br>Ended<br>September 30,<br>2024 |
|--|---|---|
| <b>Operating activities</b>  |   |   |
| Net loss and comprehensive loss for the period                                     | \$ (26,606,305)                               | \$ (28,498,989)                               |
| Adjustments for:   |   |   |
| Depreciation of property and equipment   | 76,007  | 114,263                                       |
| Amortization of intangible assets  | -   | 210,358                                       |
| Share-based compensation (note 8)  | 7,686,761                                     | 11,130,090                                    |
| Change in derivative liability   | -   | (234,529)                                     |
| Unrealized foreign exchange (gain)/loss on cash                                    | 299,601                                       | (286,123)                                     |
| Accretion on lease liability   | 17,199  | 19,332  |
| Changes in non-cash working capital items:   |   |   |
| Accounts receivable  | 62,872  | 85,666  |
| Other receivables  | 102,869                                       | (72,500)                                      |
| Prepaid expenses   | (262,023)                                     | (188,553)                                     |
| Accounts payable and accrued liabilities   | (6,333)                                       | (1,746,589)                                   |
| <b>Net cash used in operating activities</b>                                       | <b>(18,629,352)</b>                           | <b>(19,467,574)</b>                           |
| <b>Investing activities</b>  |   |   |
| Purchase of property and equipment   | (21,396)                                      | (15,131)                                      |
| <b>Net cash used in investing activities</b>                                       | <b>(21,396)</b>                               | <b>(15,131)</b>                               |
| <b>Financing activities</b>  |   |   |
| Proceeds from stock options exercised  | 34,260  | 177,510                                       |
| Payment of lease liability   | (41,532)                                      | (27,688)                                      |
| <b>Net cash provided by (used in) financing activities</b>                         | <b>(7,272)</b>                                | <b>149,822</b>                                |
| <b>Net change in cash and cash equivalents</b>                                     | <b>(18,658,020)</b>                           | <b>(19,332,883)</b>                           |
| <b>Cash and cash equivalents, beginning of period</b>                              | <b>30,580,029</b>                             | <b>34,931,778</b>                             |
| <b>Impact of foreign exchange on cash and cash equivalents</b>                     | <b>(299,601)</b>                              | <b>286,123</b>                                |
| <b>Cash and cash equivalents, end of period</b>                                    | <b>\$ 11,622,408</b>                          | <b>\$ 15,885,018</b>                          |
| <b>Supplemental information</b>  |   |   |
| Deferred share issuance costs included in accounts payable and accrued liabilities | \$ (43,924)                                   | \$ -  |
| Accounts payable and accrued liabilities settled through equity                    | \$ 3,761,600                                  | \$ -  |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## Cardiol Therapeutics Inc.

### Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

|  | Share capital     |                      | Warrants            | Contributed surplus  | Deficit                | Total                |
|--|-------------------|----------------------|---------------------|----------------------|------------------------|----------------------|
|  | Number            | Amount               |                     |                      |                        |                      |
| <b>Balance, December 31, 2023</b>              | <b>65,352,279</b> | <b>\$148,519,136</b> | <b>\$ 3,517,867</b> | <b>\$ 18,786,306</b> | <b>\$(142,576,802)</b> | <b>\$ 28,246,507</b> |
| Deferred share issuance costs                  | -                 | -                    | -                   | -                    | (623,743)              | (623,743)            |
| Fair value of expired warrants                 | -                 | -                    | (3,517,867)         | 3,517,867            | -                      | -                    |
| Restricted share units exercised               | 2,019,685         | 2,896,211            | -                   | (2,896,211)          | -                      | -                    |
| Stock options exercised                        | 175,000           | 177,510              | -                   | -                    | -                      | 177,510              |
| Fair value of stock options exercised          | -                 | 99,263               | -                   | (99,263)             | -                      | -                    |
| Share-based compensation (note 8)              | -                 | -                    | -                   | 11,130,090           | -                      | 11,130,090           |
| Performance share units exercised              | 2,650,000         | 2,939,038            | -                   | (2,939,038)          | -                      | -                    |
| Net loss and comprehensive loss for the period | -                 | -                    | -                   | -                    | (28,498,989)           | (28,498,989)         |
| <b>Balance, September 30, 2024</b>             | <b>70,196,964</b> | <b>\$154,631,158</b> | <b>\$ -</b>         | <b>\$ 27,499,751</b> | <b>\$(171,699,534)</b> | <b>\$ 10,431,375</b> |
| <b>Balance, December 31, 2024</b>              | <b>82,608,992</b> | <b>\$179,335,421</b> | <b>\$ -</b>         | <b>\$ 24,647,163</b> | <b>\$(179,254,101)</b> | <b>\$ 24,728,483</b> |
| Deferred share issuance costs                  | -                 | -                    | -                   | -                    | (43,924)               | (43,924)             |
| Restricted share units exercised               | 271,485           | 568,836              | -                   | (568,836)            | -                      | -                    |
| Stock options exercised                        | 25,000            | 34,260               | -                   | -                    | -                      | 34,260               |
| Fair value of stock options exercised          | -                 | 22,033               | -                   | (22,033)             | -                      | -                    |
| Performance share units exercised              | 4,550,245         | 7,402,079            | -                   | (7,402,079)          | -                      | -                    |
| Share-based compensation (note 8)              | -                 | -                    | -                   | 11,448,361           | -                      | 11,448,361           |
| Net loss and comprehensive loss for the period | -                 | -                    | -                   | -                    | (26,606,305)           | (26,606,305)         |
| <b>Balance, September 30, 2025</b>             | <b>87,455,722</b> | <b>\$187,362,629</b> | <b>\$ -</b>         | <b>\$ 28,102,576</b> | <b>\$(205,904,330)</b> | <b>\$ 9,560,875</b>  |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

---

# Cardiol Therapeutics Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

---

### 1. Nature of operations

Cardiol Therapeutics Inc. was incorporated under the laws of the Province of Ontario on January 19, 2017. The Corporation's registered and legal office is located at 2265 Upper Middle Rd. E., Suite 602, Oakville, Ontario, L6H 0G5, Canada.

Cardiol Therapeutics Inc. and its subsidiary (the "Corporation" or "Cardiol") is a clinical-stage life sciences company advancing late-stage, anti-inflammatory and anti-fibrotic therapies for heart disease. The Corporation's lead small molecule drug candidate, CardiolRx™, modulates inflammasome pathway activation, an intracellular process known to play an important role in the development and progression of inflammation and fibrosis associated with pericarditis, myocarditis, and heart failure.

On December 20, 2018, the Corporation completed its initial public offering on the Toronto Stock Exchange (the "TSX") and its common shares commenced trading on the TSX under the symbol "CRDL". On August 10, 2021, the Corporation's common shares commenced trading on The Nasdaq Capital Market under the symbol "CRDL".

### 2. Material accounting policy information

#### *Statement of compliance*

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively "IFRS Accounting Standards").

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS Accounting Standards issued and outstanding as of November 7, 2025, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2024.

Any subsequent changes to IFRS Accounting Standards that are given effect in the Corporation's annual consolidated financial statements for the year ending December 31, 2025, could result in restatement of these unaudited condensed interim consolidated financial statements.

### 3. Cash and cash equivalents

Interest earned on cash and cash equivalents for the three and nine months ended September 30, 2025, amounted to \$122,256 and \$551,192 (three and nine months ended September 30, 2024 - \$201,864 and \$886,567).

## Cardiol Therapeutics Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

#### 4. Property and equipment

| <b>Cost</b>                 | <b>Right-of-use asset</b> | <b>Equipment</b> | <b>Leasehold improvements</b> | <b>Office equipment</b> | <b>Computer equipment</b> | <b>Total</b> |
|-----------------------------|---------------------------|------------------|-------------------------------|-------------------------|---------------------------|--------------|
| Balance, December 31, 2023  | \$ 341,238                | \$ 219,809       | \$ 237,248                    | \$ 66,864               | \$ 128,657                | \$ 993,816   |
| Additions                   | -                         | -                | -                             | -                       | 21,290                    | 21,290       |
| Disposals                   | -                         | (46,855)         | -                             | -                       | -                         | (46,855)     |
| Balance, December 31, 2024  | 341,238                   | 172,954          | 237,248                       | \$ 66,864               | \$ 149,947                | \$ 968,251   |
| Additions                   | -                         | -                | -                             | 1,937                   | 19,459                    | 21,396       |
| Balance, September 30, 2025 | \$ 341,238                | \$ 172,954       | \$ 237,248                    | \$ 68,801               | \$ 169,406                | \$ 989,647   |

| <b>Accumulated Depreciation</b> | <b>Right-of-use asset</b> | <b>Equipment</b> | <b>Leasehold improvements</b> | <b>Office equipment</b> | <b>Computer equipment</b> | <b>Total</b> |
|---------------------------------|---------------------------|------------------|-------------------------------|-------------------------|---------------------------|--------------|
| Balance, December 31, 2023      | \$ 196,668                | \$ 131,722       | \$ 207,552                    | \$ 40,355               | \$ 80,461                 | \$ 656,758   |
| Depreciation for the year       | 63,984                    | 26,426           | 29,696                        | 5,302                   | 17,994                    | 143,402      |
| Disposals                       | -                         | (27,501)         | -                             | -                       | -                         | (27,501)     |
| Balance, December 31, 2024      | \$ 260,652                | \$ 130,647       | \$ 237,248                    | \$ 45,657               | \$ 98,455                 | \$ 772,659   |
| Depreciation for the period     | 47,988                    | 9,519            | -                             | 3,181                   | 15,319                    | 76,007       |
| Balance, September 30, 2025     | \$ 308,640                | \$ 140,166       | \$ 237,248                    | \$ 48,838               | \$ 113,774                | \$ 848,666   |

| <b>Carrying value</b>       | <b>Right-of-use asset</b> | <b>Equipment</b> | <b>Leasehold improvements</b> | <b>Office equipment</b> | <b>Computer equipment</b> | <b>Total</b> |
|-----------------------------|---------------------------|------------------|-------------------------------|-------------------------|---------------------------|--------------|
| Balance, December 31, 2024  | \$ 80,586                 | \$ 42,307        | \$ -                          | \$ 21,207               | \$ 51,492                 | \$ 195,592   |
| Balance, September 30, 2025 | \$ 32,598                 | \$ 32,788        | \$ -                          | \$ 19,963               | \$ 55,632                 | \$ 140,981   |

#### 5. Lease liability

|                             | <b>Carrying Value</b> |
|-----------------------------|-----------------------|
| Balance, December 31, 2023  | \$ 174,340            |
| Repayments                  | (41,532)              |
| Accretion                   | 25,724                |
| Balance, December 31, 2024  | \$ 158,532            |
| Repayments                  | (41,532)              |
| Accretion                   | 17,199                |
| Balance, September 30, 2025 | \$ 134,199            |
| Current portion             | 36,925                |
| Long-term portion           | \$ 97,274             |

(i) When measuring the lease liability for the property lease that was classified as an operating lease, the Corporation discounted the lease payments using its incremental borrowing rate. The original property lease had an expiration date of May 31, 2024, and the lease payments were discounted with a 9% interest rate. During the year ended December 31, 2023, the property lease was extended to October 30, 2028. The lease liability was revalued as of the extension date with lease payments discounted with a 15% interest rate.

---

## Cardiol Therapeutics Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

---

#### 6. Derivative liability

On November 5, 2021, the Corporation issued 8,175,000 warrants as part of a unit financing. Each warrant was exercisable into one common share at the price of USD\$3.75 per share for a period of three years from closing. The warrants were classified as a derivative liability on the statement of financial position and re-valued at each reporting date, as the warrants were issued in a currency other than the Corporation's functional currency. During the three and nine months ended September 30, 2024, the value of the derivative liability decreased by \$1,352,085 and \$234,529. During 2024, all 8,175,000 warrants expired unexercised.

#### 7. Share capital

##### a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

##### b) Common shares issued

|  | Number of<br>common<br>shares | Amount               |
|--|-------------------------------|----------------------|
| Balance, December 31, 2023                     | 65,352,279                    | \$148,519,136        |
| Restricted share units exercised (note 8)      | 2,019,685                     | 2,896,211            |
| Fair value of stock options exercised (note 8) | -                             | 99,263               |
| Stock options exercised (note 8)               | 175,000                       | 177,510              |
| Performance share units exercised (note 8)     | 2,650,000                     | 2,939,038            |
| <b>Balance, September 30, 2024</b>             | <b>70,196,964</b>             | <b>\$154,631,158</b> |
| Balance, December 31, 2024                     | 82,608,992                    | \$179,335,421        |
| Restricted share units exercised (note 8)      | 271,485                       | 568,836              |
| Stock options exercised (note 8)               | 25,000                        | 34,260               |
| Fair value of stock options exercised (note 8) | -                             | 22,033               |
| Performance share units exercised (note 8)     | 4,550,245                     | 7,402,079            |
| <b>Balance, September 30, 2025</b>             | <b>87,455,722</b>             | <b>\$187,362,629</b> |

#### 8. Share-based payments

The Corporation has adopted an Omnibus Equity Incentive Plan in accordance with the policies of the TSX, which permits the grant or issuance of options, Restricted Share Units ("RSUs"), Performance Share Units ("PSUs"), and Deferred Share Units ("DSUs"), as well as other share-based payment arrangements. The maximum number of shares that may be issued upon the exercise or settlement of awards granted under the plan may not exceed 15% of the Corporation's issued and outstanding shares from time to time. The Board of Directors determines the price per common share and the number of common shares which may be allotted to directors, officers, employees, and consultants, and all other terms and conditions of the option, subject to the rules of the TSX.

During the three and nine months ended September 30, 2025, the total expenses related to share-based compensation amounted to \$3,999,605 and \$7,686,761 (three and nine months ended September 30, 2024 - \$8,422,404 and \$11,130,090).



---

## Cardiol Therapeutics Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

---

#### 8. Share-based payments (continued)

##### (a) Stock Options

|                             | Number of<br>stock options | Weighted average<br>exercise price (\$) |
|-----------------------------|----------------------------|---|
| Balance, December 31, 2023  | 1,732,500                  | \$ 2.44                                 |
| Issued                      | 455,000                    | 2.56                                    |
| Expired                     | (555,000)                  | 2.15                                    |
| Exercised (i)               | (175,000)                  | 1.01                                    |
| Balance, September 30, 2024 | 1,457,500                  | \$ 2.77                                 |
| Balance, December 31, 2024  | 1,487,500                  | \$ 2.76                                 |
| Issued                      | 1,560,000                  | 1.65                                    |
| Expired                     | (350,000)                  | 3.05                                    |
| Exercised (ii)              | (25,000)                   | 1.37                                    |
| Cancelled (iii)             | (1,000,000)                | 1.63                                    |
| Balance, September 30, 2025 | 1,672,500                  | \$ 2.35                                 |

(i) The weighted average share price on date of exercise was \$2.62.

(ii) The weighted average share price on date of exercise was \$1.70.

(iii) During the period ended September 30, 2025, the Corporation cancelled 1,000,000 stock options held by a consultant, and issued 400,000 PSUs of the Corporation to replace the cancelled stock options. The cancelled stock options were revalued as of the grant date of the PSUs using the Black-Scholes option pricing model with weighted average assumptions that correspond to their time to maturity. The following weighted average assumptions were used for the calculation:

---

|  |         |
|--|---------|
| Fair value of stock options at cancellation date | \$ 0.95 |
| Share price                                      | \$ 1.97 |
| Exercise price                                   | \$ 1.54 |
| Risk-free interest rate                          | 2.69 %  |
| Expected volatility                              | 80 %    |
| Expected life in years                           | 1.67    |
| Expected dividend yield                          | Nil     |

---

The remaining unvested fair value of the cancelled options converted into PSUs will be recorded as share-based compensation expenses.

## Cardiol Therapeutics Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

#### 8. Share-based payments (continued)

##### (a) Stock Options (continued)

At the grant date, the fair value of stock options issued was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions:

|   | Nine Months<br>Ended<br>September 30,<br>2025 | Nine Months<br>Ended<br>September 30,<br>2024 |
|---|---|---|
| Fair value of stock options at grant date | \$ 0.79                                       | \$ 1.79                                       |
| Share price                               | \$ 1.66                                       | \$ 2.83                                       |
| Exercise price                            | \$ 1.65                                       | \$ 2.56                                       |
| Risk-free interest rate                   | 2.61 %  | 3.83 %  |
| Expected volatility                       | 84 %  | 93 %  |
| Expected life in years                    | 2.61  | 3.13  |
| Expected dividend yield                   | Nil   | Nil   |

The following table reflects the actual stock options issued and outstanding as of September 30, 2025:

| Expiry date        | Exercise price (\$) | Weighted average remaining contractual life (years) | Number of options outstanding | Number of options vested (exercisable) |
|--------------------|---------------------|---|-------------------------------|--|
| April 1, 2026      | 5.77                | 0.50  | 60,000                        | 60,000                                 |
| December 8, 2026   | 3.59                | 1.19  | 325,000                       | 325,000                                |
| January 11, 2027   | 2.18                | 1.28  | 220,000                       | 220,000                                |
| March 1, 2027      | 2.56                | 1.42  | 200,000                       | 200,000                                |
| March 9, 2027      | 1.57 (i)            | 1.44  | 200,000                       | 100,000                                |
| May 12, 2027       | 1.46                | 1.61  | 70,000                        | 70,000                                 |
| September 13, 2027 | 1.61                | 1.95  | 207,500                       | 207,500                                |
| July 21, 2028      | 1.67                | 2.81  | 50,000                        | -                                      |
| July 7, 2029       | 2.07                | 3.77  | 30,000                        | 10,000                                 |
| August 19, 2029    | 1.50                | 3.89  | 30,000                        | -                                      |
| May 25, 2030       | 1.52 (i)            | 4.65  | 120,000                       | -                                      |
| May 25, 2030       | 2.12                | 4.65  | 100,000                       | -                                      |
| May 29, 2030       | 1.61 (i)            | 4.66  | 60,000                        | -                                      |
|                    | 2.35                | 2.07  | 1,672,500                     | 1,192,500                              |

(i) Denotes exercise price in USD; these amounts were translated to CAD for presentation purposes at the September 30, 2025 rate of 1.39.

---

## Cardiol Therapeutics Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

---

#### 8. Share-based payments (continued)

##### (b) Performance Share Units

|                             | Number of<br>PSUs |
|-----------------------------|-------------------|
| Balance, December 31, 2023  | 2,000,000         |
| Issued (i)                  | 1,200,000         |
| Redeemed (iii)              | (2,650,000)       |
| Balance, September 30, 2024 | 550,000           |
| Balance, December 31, 2024  | -                 |
| Issued (i), (ii)            | 5,266,000         |
| Redeemed (iv)               | (4,586,245)       |
| Balance, September 30, 2025 | 679,755           |

(i) Grants of PSUs require completion of certain performance criteria specific to each grant. As the fair value of the services for certain PSUs issued cannot be reliably measured, the fair value was determined on the basis of the equity issued. The fair value of PSUs granted was determined based on the Corporation's share price, adjusted by the estimated likelihood of the performance conditions being met.

(ii) During the three and nine months ended September 30, 2025, the Corporation settled \$3,761,600 of accounts payable and accrued liabilities through PSUs valued at \$4,289,960.

(iii) The weighted average share price on date of exercise was \$2.23.

(iv) The weighted average share price on date of exercise was \$1.65.

The following table reflects the actual PSUs issued and outstanding as of September 30, 2025:

| Expiry date       | Weighted average<br>remaining<br>contractual<br>life (years) | Number of<br>PSUs<br>outstanding | Number of<br>PSUs<br>vested<br>(exercisable) |
|-------------------|--|----------------------------------|--|
| December 31, 2025 | 0.25   | 679,755                          | 98,731                                       |

(i) Subsequent to September 30, 2025, 2,621,000 PSUs were issued.

(ii) Subsequent to September 30, 2025, 983,592 PSUs were redeemed.

## Cardiol Therapeutics Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

#### 8. Share-based payments (continued)

##### (c) Restricted Share Units

|                             | Number of<br>RSUs |
|-----------------------------|-------------------|
| Balance, December 31, 2023  | 3,544,887         |
| Issued (i)                  | 3,686,000         |
| Redeemed (ii)               | (2,019,685)       |
| Balance, September 30, 2024 | 5,211,202         |
| Balance, December 31, 2024  | 4,852,299         |
| Issued (i)                  | 147,242           |
| Redeemed (iii)              | (271,485)         |
| Balance, September 30, 2025 | 4,728,056         |

(i) The fair value of RSUs granted was determined based on the Corporation's share price.

(ii) The weighted average share price on date of redemption was \$1.78.

(iii) The weighted average share price on date of redemption was \$1.49.

The following table reflects the actual RSUs issued and outstanding as of September 30, 2025:

| Expiry date        | Weighted average<br>remaining<br>contractual<br>life (years) | Number of<br>RSUs<br>outstanding | Number of<br>RSUs<br>vested<br>(exercisable) |
|--------------------|--|----------------------------------|--|
| July 10, 2027      | 1.78   | 3,122,248                        | 1,457,252                                    |
| July 31, 2027      | 1.83   | 1,425,692                        | 1,425,692                                    |
| October 31, 2027   | 2.08   | 32,874                           | 32,874                                       |
| September 30, 2030 | 5.00   | 147,242                          | -  |
|                    | 1.41   | 4,728,056                        | 2,915,818                                    |

#### 9. Warrants

|   | Number of<br>warrants | Amount       |
|---|-----------------------|--------------|
| Balance, December 31, 2023                        | 11,628,178            | \$ 3,517,867 |
| Expired   | (3,453,178)           | (3,517,867)  |
| Balance, September 30, 2024                       | 8,175,000             | \$ -         |
| Balance, December 31, 2024 and September 30, 2025 | -                     | \$ -         |

---

## Cardiol Therapeutics Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

---

#### 10. Loss per share

For the three and nine months ended September 30, 2025, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$9,964,281 and \$26,606,305 (three and nine months ended September 30, 2024 - \$12,728,484 and \$28,498,989) and the weighted average number of common shares outstanding of 84,727,401 and 83,337,682 (three and nine months ended September 30, 2024 - 69,841,202 and 68,621,684). Diluted loss per share did not include the effect of stock options, PSUs, RSUs, and warrants as they are anti-dilutive.

#### 11. Commitments

(i) The Corporation has leased premises with third parties. The minimum committed lease payments, which include the lease liability payments shown as base rent, are approximately as follows:

|      | Base rent  | Variable rent | Total      |
|------|------------|---------------|------------|
| 2025 | \$ 13,844  | \$ 12,961     | \$ 26,805  |
| 2026 | 55,376     | 51,846        | 107,222    |
| 2027 | 55,376     | 51,846        | 107,222    |
| 2028 | 46,146     | 43,205        | 89,351     |
|      | \$ 170,742 | \$ 159,858    | \$ 330,600 |

(ii) The Corporation has signed various agreements with consultants to provide services. Under the agreements, the Corporation has the following remaining commitments.

|       |                   |
|-------|-------------------|
| 2025  | \$ 186,128        |
| 2026  | 84,679            |
| 2027  | <u>34,802</u>     |
| Total | <u>\$ 305,609</u> |

(iii) Pursuant to the terms of agreements with various other contract research organizations, the Corporation is committed for the following contract research services:

|       |                     |
|-------|---------------------|
| 2025  | \$ 320,967          |
| 2026  | 912,984             |
| 2027  | 55,675              |
| 2028  | 44,470              |
| 2029  | <u>27,005</u>       |
| Total | <u>\$ 1,361,101</u> |

## Cardiol Therapeutics Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

#### 12. Operating expenses

The following details highlight certain non-cash components of the research and development and general and administration expenses. Remaining research and development and operating expenses include personnel costs and expenses paid to third parties:

|  | Three Months<br>Ended<br>September 30,<br>2025 | Three Months<br>Ended<br>September 30,<br>2024 | Nine Months<br>Ended<br>September 30,<br>2025 | Nine Months<br>Ended<br>September 30,<br>2024 |
|--|--|--|---|---|
| <i>General and administration expenses</i> |  |  |   |   |
| Depreciation of property and equipment     | \$ 25,551                                      | \$ 32,954                                      | \$ 76,007                                     | \$ 114,263                                    |
| Amortization of intangible assets          | -  | 168,136  | -   | 210,358                                       |
| Non-cash share-based compensation          | 3,306,682                                      | 7,449,978                                      | 6,373,154                                     | 10,078,091                                    |
| <i>Research and development expenses</i>   |  |  |   |   |
| Non-cash share-based compensation          | \$ 692,923                                     | \$ 972,426                                     | \$ 1,313,607                                  | \$ 1,051,999                                  |

#### 13. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Corporation directly or indirectly, and include any directors (executive and non-executive) of the Corporation. Remuneration of directors and key management personnel of the Corporation was as follows:

|                       | Three Months<br>Ended<br>September 30,<br>2025 | Three Months<br>Ended<br>September 30,<br>2024 | Nine Months<br>Ended<br>September 30,<br>2025 | Nine Months<br>Ended<br>September 30,<br>2024 |
|-----------------------|--|--|---|---|
| Salaries and benefits | \$ 570,978                                     | \$ 567,797                                     | \$ 2,446,705                                  | \$ 2,372,536                                  |
| Share-based payments  | 248,951  | 2,175,162                                      | 1,187,740                                     | 2,450,893                                     |
|                       | \$ 819,929                                     | \$ 2,742,959                                   | \$ 3,634,445                                  | \$ 4,823,429                                  |

As at September 30, 2025, \$nil (December 31, 2024 - \$nil) was owed to key management personnel.

#### 14. Subsequent event

Subsequent to September 30, 2025, the Corporation announced the completion of an US\$11.4 million financing through the issuance of 11,425,000 common share units at USD\$1.00 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at the price of USD\$1.35 per share for a period of two years from closing. The warrants include an acceleration provision, allowing the Corporation to advance their expiry to the 30th day following the issuance of a news release if the daily volume-weighted average trading price of the common shares exceeds US\$2.00 for five consecutive trading days.