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*This offering document pursuant to the listed issuer financing exemption under section 5A.2 of National Instrument 45-106 – Prospectus Exemptions (“**Offering Document**”) constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. The securities offered under this Offering Document have not been, and will not be, registered under the United States Securities Act of 1933, as amended (“**U.S. Securities Act**”), or any U.S. state securities laws, and may not be offered or sold to, or for the account or benefit of, U.S. Persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This Offering Document does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities offered hereby to, or for the account or benefit of, U.S. Persons or persons in the United States. “**United States**” and “**U.S. Person**” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.*

Cardiol (as defined below) is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 — Prospectus Exemptions. In connection with this Offering, the Company (as defined below) represents the following is true:

- **the Company has active operations and its principal asset is not cash, cash equivalents or its exchange listing;**
- **the Company has filed all periodic and timely disclosure documents that it is required to have filed;**
- **the Company is relying on the exemptions in Coordinated Blanket Order 45-935 – Exemptions from Certain Conditions of the Listed Issuer Financing Exemption (the “Order”) and is qualified to distribute securities in reliance on the exemptions included in the Order;**
- **the total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption and under the Order in the 12 months immediately before the date of this Offering Document, will not exceed \$25,000,000;**
- **the Company will not close this Offering unless the Company reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution; and**
- **the Company will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.**

**OFFERING DOCUMENT
UNDER THE LISTED ISSUER FINANCING EXEMPTION**

JANUARY 16, 2026



**Cardiol Therapeutics Inc.
("Company" or "Cardiol" or "Issuer")**

WHAT ARE WE OFFERING?

Offering:	<p>10,384,616 units of the of the Company (each, a “Unit” and collectively, the “Units”) at a price per Unit of \$1.30 (the “Offering Price”) for gross proceeds of \$13.5 million (before the Over-Allotment Option (as defined below)) (“Offering”) pursuant to and in accordance with the “listed issuer financing” exemption from the prospectus requirement available under section 5A.2 of National Instrument 45-106 – <i>Offering Document Exemptions</i>, as amended by Coordinated Blanket Order 45-935 – <i>Exemptions from Certain Conditions of the Listed Issuer Financing Exemption</i> (collectively, the “LIFE Exemption”).</p> <p>The Underwriter (as defined below) shall also have the option to purchase up to an additional 10% of the number of Units sold in the Offering, being up to 1,038,462 Units, at the Offering Price to raise additional gross proceeds of up to \$1,350,000, exercisable in whole or in part at any time up to 48 hours prior to the Closing Date (as defined below) to cover over-allotments, if any (the “Over-Allotment Option”). Reference to “Offering” is deemed to include the Over-Allotment Option.</p> <p>The Company will not proceed with the Offering if 10,384,616 Units are not sold.</p> <p>Each Unit will consist of one common share in the capital of the Company (each, a “Common Share”) and one-half of one Common Share purchase warrant of the Company (each, a “Warrant”), to be offered by Canaccord Genuity Corp. (the “Underwriter”) on a “bought deal” private placement basis. Each Warrant will be exercisable to acquire one Common Share (a “Warrant Share”) at a price of \$1.75 per Common Share for a period of 24 months from the Closing Date. References to Common Shares and Warrant Shares are deemed to include any such Common Shares and Warrant Shares issued pursuant to the Over-Allotment Option.</p> <p>The Units that may be sold pursuant to the Offering will be offered to purchasers resident in each of the provinces and territories of Canada (other than Quebec) pursuant to the LIFE Exemption.</p>
Offering Price:	\$1.30 per Unit.
Offering Size:	<p>10,384,616 Units (excluding the Over-Allotment Option), for gross proceeds of \$13.5 million (before the Over-Allotment Option). The Company will not proceed with the Offering if 10,384,616 Units are not sold.</p> <p>Pursuant to the Over-Allotment Option, up to an additional 1,038,462 Units may be offered to raise additional gross proceeds of up to \$1,350,000. The Over-Allotment Option is exercisable in whole or in part at any time up to 48 hours prior to the Closing Date.</p>
Listing	The Company will obtain the necessary approvals to list the Common Shares and Warrant Shares on the TSX and NASDAQ.
Closing Date:	The Offering is expected to close in one closing on or about January 23, 2026, or such other date as determined by the Company and the Underwriter, such date being no later than 45 days from the date the Company issues a press release announcing the Offering (“Closing Date”).
Exchange:	The Common Shares are listed for trading on the Toronto Stock Exchange (“TSX”) and NASDAQ, each under the trading symbol “CRDL”.
Last Closing Price:	On January 15, 2026, being the last trading day prior to the date of this Offering Document, the closing price of the Common Shares on the TSX was \$1.34 and on the NASDAQ was US\$0.963.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Document includes certain “forward-looking information” within the meaning of applicable Canadian securities legislation (collectively, “**Forward-Looking Information**”).

Forward-looking information can be identified by words or phrases such as “may”, “might”, “could”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict”, or “likely”, or the negative of these terms, or other similar expressions or references to future periods. All information other than historical facts, included in this Offering Document that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's business, operations, plans and other such matters is intended to identify forward-looking information. Statements containing forward-looking information are not historical facts. The Company has based this forward-looking information on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy, and financial needs. The forward-looking information includes, among other things, statements relating to:

- our anticipated cash needs, and the need for additional financing;
- our development of our product candidates for use in testing, research, preclinical studies, clinical studies, and commercialization;
- our ability to develop new routes of administration of our product candidates, including parenteral, for use in testing, research, preclinical studies, clinical studies, and commercialization;
- our ability to develop new formulations of our product candidates for use in testing, research, preclinical studies, clinical studies, and commercialization;
- the successful development and commercialization of our current product candidates and the addition of future products and product candidates;
- the ability of our product delivery technologies to deliver our product candidates to inflamed and/or fibrotic tissue;
- our intention to build a pharmaceutical brand and our products focused on addressing inflammation and fibrosis in heart disease, including acute myocarditis, recurrent pericarditis, and heart failure;
- the expected medical benefits, viability, safety, efficacy, effectiveness, and dosing of our product candidates;
- patents and intellectual property, including, but not limited to, our (a) ability to procure, defend, and/or enforce our intellectual property relating to our products, product formulations, routes of administration, product candidates, and associated uses, methods, and/or processes, and (b) freedom to operate;
- our competitive position and the regulatory environment in which we operate;
- the molecular targets and mechanism of action of our product candidates;
- our financial position; our business strategy; our growth strategies; our operations; our financial results; our dividend policy; our plans and objectives;
- expectations of future results, performance, achievements, prospects, opportunities, or the market in which we operate;
- expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering;
- the completion of the Offering and the expected closing date;
- the amount to be raised under the Offering, including any exercise of the Over-Allotment Option; and
- the timely receipt of all necessary approvals, including approval of the TSX.

In addition, any statements that refer to expectations, intentions, projections, or other characterizations of future events or circumstances contain forward-looking information. Forward-looking information is based on certain assumptions

and analyses made by the Company in light of the experience and perception of historical trends, current conditions, and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with this forward-looking information. Given these risks, uncertainties, and assumptions, prospective purchasers of securities should not place undue reliance on this forward-looking information. Whether actual results, performance, or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions, and other factors, which include:

- the inherent uncertainty of product development including testing, research, preclinical studies and clinical trials;
- our requirement for additional financing;
- our negative cash flow from operations;
- our history of losses;
- dependence on the success of our early-stage product candidates which may not generate revenue, if approved;
- reliance on management, loss of members of management or other key personnel, or an inability to attract new management team members;
- our ability to successfully design, initiate, execute, and complete clinical trials, including the high cost, uncertainty, and delay of clinical trials and additional costs associated with any failed clinical trials;
- the uncertainty our investigational products will have a therapeutic benefit in the clinical indications we are pursuing;
- potential equivocal or negative results from clinical trials and their adverse impacts on our future commercialization efforts;
- our ability to receive and maintain regulatory exclusivities in multiple jurisdictions, including Orphan Drug Designations/Approvals, for our product candidates;
- delays in achievement of projected development goals;
- management of additional regulatory burdens;
- volatility in the market price for the securities;
- failure to protect and maintain and the consequential loss of intellectual property rights;
- third-party claims relating to misappropriation by the Company of their intellectual property;
- reliance on third parties to conduct and monitor our pre-clinical studies and clinical trials;
- our product candidates being subject to controlled substance laws which may vary from jurisdiction to jurisdiction;
- changes in laws, regulations, and guidelines relating to our business, including tax and accounting requirements;
- our reliance on early-stage research regarding the medical benefits, viability, safety, efficacy, and dosing of our product candidates;
- claims for personal injury or death arising from the use of our future products and product candidates;
- uncertainty relating to market acceptance of our product candidates, if approved;
- our lack of experience in commercializing any products, including selling, marketing, or distributing pharmaceutical products;
- securing third-party payor reimbursement for our product candidates, if approved;

- the level of pricing and reimbursement for our product candidates, if approved;
- our dependence on contract manufacturers;
- unsuccessful collaborations with third parties;
- business disruptions affecting third-party suppliers and manufacturers;
- lack of control in future production and selling prices of our product candidates, if approved;
- competition in our industry;
- our inability to develop new technologies and products and the obsolescence of existing technologies and products;
- unfavorable publicity or consumer perception towards any products for which we receive marketing authorization;
- product liability claims and product recalls;
- expansion of our business to other jurisdictions;
- fraudulent activities of employees, contractors, and consultants;
- our reliance on key inputs and their related costs;
- difficulty associated with forecasting demand for products;
- operating risk and insurance coverage;
- our inability to manage growth;
- conflicts of interest among our officers and directors;
- managing damage to our reputation and third-party reputational risks;
- relationships with customers and third-party payors and consequential exposure to applicable anti kickback, fraud, and abuse and other healthcare laws;
- exposure to information systems security threats;
- no dividends for the foreseeable future;
- future sales of Common Shares by existing shareholders causing the market price for the Common Shares to fluctuate;
- the issuance of Common Shares in the future causing dilution;
- events outside of our control could adversely affect our operations;
- our ability to remediate any material weakness in our internal control over financial reporting;
- global geo-political events, and the responses of governments having a significant effect on the world economy; and
- failure to meet regulatory or ethical expectations on environmental impact, including climate change.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those anticipated in the forward-looking information.

Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated. The Company does not undertake to update forward-looking information if circumstances or management estimates,

assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to unduly rely on forward-looking information.

CURRENCY

All references in this Offering Document to “\$” are to Canadian dollars, unless otherwise stated. References to United States dollars are referred to as “US\$”.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

The Company is a late-stage life sciences company focused on advancing the development of anti-inflammatory and anti-fibrotic therapies for heart disease. The Company’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.

Concurrently with the Company’s initial public offering, the Common Shares of the Company commenced trading on the TSX on December 20, 2018. On August 10, 2021, the Common Shares commenced trading on NASDAQ.

The MAVERIC program in recurrent pericarditis, an inflammatory disease of the pericardium which is associated with symptoms including debilitating chest pain, shortness of breath, and fatigue, and results in physical limitations, reduced quality of life, emergency department visits, and hospitalizations, comprises the completed Phase II MAVERIC-Pilot study (NCT05494788) and the ongoing pivotal Phase III MAVERIC trial (NCT06708299) (the “**MAVERIC trial**”). The U.S. FDA has granted Orphan Drug Designation to CardiolRx™ for the treatment of pericarditis, which includes recurrent pericarditis.

The ARCHER program (NCT05180240) comprises the completed Phase II study in acute myocarditis, an important cause of acute and fulminant heart failure in young adults and a leading cause of sudden cardiac death in people less than 35 years of age.

The Company is also developing CRD-38, a novel subcutaneously administered drug formulation intended for use in heart failure, a leading cause of death and hospitalization in the developed world, with associated healthcare costs in the United States exceeding US\$30 billion annually.

Recent Developments

Financing Completion

On October 21, 2025, the Company announced the completion of a private placement offering of units (each, an “**October Unit**”) for total proceeds of US\$11.4 million (the “**October 2025 Offering**”). Under the October 2025 Offering, the Company sold a total of 11.4 million October Units at a price of US\$1.00 per October Unit. Each October Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, an “**October Warrant**”). Each October Warrant entitles the holder to acquire one additional Common Share at an exercise price of US\$1.35 for a period of 24 months from the date of issuance. The October Warrants include an acceleration provision, allowing the Company 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.

Notice of Allowance for Patent Application Entitled “Cannabidiol Compositions for Use in Treating Heart Conditions”

On November 13, 2025, the Company announced that it had received a Notice of Allowance for the Company’s U.S. patent application entitled “Cannabidiol Compositions for Use in Treating Heart Conditions” from the United States Patent and Trademark Office. Once issued, the new patent will establish broad intellectual property protection for

the use of CardiolRx™ and CRD-38 in the treatment or prevention of an extensive range of cardiac conditions, including heart failure, myocarditis, acute pericarditis, inflammatory cardiomyopathy, cardiac toxicity from anti-cancer therapies, and atherosclerosis, until October 2040.

Phase II ARCHER Trial in Acute Myocarditis

On December 1, 2025, the Company announced comprehensive data from ARCHER, a randomized double-blind, placebo-controlled, multi-center Phase II clinical trial of CardiolRx™ (the “**ARCHER trial**”; NCT05180240) in patients with acute myocarditis. The data showed meaningful improvements in cardiac MRI (CMR) measures of myocardial recovery in patients with acute myocarditis, a potentially fatal condition caused by viral infections, autoimmune diseases, immune checkpoint inhibitor therapy to treat cancers, and exposure to cardiotoxic substances.

Key findings from the ARCHER trial included a marked 9.2-gram reduction in left ventricular (LV) mass (p=0.0117), along with reductions in two parameters that directly impact the heart’s LV mass: extracellular volume (ECV), a measure that reflects inflammation and fibrosis outside the heart muscle cells and intercellular volume (ICV), a measure of swelling and enlargement of the heart cells.

The ARCHER data was presented on November 29, 2025, by Dr. Leslie T. Cooper, Jr., Chair of the Department of Cardiovascular Medicine at Mayo Clinic in Florida and Co-Chair of the Steering Committee for the ARCHER trial, at the Annual Meeting of the European Society of Cardiology Working Group on Myocardial & Pericardial Disease in Trieste, Italy.

Phase III MAVERIC Trial in Recurrent Pericarditis

On January 13, 2026, the Company announced that it had surpassed 50% patient enrollment in the MAVERIC trial, its Phase III randomized, double-blind, placebo-controlled, multi-center international trial evaluating CardiolRx™ for the prevention of disease recurrence in patients with recurrent pericarditis.

Material Facts

There are no material facts about the securities being distributed that have not been disclosed in this Offering Document or disclosed in any other document filed by the Company in the 12 months preceding the date of this Offering Document.

What are the business objectives that we expect to accomplish using the available funds?

The Company expects that these events will occur within the following timeline, with the following costs related to each event:

Business Objective	Expected Timeline	Projected Cost (Excluding Over-Allotment Option)	Projected Cost (Including Full Exercise of Over-Allotment Option)
Complete Phase III MAVERIC trial study in recurrent pericarditis with CardiolRx	H2 2026	\$10,000,000	\$10,000,000
Advance the development of CRD-38 into a clinical program	H2 2026	\$3,400,000	\$3,400,000
Complete Phase 1 study with CRD-38	H1 2027	\$3,000,000	\$3,000,000

Business Objective	Expected Timeline	Projected Cost (Excluding Over-Allotment Option)	Projected Cost (Including Full Exercise of Over-Allotment Option)
General and administrative expenses, working capital and other research and development expenses	H2 2027	\$16,190,000	\$17,459,000
Total		\$32,590,000	\$33,859,000

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

The following table discloses what the Company's available funds will be after the Offering, together with additional sources of funding:

	Based on Offering Size (Excluding Over-Allotment Option)	Based on Offering Size (Including Full Exercise of Over-Allotment Option)
A. Amount to be raised by this Offering	\$13,500,000	\$14,850,000
B. Selling commissions and fees ⁽¹⁾	\$810,000	\$891,000
C. Estimated offering costs (e.g.: legal, accounting, audit)	\$200,000	\$200,000
D. Net proceeds of Offering: $D = A - (B + C)$	\$12,490,000	\$13,759,000
E. Working capital as at most recent quarter end (deficiency) ⁽²⁾	\$20,100,000	\$20,100,000
F. Additional sources of funding	-	-
G. Total Available Funds: $G = D + E + F$	\$32,590,000	\$33,859,000

Note

- (1) A Cash Fee (as defined herein) equal to 6% of the gross proceeds raised by the Underwriter under the Offering will be payable.
- (2) December 31, 2025 working capital, based on September 30, 2025 data, adjusted for estimated results of operations for the three months ended December 31, 2025.

How will we use the available funds?

The following table provides a detailed breakdown of how the Company intends to use the available funds:

Business Objective	Expected Timeline	Completion Status, if Funded	Based on Offering Size (Excluding Over-Allotment Option)	Based on Offering Size (Including Full Exercise of Over-Allotment Option)
Complete Phase III MAVERIC trial study in recurrent pericarditis with CardiolRx ⁽¹⁾	H2 2026	Completed	\$10,000,000	\$10,000,000
Advance the development of CRD-38 into a clinical program ⁽²⁾	H2 2026	Completed	\$3,400,000	\$3,400,000
Complete Phase 1 study with CRD-38 ⁽³⁾	H1 2027	Completed	\$3,000,000	\$3,000,000
General and administrative expenses, working capital and other research and development expenses	H2 2027	Completed	\$16,190,000	\$17,459,000
Total			\$32,590,000	\$33,859,000

Notes:

- (1) If the MAVERIC trial meets its objectives, the details of next steps, including costs and timing, will be determined in consultation with regulatory agencies and the Company's external clinical advisors. Based on a successful end-of-Phase II meeting with the U.S. FDA and subject to MAVERIC outcomes, Cardiol believes the results from MAVERIC will support a New Drug Application. The Company may involve a pharmaceutical industry commercial partner to fund commercialization of CardiolRx for the treatment of recurrent pericarditis.
- (2) The Company expects to complete preclinical toxicology studies sufficient to advance to a clinical program.
- (3) If the Company determines that the study has met its objectives, it currently expects to undertake the next steps in its clinical development program, which would consist of a larger clinical study, the details of which will be determined in conjunction with its external clinical advisors and regulatory agencies. The costs and timeline to complete this clinical development program cannot be determined at this stage as this will depend on a variety of factors.

The funds allocation represents the Company's intentions with respect to its use of proceeds of the Offering based on current knowledge, planning and expectations of the Company's management. Although the Company intends to expend the proceeds from this Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors; including, the Company's ability to execute on its business plan and financing objectives.

Per the table above, the Company will be using more than 10% of available funds for research and development. The timing, stage and major components of the proposed programs are detailed in the table above. The Company subcontracts out its research and development.

How have we used other funds we have raised in the past 12 months?

Date of Financing	Funds Raised	Intended Use of Funds	Explanation of Variances and Impact on Business Objectives and Milestones
October 21, 2025	US\$11,425,000	Proceeds from the non-brokered private placement of the October Units to be used to support advancing the CRD-38 program in heart failure, the ongoing late-stage clinical development of CardiolRx™ and for general and administrative expenses, working capital and other expenses.	There were no significant variances to the intended use of proceeds.

FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?

Underwriter:	Canaccord Genuity Corp., sole underwriter and bookrunner.
Compensation Type:	Cash fee plus certain of the Underwriter's fees and expenses
Cash Fee:	Cash fee equal to 6% of the gross proceeds of the Offering.

Does the Underwriter have a conflict of interest?

To the knowledge of the Company, it is not a "related issuer" or "connected issuer" of or to the Underwriter, as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*.

PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Document, you have a right:

- (a) to rescind your purchase of these securities with the Company, or
- (b) to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where can you find more information about us?

The Company's continuous disclosure filings with applicable securities regulatory authorities in the provinces and territories of Canada are available electronically under the Company's profile on the System for Electronic Document Analysis and Retrieval Plus ("SEDAR+") at www.sedarplus.ca.

For further information regarding Cardiol, please visit our website at: <https://www.cardiolrx.com>.

The contents of the Company's website do not form part of, and are not incorporated by reference in, this Offering

Document and must not be relied upon in making a decision to subscribe for and purchase Units.

Investors should read this Offering Document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in Units.

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CERTIFICATE OF THE COMPANY

This Offering Document, together with any document filed under Canadian securities legislation on or after January 16, 2025, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

Dated: January 16, 2026

(signed) "*David Elsley*"

David Elsley
Chief Executive Officer

(signed) "*Chris Waddick*"

Chris Waddick
Chief Financial Officer