July 1, 2024

DiaMedica Therapeutics Announces Closing of $11.8 Million Private Placement

MINNEAPOLIS--(BUSINESS WIRE)-- DiaMedica Therapeutics Inc. (Nasdaq: DMAC), a clinical-stage biopharmaceutical company focused on developing novel treatments for severe ischemic disease, today announced the closing of its previously announced $11.8 million private placement to accredited investors. The Company sold approximately 4.7 million common shares at a purchase price of $2.50 per share, a premium of approximately 10% above the Company's per share closing price on Tuesday June 25, 2024. After deducting estimated offering expenses, the Company received net proceeds of approximately $11.7 million.

The Company reported cash, cash equivalents and short-term investments of $46.5 million as of March 31, 2024. On a pro forma basis, including the estimated $11.7 million in net proceeds from the private placement, the Company's cash, cash equivalents and short-term investments would have been $58.2 million as of such date.

The securities sold in the private placement have not been registered under the U.S. Securities Act of 1933, as amended, or any state or other applicable jurisdiction's securities laws, and may not be offered or sold in the United States absent such registration or an applicable exemption therefrom. The Company has agreed to file a registration statement with the U.S. Securities and Exchange Commission registering the resale of the common shares issued in the private placement.

This release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Company's securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

Required Canadian Early Warning Reporting

Upon closing of the private placement, Thomas von Koch (the "von Koch"), c/o EQT Partners AB, Box 16509, 103 27 Stockholm, Sweden, will acquire indirect ownership, through TomEnterprise Private AB, of an aggregate of 1,200,000 common shares (the "von Koch Shares") of DiaMedica (the "von Koch Acquisition"). The Company's head office is located at 301 Carlson Parkway, Suite 210, Minneapolis, Minnesota, 55305, U.S.A. Immediately prior to the completion of the von Koch Acquisition, von Koch had ownership of, and exercised control and direction over, an aggregate of 4,326,435 common shares of the Company representing approximately 11.4% of the issued and outstanding common shares of the Issuer on a non-diluted basis. Immediately following the completion of the von Koch Acquisition, von Koch will have ownership of, and exercise control and direction over, an aggregate of 5,526,435 common shares of the Company representing approximately 12.9% of the issued and outstanding common shares of the Company on a non-diluted basis. von Koch will pay aggregate cash consideration of US$3,000,000 (approximately C$4,098,000)

for the von Koch Shares at a price of US$2.50 per common share (approximately C$3.41). The von Koch Shares are being acquired for investment purposes. von Koch may, from time to time, take such actions in respect of his holdings in securities of the Company as he may deem appropriate in light of the circumstances then existing, including the purchase of additional common shares or other securities of the Company or the disposition of all or a portion of his security holdings in the Company, subject in each case to applicable securities laws and the terms of such securities.

Upon closing of the private placement, Trill AB ("Trill"), Sveavägen 17, 18th Floor, SE-111 57, Stockholm, Sweden, acquired ownership of an aggregate of 1,200,000 common shares (the "Trill Shares") of the Company (the "Trill Acquisition"). Immediately prior to the completion of the Trill Acquisition, Trill had ownership of, and exercised control and direction over, an aggregate of 4,021,608 common shares of the Company representing approximately 10.6% of the issued and outstanding common shares of the Company on a non-diluted basis. Immediately following the completion of the Trill Acquisition, Trill will have ownership of, and exercise control and direction over, an aggregate of 5,221,608 common shares of the Company representing approximately 12.2% of the issued and outstanding common shares of the Company on a non-diluted basis. Trill will pay aggregate cash consideration of US$3,000,000 (approximately C$4,098,000) for the 1,200,000 Trill Shares at a price of US$2.50 per common share (approximately C$3.41). The Trill Shares are being acquired for investment purposes. Trill may, from time to time, take such actions in respect of its holdings in securities of the Company as it may deem appropriate in light of the circumstances then existing, including the purchase of additional common shares or other securities of the Company or the disposition of all or a portion of its security holdings in the Company, subject in each case to applicable securities laws and the terms of such securities.

Pursuant to National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, following the closing of the private placement, each of von Koch and Trill will file an early warning report in respect of the von Koch Acquisition and Trill Acquisition, respectively, with the applicable Canadian securities regulators, copies of which will be available under the Company's profile at www.sedar.com. Following closing of the private placement, a copy of the early warning report relating to the von Koch Acquisition can be obtained by contacting von Koch at +46706034564, Per Colleen, CEO TomEnterprise Private AB. A copy of the early warning report relating to the Trill Acquisition can be obtained by contacting Trill at Sveavägen 17, 18th Floor, SE-111 57, Stockholm, Sweden.

The Canadian dollar values referred to above were determined using the Bank of Canada daily exchange rate on June 25, 2024.

About DM199 (rinvecalinase alfa)

DM199 is a recombinant (synthetic) form of human tissue kallikrein-1 (rhKLK1) in clinical development for acute ischemic stroke (AIS) and preeclampsia. KLK1 is a serine protease enzyme that plays an important role in the regulation of diverse physiological processes via a molecular mechanism that increases production of nitric oxide, prostacyclin and endothelium-derived hyperpolarizing factor. In the case of AIS, DM199 is intended to enhance blood flow and boost neuronal survival in the ischemic penumbra by dilating arterioles surrounding the site of the vascular occlusion and inhibition of apoptosis (neuronal

cell death) while also facilitating neuronal remodeling through the promotion of angiogenesis. In preeclampsia, DM199 is intended to lower blood pressure, enhance endothelial health and improve perfusion to maternal organs and the placenta.

About DiaMedica Therapeutics Inc.

DiaMedica Therapeutics Inc. is a clinical stage biopharmaceutical company committed to improving the lives of people suffering from serious ischemic diseases with a focus on acute ischemic stroke and preeclampsia. DiaMedica's lead candidate DM199 is the first pharmaceutically active recombinant (synthetic) form of the KLK1 protein, an established therapeutic modality in Asia for the treatment of acute ischemic stroke and other vascular diseases. For more information visit the Company's website at www.diamedica.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and forward-looking information that are based on the beliefs of management and reflect management's current expectations. When used in this press release, the words "anticipates," "believes," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "should," "can," or "will," the negative of these words or such variations thereon or comparable terminology, and the use of future dates are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include statements regarding the Company's expectations regarding net proceeds from the private placement. Such statements and information reflect management's current view and DiaMedica undertakes no obligation to update or revise any of these statements or information. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Applicable risks and uncertainties include, among others, risks and uncertainties surrounding the private placement; risks and uncertainties relating to the planned clinical expansion into preeclampsia and the planned DM199 Phase 2 trial for preeclampsia; uncertainties relating to the timing of site activations and enrollment, regulatory applications and related filing and approval timelines; the possibility of additional future adverse events associated with or unfavorable results from the ReMEDy2 trial; the possibility of unfavorable results from DiaMedica's ongoing or future clinical trials of DM199; the risk that existing preclinical and clinical data may not be predictive of the results of ongoing or later clinical trials; DiaMedica's plans to develop, obtain regulatory approval for and commercialize its DM199 product candidate for the treatment of acute ischemic stroke and preeclampsia and its expectations regarding the benefits of DM199; DiaMedica's ability to conduct successful clinical testing of DM199 and within its anticipated parameters, enrollment numbers, costs and timeframes; the adaptive design of the ReMEDy2 trial and the possibility that the targeted enrollment and other aspects of the trial could change depending upon certain factors, including additional input from the FDA and the blinded interim analysis; the perceived benefits of DM199 over existing treatment options; the potential direct or indirect impact of COVID-19, hospital and medical facility staffing shortages, and worldwide global supply chain shortages on DiaMedica's business and clinical trials, including its ability to meet its site activation and enrollment goals; DiaMedica's reliance on collaboration with third parties to conduct clinical

trials; DiaMedica's ability to continue to obtain funding for its operations, including funding necessary to complete current and planned clinical trials and obtain regulatory approvals for DM199 for acute ischemic stroke and preeclampsia, and the risks identified under the heading "Risk Factors" in DiaMedica's annual report on Form 10-K for the fiscal year ended December 31, 2023 and subsequent reports filed with the U.S. Securities and Exchange Commission, including its most recent quarterly report on Form 10-Q for the quarterly period ended March 31, 2024. The forward-looking information contained in this press release represents the expectations of DiaMedica as of the date of this press release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While DiaMedica may elect to, it does not undertake to update this information at any particular time except as required in accordance with applicable laws.

View source version on businesswire.com:
https://www.businesswire.com/news/home/20240701384447/en/

Scott Kellen
Chief Financial Officer
Phone: (763) 496-5118
skellen@diamedica.com

Paul Papi
Corporate Communications
Phone: 617-899-5941
ppapi@diamedica.com

Source: DiaMedica Therapeutics Inc.