January 18, 2018

DiaMedica Letter to Shareholders

MINNEAPOLIS, Jan. 18, 2018 (GLOBE NEWSWIRE) -- DiaMedica Therapeutics Inc. ("***DiaMedica***") (TSX VENTURE:DMA) (OTCQB:DMCAF), provides corporate update. As we enter into 2018, we wanted to thank you, our shareholders, for your continued support. Looking back, 2017 was a momentous year for DiaMedica as we advanced our deep understanding of DM199, moved into the second phase of clinical trials and are well positioned for a very promising 2018. We would like to review our accomplishments and describe what lies ahead:

- DM199 phase 2 REMEDY stroke study was initiated in the fall of 2017 with patient enrollment anticipated to commence shortly.
- DM199 phase 1B bridging study for acute ischemic stroke dosing trial with DM199 was completed. – This is an important milestone which identified a therapeutic dose of DM199 which pharmaceutically matches the crude form of the protein, known as Kailikang®. Kailikang® is approved in Asia and has been used to treat over 400,000 stroke patients. Our bridging study also identified a subcutaneous dose of DM199 which demonstrated superior pharmaceutical performance which is anticipated to improve efficacy, safety and eliminate/reduce the need for daily in-hospital infusions.
- Dr. Nancy Chang joined our strategic advisory board in April 2017. – Dr. Chang is a prominent Chinese-American who brings more than 30 years of experience in the biopharmaceutical industry, successfully developing and commercializing therapeutic and diagnostic products. She is a co-founder of Tanox, Inc., a biotechnology company known for the development of Xolaira, the breakthrough drug which changed the treatment model for allergy-induced asthma. Dr. Chang served as President and CEO of Tanox until its acquisition by Genentech for US$919M and has led development of several products that generate several billion dollars in annual drug sales.
- Dr. Bruce Campbell of the Royal Melbourne Hospital agreed to lead our Phase 2 REMEDY Stroke Trial as our Principal Investigator. – Dr. Campbell is an award-winning neurologist with a pioneering drive to improve outcomes for stroke patients and a highly regarded neurologist throughout the world.
- The Australasian Stroke Trials Network (ASTN) announced its support for our Phase 2 REMEDY stroke study in September 2017. – ASTN is the key organization that promotes, facilitates and coordinates stroke clinical trials in Australia and New Zealand. ASTN endorses clinical trials based on protocol quality and feasibility, assists with study site identification, facilitates study logistics and supports patient enrollment efforts.
- We identified chronic kidney disease (CKD) caused by Type 1 diabetes as the primary indication for our first kidney disease trial. The FDA has scheduled a face-to-face meeting with DiaMedica in Q1 2018 to discuss our planned CKD trial and the regulatory path forward. This meeting is intended to provide important confirmation and/or clarification of the required clinical path for CKD to be followed by initiation of clinical study.
- Dr. Robert Stanton joined our kidney scientific advisory board in October 2017. – Dr.

Stanton is Chief of the Kidney and Hypertension Section at Joslin Diabetes Center/Harvard Medical School and has an extensive and successful history of conducting research into the abuse, complications and treatment of kidney disease. Dr. Stanton has published two important KLK1 papers including in September 2017, the review paper titled "The kallikrein-kinin system in diabetic kidney disease." Dr. Stanton is an important addition to the scientific advisory board and we look forward to collaborating with him and our other advisors as we progress further into the clinical evaluation of DM199 for CKD.

- We published the results of our DM199 Phase 1B acute ischemic stroke study – the first of what will be several upcoming clinical papers in peer review journals. The review paper titled "Safety, tolerability, and pharmacokinetic profile of recombinant human tissue kallikrein, DM199, after intravenous and subcutaneous administration in healthy volunteers" has highlighted the lead compound DM199.
- We attracted US$2.6M capital from a prominent US-China family office with deep ties to scientific and pharmaceutical community both in the US and Asian markets. We are working to leverage these deep ties to further the financial and clinical development of DiaMedica. We raised an additional ~US$1M in December.

For 2018, DiaMedica is well positioned to make significant progress in the clinical development of DM199. Phase 2 clinical development is a critical stage for our Company and, along with our work to-date, we have significantly "de-risked" our development approach to treat stroke and kidney patients by restoring KLK1 levels. Early in 2018 we anticipate commencing patient enrollment in our Phase 2 clinical study for acute ischemic stroke, the REMEDY trial. Once we complete our upcoming meeting with the U.S. FDA, we plan to also initiate a Phase 2 clinical study of CKD in Type 1 diabetic patients. Our studies have been designed based on the extensive use of the crude (porcine and human urine) forms of the KLK1 protein as currently approved and used in Asia. We also intend to validate a companion diagnostic test which we have developed to evaluate patient's KLK1 levels and potential suitability for treatment with DM199. In addition, we also plan to publish addition clinical and white papers to share our science and DM199's clinical results with the investment and scientific community and anticipate additional important corporate developments.

As we look to 2018, we remain, as always, focused on the complete patient – the whole person – and our mission to help people lead fuller, richer, more productive lives by restoring KLK1 levels. This is a responsibility we take very seriously and continues to drive our work.

Once again, we wish to thank all of our shareholders for their support in 2017 and delighted to have you with us on what should be an exciting 2018!

About DiaMedica Therapeutics Inc.

DiaMedica Therapeutics is a clinical stage biopharmaceutical company focused on developing novel treatments for neurological and kidney diseases. DiaMedica's shares are listed on the TSX Venture Exchange under the trading symbol "DMA" and on the OTCQB under the trading symbol "DMCAF". For more information, please visit **www.diamedica.com**. Follow us on social media –**Twitter**, **LinkedIn**.

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Source: DiaMedica Therapeutics Inc.