January 5, 2022

DiaMedica Therapeutics Appoints Dr. Kirsten Gruis as Chief Medical Officer

Executive with Extensive Track Record in Neurology and Rare Disease Drug Development

MINNEAPOLIS--(BUSINESS WIRE)-- DiaMedica Therapeutics Inc. (Nasdaq: DMAC), a clinical-stage biopharmaceutical company focused on developing novel treatments for neurological disorders and kidney diseases, announced today the appointment of Kirsten Gruis, M.D. as Chief Medical Officer. Dr. Gruis is a board-certified neurologist with 20 years of experience in both clinical medicine and drug development in large and small biopharmaceutical companies.

“We are delighted to welcome Dr. Gruis to the DiaMedica team as Chief Medical Officer,” said Rick Pauls, CEO of DiaMedica. “Dr. Gruis has deep experience in neurology drug development and regulatory strategy which will be critical to the company as we advance ReMEDy2 towards pivotal data for DM199 in acute ischemic stroke. She is also a strong cultural fit with her career long focus on innovation and improving the lives of patients.”

“The clinical data DiaMedica has accumulated thus far show the enormous potential of DM199, with its novel mechanistic path, to become the first new pharmaceutical in 25 years to meaningfully improve outcomes for stroke patients,” said Dr. Gruis. “When I saw the DM199 data supporting the potential for not only improved recovery after a stroke but also reduction in the rate of recurrent strokes, I got excited about joining a team that can change the standard of care and improve the lives of millions of patients and their families around the world.”

Prior to joining DiaMedica, Dr. Gruis served as Chief Medical Officer for Edgewise Therapeutics, Neuromuscular Franchise Head at Roche, Chief Medical Officer of Agilis Biotherapeutics, Inc. and a number of additional senior clinical development roles at companies including Wave Life Sciences Ltd., Idera Pharmaceutics, Inc., Alynylam Pharmaceuticals Inc. and Pfizer Inc. Prior to her time at Pfizer, Dr. Gruis was Associate Professor at SUNY Upstate and Assistant/Associate Professor at the University of Michigan, where she was a practicing neurologist for nearly ten years. Dr. Gruis earned her Medical Doctorate from the University of Iowa College of Medicine, has a Master of Science in Clinical Trial Design and Statistical Analysis from the University of Michigan, School of Public Health, and earned her Bachelor of Science in Microbiology from Iowa State University.

Inducement Grant Under Nasdaq Listing Rule 5635(c)(4)

In connection with Dr. Gruis’s appointment, the Company granted her an inducement stock option to purchase 160,000 shares of DiaMedica’s common stock pursuant to the DiaMedica Therapeutics, Inc. 2021 Employment Inducement Incentive Plan. The inducement grant was

approved by the Company's compensation committee of the board of directors and was effective as of Dr. Gruis's first date of employment, January 3, 2022, and was a material inducement to her acceptance of employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4) as a component of her compensation.

The stock option has an exercise price of $3.88 per share, which is equal to the closing price of DiaMedica's common stock on the grant date, a 10-year term, and will vest over four years, with 25% of the shares underlying the option vesting on the one-year anniversary of the grant date, and the remaining shares vesting in equal amounts at the end of each successive month over the remaining three years. The inducement grant is subject to the terms and conditions of an award agreement and the plan under which it was granted.

About DM199

DM199 is a recombinant (synthetic) form of KLK1. KLK1 is a serine protease (protein) that plays an important role in the regulation of diverse physiological processes including blood flow, inflammation, fibrosis, oxidative stress and neurogenesis via a molecular mechanism that increases production of nitric oxide and prostaglandin. KLK1 deficiency may play a role in multiple vascular and fibrotic diseases such as stroke, chronic kidney disease, retinopathy, vascular dementia, and resistant hypertension where current treatment options are limited or ineffective. DiaMedica is the first company to have developed a recombinant form of the KLK1 protein. The KLK1 protein, produced from porcine pancreas and human urine, has been used to treat patients in Japan, China and South Korea for decades. DM199 is currently being studied in patients with acute ischemic stroke (AIS) and patients with chronic kidney disease. In September 2021, the FDA granted Fast Track Designation to DM199 for the treatment of AIS.

About DiaMedica Therapeutics Inc.

DiaMedica Therapeutics Inc. is a clinical stage biopharmaceutical company committed to improving the lives of people suffering from serious diseases. DiaMedica's lead candidate DM199 is the first pharmaceutically active recombinant (synthetic) form of the KLK1 protein, an established therapeutic modality for the treatment of acute ischemic stroke and chronic kidney disease. For more information visit our 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 "potential," "can," "estimate," "believe," "anticipate," "intend," "expect," "plan," "continue," "look forward," "will," "may" or "should," 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 anticipated potential of DM199 to become the first new pharmaceutical in 25 years to meaningfully improve outcomes for stroke patients. 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, 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 chronic kidney disease and its expectations regarding the benefits of DM199; DiaMedica's ability to conduct successful clinical testing of DM199 and within its anticipated parameters, costs and timeframes; the perceived benefits of DM199 over existing treatment options; the potential direct or indirect impact of the COVID-19 pandemic on DiaMedica's business; 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 planned clinical trials and obtain regulatory approvals for DM199 for acute ischemic stroke and chronic kidney disease, 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, 2020 and subsequent reports filed with the U.S. Securities and Exchange Commission. 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.

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