April 11, 2023

DiaMedica Therapeutics Appoints David Wambeke as Chief Business Officer

In Conjunction with His Appointment, Mr. Wambeke Purchased $750,000 of Common Shares from DiaMedica in a Private Placement Priced Above Market

MINNEAPOLIS--(BUSINESS WIRE)-- DiaMedica Therapeutics Inc. (Nasdaq: DMAC), a clinical-stage biopharmaceutical company focused on developing a novel treatment for acute ischemic stroke (AIS), today announced the appointment of David Wambeke, as Chief Business Officer (CBO). In this position, he will lead business development, including financing and partnering strategies, and acceleration of prioritized development programs, as well as other business operations.

“Dave brings over 15 years of relevant life sciences, M&A, capital markets, and investor relations experience to DiaMedica. He was the lead banker on our Initial Public Offering and has been one of my most reliable and trusted outside advisers over the last five years. He has a deep understanding of DM199’s mechanism of action and our clinical programs, along with key relationships across the biotech industry,” commented Rick Pauls, DiaMedica’s President and Chief Executive Officer. “Dave is well-known for being a collaborative partner who gets results, and his investment aligns his interests firmly with our shareholders. We’re very pleased to have Dave join us at this critical time as we prepare to resume enrollment in our ReMEDy2 AIS trial and work toward providing stroke patients with a new therapeutic option.”

Mr. Wambeke most recently served as Partner and Managing Director of Investment Banking, at Craig-Hallum Capital Group, LLC, a growth-focused investment bank. Mr. Wambeke joined Craig-Hallum in May 2007 and was involved in more than one hundred financing and M&A transactions with a focus on the life sciences and biotech industries. Prior to joining Craig-Hallum, Mr. Wambeke was enlisted in the U.S. Army and served as an artilleryman and military police officer. During a deployment in Baghdad, Iraq, in support of Operation Iraqi Freedom, Mr. Wambeke was wounded in combat and awarded the Purple Heart. Mr. Wambeke received a B.S. from the University of Minnesota.

“I’m thrilled to be joining DiaMedica at such a critical juncture and equally excited to become a shareholder. AIS patients suffer when blood supply is blocked to regions of the brain and I believe DM199’s ability to drive increased collateral circulation will significantly improve outcomes for AIS patients,” noted Mr. Wambeke. “This belief is reinforced by the numerous clinical studies and meta-analyses demonstrating improved clinical outcomes in stroke patients treated with the form of KLK1 approved in China.”

Sale of Common Shares

In conjunction with his appointment, Mr. Wambeke purchased $750,000 of DiaMedica’s common shares at a purchase price of $1.60 per share, which exceeds the $1.57 per share

closing price of the Company's common shares on April 10, 2023. DiaMedica expects to use the net proceeds from this sale to continue its clinical and product development activities for DM199 and for other working capital and general corporate purposes.

The common shares sold to Mr. Wambeke 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. 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.

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

In connection with Mr. Wambeke's appointment, the Company granted him an inducement stock option to purchase 140,000 common shares of DiaMedica 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 Mr. Wambeke's first date of employment, April 10, 2023, and was a material inducement to his acceptance of employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4).

The stock option has an exercise price of $1.57 per share, which is equal to the closing price of DiaMedica's common shares on the grant date, and a 10-year term. The option will vest over four years, with 25 percent of the shares underlying the option vesting on the one-year anniversary of the grant date, and the remaining shares vesting in equal quarterly installments 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 human tissue kallikrein-1 (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 and clinically studied a recombinant form of the KLK1 protein. The KLK1 protein, produced from the pancreas of pigs 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 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 "estimate," "believe," "anticipate," "intend," "expect," "plan," "continue," "potential," "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 Company's expectations regarding its ability to resolve the clinical hold imposed by the FDA and the timing thereof, and its belief that the issues raised by the FDA are potentially addressable, the resumption of the ReMEDy2 trial, and the anticipated clinical benefits and success of DM199, including being a potentially life changing drug to 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 risk that the Company may not be able to provide objective evidence acceptable to the FDA substantiating the Company's belief as to the cause of the hypotension events that occurred and led to the clinical hold or that its plan to resolve the issues and prevent future events may not be successful; the risk that the Company may not be able to address sufficiently the concerns identified by the FDA or may require the Company to collect additional data or information beyond what the FDA has currently requested and what the Company currently expects; the Company's ability to successfully engage with the FDA and satisfactorily respond to requests from the FDA for further information and data regarding the ReMEDy2 trial and the timing and outcome of the Company's planned interactions with the FDA concerning the related clinical hold; the risk that the Company may not be able to lift the clinical hold or do so in a timely manner; uncertainties relating to regulatory applications and related filing and approval timelines, including the risk that FDA may not remove the clinical hold on the ReMEDy2 trial; 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 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, 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 the COVID-19 pandemic, 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 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, 2022 and subsequent U.S. Securities and Exchange Commission filings. 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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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.