

February 13, 2020



DiaMedica Therapeutics Announces Closing of \$8.5 Million Public Offering of Common Shares

MINNEAPOLIS--(BUSINESS WIRE)-- DiaMedica Therapeutics Inc. (Nasdaq: DMAC), a clinical-stage biotechnology company, today announced the closing of its previously announced underwritten public offering of an aggregate of 2,125,000 shares of its voting common shares at a public offering price of \$4.00 per share.

The gross proceeds of the offering were \$8.5 million, before deducting the underwriting discount and other offering expenses.

DiaMedica intends to use the net proceeds from the offering to continue its clinical and product development activities and for other working capital and general corporate purposes.

Craig-Hallum Capital Group LLC acted as the sole managing underwriter for the offering.

The securities described above were offered pursuant to a prospectus supplement and an accompanying base prospectus forming part of a shelf registration statement on Form S-3 (File No. 333-235775), which was declared effective by the U.S. Securities and Exchange Commission (SEC) on January 9, 2020. A final prospectus supplement relating to the offering was filed with the SEC and is available on the SEC's website located at <http://www.sec.gov>. Copies of the final prospectus supplement and the accompanying base prospectus may be obtained for free by contacting Craig-Hallum Capital Group LLC at 222 South Ninth Street, Suite 350, Minneapolis, Minnesota 55402, Attention: Equity Capital Markets, by telephone at 612-334-6300, or by email at prospectus@chlm.com.

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

About DiaMedica Therapeutics Inc.

DiaMedica Therapeutics Inc. is a clinical stage biopharmaceutical company focused on developing novel treatments for chronic kidney diseases and neurological disorders. DiaMedica's shares are listed on The Nasdaq Capital Market under the trading symbol "DMAC."

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. These include statements regarding, but not limited to, the expected uses of the net proceeds from the offering. When used in this press release, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "continue," "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. 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, DiaMedica's ability to conduct successful clinical testing of DM199 and within its anticipated parameters and timeframes; the perceived benefits of DM199 over existing treatment options; DiaMedica's plans to develop, obtain regulatory approval for and commercialize its DM199 product candidate for the treatment of chronic kidney disease (CKD) and acute ischemic stroke (AIS) and its expectations regarding the benefits of DM199; ability to obtain required regulatory approvals; the potential size of the markets for DM199 and its ability to serve those markets; the success, cost and timing of planned clinical trials, as well as reliance on collaboration with third parties to conduct clinical trials; its ability to continue to obtain funding for its operations, including funding necessary to complete planned clinical trials and obtain regulatory approvals for DM199 for CKD and AIS, and the risks identified under the heading "Risk Factors" in DiaMedica's final prospectus supplement filed in connection with the offering on February 11, 2020 and subsequent SEC filings by DiaMedica. 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.

Source: DiaMedica Therapeutics Inc.

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