HEMOSTEMIX INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE MONTHS ENDED MARCH 31, 2026
(EXPRESSED IN CANADIAN DOLLARS)

Introduction

Cautionary Note Regarding Forward-Looking Information

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company’s belief that its products and research and development efforts are targeting diseases and conditions with significant unmet medical treatment needs;	Financing will be available for future research and development of the Company’s products; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for biotechnical projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions will be favourable to the Company.	Unforeseen changes in the legislative and operating framework for the business of the Company; unstable competitive environment; and significant events occurring outside the ordinary course of business such as a natural disaster or other calamity
The Company’s ability to meet its working capital needs at the current level for the twelve-month period ending March 31, 2027	The operating and research activities of the Company for the twelve-month period ending March 31, 2027 and the costs associated therewith, will be consistent with the Company’s current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; interest rate and exchange rate fluctuations; changes in economic conditions
The Company’s ability to carry out anticipated research and development on its stem cell technologies	The operating activities of the Company for the three months ended December 31, 2025, and the costs associated therewith, will be consistent with the Company’s current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits

Management's outlook regarding future trends	Financing will be available for the Company's manufacturing of their products and technologies will be favourable to the Company	Changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
A total of $150,000 is estimated per quarter for corporate expenses	Actual costs of the various line items of the budget are consistent with the costs that management anticipates	Costs could vary from management's expectations

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Hemostemix, located at Suite 1150, 707-7th Avenue SW, Calgary, AB T2P 3H6, is a biotechnology company developing, manufacturing, and commercializing blood-derived stem cell therapies for conditions not adequately treated by current options. Formed in 2002, and November 2014 under the Business Corporations Act (Alberta), the Company began trading on the TSX Venture Exchange on November 27, 2014, under "HEM", on the OTCQB in October 2018 under "HMTXF", and on the Frankfurt Stock Exchange in April 2021 under "2VFO".

The unaudited condensed consolidated interim financial statements include Hemostemix Inc. and its wholly-owned subsidiaries: Kwalata Trading Limited, Hemostemix Ltd., PreCerv Inc., Hemostemix Quebec Inc., and Hemostemix PR Inc. Kwalata, incorporated in Cyprus, holds the Company's IP. Hemostemix Ltd., incorporated in Israel for manufacturing and R&D, ceased operations October 1, 2017. PreCerv, incorporated June 14, 2022, holds a global license for NCP-01 and ACP-01 to treat central and peripheral nervous system conditions, including neuropathic pain, traumatic spinal cord and brainstem injury, traumatic brain injury, and peripheral nerve injury. Hemostemix Quebec Inc. was incorporated August 15, 2023, and Hemostemix PR Inc. on August 22, 2024.

Business Overview
We are a clinical-stage biotechnology company with a patented stem cell platform with a goal of developing, manufacturing, and commercializing blood-derived stem cell therapies for diseases not adequately treated by current therapeutics. Our IP covers synergetic cell populations differentiated into angiogenic cell precursors ("ACPs", including ACP-01), neural cell precursors ("NCPs"), and cardiomyocyte cell precursors ("CCP").

Outlook and Economic Conditions

Outlook
The Company remains confident in its technology, as ACP-01's safety and efficacy is demonstrated in four heart studies, three CLI trials, and 11 peer reviewed publications. With no assurance of success, the Company has started a commercial sales process targeting potential treatments of ACP-01 in The Bahamas, and Florida.

Corporate, Product, Clinical Trial and Financing Update
The following items highlight the Company's activities during the three months ended March 31, 2026 and any subsequent development up until the date hereof.

On March 19, 2026, the Company announced it had closed the final tranche of its non-brokered private placement for gross proceeds of $303,967 through the issuance of an aggregate of 2,533,065 common shares at a price of $0.12 per common share.

Overall Objective

Hemostemix's overall objective is to commercialize its patented, blood-derived stem cell therapies to address serious diseases not adequately treated by current therapeutics. Hemostemix aims to advance its therapies through clinical development, demonstrating safety, efficacy, and scalability. With strategic partners, regulatory approvals, and sustainable funding, Hemostemix intends to make its regenerative therapies widely accessible to patients with significant unmet medical needs.

Trends and Economic Conditions

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favorable conditions for completing a public merger, financing, or acquisition transaction. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", and "Outlook and Economic Conditions", management is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on the Company's business, financial condition, or results of operations.

Off-Balance-Sheet Arrangements

As of the date of this Interim MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

Share Capital

As at March 31, 2026, the number of issued and outstanding common shares was 197,786,432 (December 31, 2025 – 195,253,367). As at May 29, 2026, the number of common shares issued and outstanding is 197,796,448.

As at March 31, 2026, the Company had 14,266,694 share purchase options outstanding (December 31, 2025 – 14,266,694). As at May 29, 2026, the number of outstanding share purchase options outstanding is 14,266,694.

As at March 31, 2026, the Company had 106,131,263 share purchase warrants outstanding (December 31, 2025 – 106,131,263). As at May 29, 2026, the number of outstanding warrants was 106,131,263.

Product update

ACP-01 remains unchanged in its original, patented form to ensure full compliance with FDA requirements for human therapeutic use. The Company continues to maintain, document, and verify all manufacturing and quality processes to preserve this originality while supporting future regulatory submissions.

Clinical Trial Updates

Hemostemix is advancing a Phase 1 basket protocol to demonstrate that, just as ACP-01 has shown benefit in end-stage CLTI, ICM, DCM, and angina—with or without comorbidities—it may also be effective earlier in disease progression and across multiple vascular and ischemic conditions. This basket design potentailly enables the Company to evaluate ACP-01 as a treatment for vascular dementia, the earliest medically detectable forms of PAD, CLTI, ICM, DCM, CHF, ischemic pain syndromes, and longevity-related vascular decline within a unified clinical framework. By studying these indications together, Hemostemix aims to validate ACP-01's broad mechanism of action and accelerate development for patients with significant unmet medical needs

Financial Performance

Three Months Ended March 31, 2026, Compared with Three Months Ended March 31, 2025

Hemostemix's net loss totalled $789,980, for the three months ended March 31, 2026, with basic and diluted loss per share of $0.005. This compares with a net loss of $1,284,552 with basic and diluted loss per share of $0.014 for the three months ended March 31, 2025. The change of $494,572 was principally because:

- During the three months ended March 31, 2026, research and development expenses increased by $272,639 compared to the three months ended March 31, 2025. These were predominately related to fees paid to contract manufacturers.
- The decrease in share-based payments of $527,995 for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. This was due to the grant of nil share options to directors, officers and consultants to the Company in the current period, versus 2,085,000 share options in the prior. Share-based payments will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
- During the three months ended March 31, 2026, marketing and office expenses increased by $13,382 compared to the three months ended March 31, 2025. This is primarily due to an increase marketing expenditures during the period.
- During the three months ended March 31, 2026, professional fees decreased by $128,280 compared to the three months ended March 31, 2025 primarily due to the decreased legal fees related to the closing of the private placements occurred during the three months ended March 31, 2025.

All other expenses related to general working capital purposes.

Cash Flow

At March 31, 2026, the Company had cash of $171,584 compared to $682,117 at December 31, 2025. The decrease in cash of $510,533 was as a result of cash outflow in operating activities of $814,501, and a cash inflow from financing activities of $303,968.

Operating activities were affected by net loss of $789,980, non-cash adjustments of $87,471, and non-cash working capital items of $62,950. Non-cash adjustments consisted of share-based payments of $19,555, amortization of $5 and finance expense of $59,882, offset by unrealized loss on investments of $134,310. Non-cash working capital balances consisted of an increase in accounts payable and other liabilities of $63,888, and a decrease in prepaid expenses and other deposits of $10,330.

Cash provided by financing activities of $303,968 were from proceeds from the private placement of $303,968.

Functional and Presentation Currency

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars, the functional and presentation currency of the Company and its subsidiaries. Foreign currency transactions are recorded at the exchange rate on the transaction date, with monetary items retranslated at period-end rates and related exchange differences recognized in profit or loss unless capitalized or hedge-related. Non-monetary items measured at cost use the historical transaction-date rate, while those measured at fair value use the exchange rate on the valuation date.

Liquidity and Financial Position

Hemostemix is a pre-revenue development-stage company. Proceeds from the sale of 15 TCD, could be recognized as revenue if converted by the holder into a medically approved treatment. We continue to incur negative operating cash flows, and significant additional investment is required for R&D, manufacturing, clinical testing, and regulatory submissions prior to commercialization. Since inception, we have funded operations primarily through equity and debt, and our ability to continue as a going concern depends on securing further investment.

Based on the foregoing, we will continue to pursue various funding options and opportunities; however, no assurances can be made that we will be successful in selling TCDs, or raising additional investment capital, to continue as a going concern. If we are not able to sell TCDs, or raise capital, we will have to reduce our cash requirements by eliminating or deferring spending on research, development and corporate activities.

For the three months ended March 31, 2026, there was a net cash outflow from operating activities of $814,501 compared to a net cash outflow of $(337,466) for the three months ended March 31, 2025, an increase in outflow of $1,151,967 compared to the prior comparative period.

Commitments and contingencies

Commitments

Clinical Trial Costs
In 2026, and continuing into 2027, these costs will primarily relate to analytical and trial planning and initiation activities.

Contingencies

In the ordinary course of operating, the Company may from time to time be subject to various claims or possible claims. Management believes that there are no claims or possible claims that if resolved would either individually or collectively result in a material adverse impact on the Company's financial position, results of operations, or cash flows. These matters are inherently uncertain, and management's view of these matters may change in the future.

Related Party Transactions

Related party transactions are conducted on the terms and conditions agreed to by the related parties. It is the Company's policy to conduct all transactions and settle all balances with related parties on market terms and conditions.

The following includes all compensation to a consultant and key management personnel:

The Company recorded share-based compensation expense for the three months ended March 31, 2026 of $9,446 (three months ended March 31, 2025 - $527,214) to a consultant, current management and directors of the Company.

For the three months ended March 31, 2026, the Company incurred $49,500 (three months ended March 31, 2025 - $49,500) to Mr. Thomas Smeenk, CEO, for consulting services. As at March 31, 2026, Mr. Smeenk was owed $9,256 (December 31, 2025 - $54,631) and this amount was included in accounts payable and accrued liabilities.

For the three months ended March 31, 2026, the Company incurred $50,000 (three months ended March 31, 2025 - $50,000) to a consultant of the Company. As at March 31, 2026, they were owed $87,324 (December 31, 2025 - $136,153) and this amount was included in accounts payable and accrued liabilities.

For the three months ended March 31, 2026, the Company incurred $15,245 (three months ended March 31, 2025 - $33,248) to Marrelli Support Services Inc., a company which the CFO is related to. As at March 31, 2026, the Company owed $2,675 (December 31, 2025 - $2,675) to Marrelli Support Services Inc. for accounting fees, and this amount was included in accounts payable and accrued liabilities.

See “Risk Factors”.

Based on the Company working capital deficit of $1,368,514 (December 31, 2025 – working capital surplus of $883,083), it is anticipated the Company will have sufficient funds from potential funding alternatives to fund its current liabilities of $1,793,833.

CONSOLIDATION AND PRESENTATION

Wholly-Owned Subsidiaries
Hemostemix has five wholly-owned subsidiaries, Kwalata Trading Limited (“Kwalata"), Hemostemix Ltd. (“HEM Israel”), PreCerv Inc. (“PreCerv”), Hemostemix Quebec Inc. and Hemostemix PR Inc. All of the Company’s patents and trademarks are registered in the name of Kwalata. HEM Israel was the original manufacturing company.

On June 14, 2022, the Company incorporated PreCerv to enable PreCerv to obtain from Hemostemix a global field of use license to NCP-01 and ACP-01 to treat conditions of the central and peripheral nervous system, including but not limited to the following:

1. Neuropathic pain syndromes.
2. Traumatic spinal cord injury, chronic brainstem injury, traumatic brain injury, peripheral nerve injury. Rare diseases including: syringomyelia, Charcot-Marie tooth disease, and Guillain-Barre syndrome, Amyotrophic lateral sclerosis (ALS), age-related macular degeneration (ARMD), corneal or eye diseases and retinopathies of any cause.
3. Cerebral stroke.

On August 29, 2023, the Company incorporated Hemostemix Quebec Inc. as a wholly-owned subsidiary. Hemostemix Quebec Inc.

On August 22, 2024, the Company incorporated Hemostemix PR Inc. as a wholly-owned subsidiary. Hemostemix PR Inc. to facilitate our planned manufacturing build out in Puerto Rico commencing with our Puerto Rican contract manufacturer.

Functional and Presentation Currency
These unaudited condensed consolidated interim financial statements are presented in Canadian dollars, the functional and presentation currency of the Company and its subsidiaries. Foreign currency transactions are recorded at the transaction-date rate; monetary items are retranslated at period-end rates with exchange differences recognized in profit or loss unless capitalized or hedge-related. Non-monetary items use the transaction-date rate when measured at cost and the valuation-date rate when measured at fair value.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for year ended December 31, 2025, available on SEDAR+ at **www.sedarplus.com**.

Disclosure of Internal Controls

Management maintains disclosure controls and internal controls over financial reporting to ensure material information is communicated for timely disclosure. As of March 31, 2026, the CEO and CFO evaluated these controls and concluded they are effective under MI 52-109, except as noted below.

Typical of small, growing companies, weaknesses exist, including limited segregation of duties and specialized disclosure expertise, partially mitigated through senior management oversight by an independent board of directors, an audit committee, adhoc committees of the independent directors when required, and external consultation when needed.

Management continues to improve these controls, though no specific changes were made during the period, the independent directors were consulted regularly and management remains committed to ongoing enhancements.

Additional Disclosure For Venture Issuers Without Significant Revenues

The Company's main focus is to develop, blood-derived cell therapies primarily for the treatment of severe medical conditions not adequately addressed by current treatments.

To achieve commercialization of its products, the Company must obtain regulatory approval in each respective jurisdiction it intends to market its products. Management of Hemostemix believes it may be possible to achieve this in certain jurisdictions on the basis of positive Phase 2 clinical trial data, but in most jurisdictions additional clinical data from larger clinical trials will be required to obtain such approval.

Hemostemix is selling TCDs to investors who potentially want to be treated in a jurisdiction that allows autologous stem cell therapy law or exemption. To date 15 TCDs have been issued. Future revenues may be generated from the potential conversion of the TCD to a medically approved ACP-01 therapy treatment.

Additional information concerning the Company is available on Sedar+ at **www.sedarplus.com**.