

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: September 22, 2022

Predictive Oncology Inc.
(Exact name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-36790
(Commission File Number)

33-1007393
(IRS Employer Identification No.)

2915 Commers Drive, Suite 900 Eagan, Minnesota
(Address of Principal Executive Offices)

55121
(Zip Code)

Registrant's telephone number, including area code: (651) 389-4800

Former Name or Former Address, if Changed Since Last Report: Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------|-------------------|---|
| Common stock, \$0.01 par value | POAI | Nasdaq Capital Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Pursuant to a Current Report on Form 8-K filed on Predictive Oncology Inc. (the “Company”) filed on September 16, 2022, the Company previously disclosed that J. Melville Engle would be retiring as the Company’s Chief Executive Officer and as Chairman and a member of the Company’s board of directors, effective October 31, 2022.

On September 22, 2022, the Board of Directors of the Company appointed Raymond F. Vennare, age 70, to succeed Mr. Engle as Chief Executive Officer and on October 20, 2022 the Board of Directors of the Company appointed Raymond F. Vennare as Chairman of the Board, effective upon Mr. Engle’s retirement. Mr. Vennare is a current director of the Company, having been appointed to the Board on September 13, 2021. Mr. Vennare brings more than thirty years of experience to his work as an accomplished senior executive, board director and biotechnology entrepreneur. As a professional who has built and managed companies on behalf of institutional investors, private foundations and research institutions, he is recognized as an expert in the practice of company creation, technology commercialization, business development and corporate governance. Since 2015, Mr. Vennare has served as CEO and Chairman of Cvergenx, Inc., a genomic informatics company developing decision-support tools for radiation oncology, and is currently an Investment Partner in Inventeur, LLC, a holding company of medical technologies in anesthesiology. Mr. Vennare’s previous experience includes co-founding ThermalTherapeutic Systems, Inc., where he served as President and Chief Executive Officer, President and Chief Executive Officer of ImmunoSite, Inc., Senior Vice President and Chief Information Officer of TissueInformatics, Inc., and President of VS/Interactive. Mr. Vennare earned his undergraduate degree from the University of Pittsburgh and holds graduate degrees from Duquesne University and Case Western Reserve University, and a non-degree Certificate in Technology Commercialization from Carnegie Mellon University.

In connection with the appointment, the Company entered into an offer letter with Mr. Vennare dated September 30, 2022, which was superseded by an employment agreement that the Company and Mr. Vennare subsequently entered into on October 13, 2022 (the “Agreement”). The Agreement will take effect on November 1, 2022, the first date of Mr. Vennare’s employment. Pursuant to the Agreement, Mr. Vennare is entitled to an annual base salary of \$525,000. He will also be eligible (i) to receive an annual cash bonus equal to up to 50% of his salary, or at the discretion of the Compensation Committee (the “Committee”) of the Company’s Board of Directors, a higher percentage based on his performance (prorated for 2022) and (ii) to participate in a long-term incentive plan to be adopted and maintained by the Committee. Under the long-term incentive plan, on January 1, 2023, Mr. Vennare will receive an award of 300,000 restricted stock units (target). The restricted stock units (RSUs) will consist of three equal tranches of 100 RSUs each (target), corresponding to each year of a three-year performance period. The RSUs will vest on January 1, 2026, with the level of vesting for each tranche based on (1) the level of achievement of performance goals for the corresponding year, and (2) continued employment of the executive through January 1, 2026. For each tranche, the RSUs will vest with respect to 50% of the RSUs for achieving a minimum “threshold” level of performance (with no vesting below the threshold level), will vest with respect to 100% of the target amount of RSUs for achieving the “target” level of performance, and will vest with respect to 150% of the RSUs for achieving the maximum level performance, and will vest on a prorated basis for achieving performance between the threshold level and the target level, and between the target level and the maximum level, as applicable. To the extent vested, the awards will be paid out in shares of common stock on or before March 15, 2026, following the determination of the Company’s earnings per share in 2025. Mr. Vennare will also be eligible to participate in the standard employee benefit plans generally available to executive employees of the Company, and, at the discretion of the Committee, to receive grants of stock options or other equity awards. Any grants of equity awards, including those above, will be made from the Company’s Amended and Restated 2012 Stock Incentive Plan or successor plans.

Under the Agreement, Mr. Vennare’s employment by the Company is at-will. If his employment is terminated by the Company without “Cause” or if he voluntarily resigns with “Good Reason,” in each case as defined in the Agreement, then Mr. Vennare will be entitled to receive from the Company payment of his base salary then in effect through his last date of employment and accrued, unused vacation pay. In addition, Mr. Vennare will be entitled to (a) severance pay in an amount equal to 12 months of his base salary then in effect, less applicable taxes and withholdings; and (b) a bonus payment on a pro-rata basis through the date of his termination, each subject to his executing and not revoking or rescinding a release and waiver of claims against the Company. Severance and bonus payments will be paid in installments over a 12 month period following termination of employment. The Agreement also contains customary provisions with respect to confidentiality and intellectual property, in addition to ones prohibiting Mr. Vennare from soliciting the Company’s employees and from engaging in certain activities that are competitive with the Company for a period of 12 months after termination of his employment.

The foregoing description of the material terms of the Agreement is not complete and is qualified in its entirety by reference to the full text thereof, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The Company relied on the instruction to Item 5.02(c) of Form 8-K to delay the filing of this Current Report to the date of the public announcement of Mr. Vennare's appointment as Chief Executive Officer.

A press release announcing the foregoing matters is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|----------------------|--|
| 10.1 | Employment Offer Letter dated September 30, 2022 by and between Raymond F. Vennare and Predictive Oncology Inc. |
| 10.2 | Employment Agreement dated effective November 1, 2022 by and between Raymond F. Vennare and Predictive Oncology Inc. |
| 99.1 | Press Release dated October 20, 2022 |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PREDICTIVE ONCOLOGY INC.

By: /s/ Bob Myers

Name: Bob Myers

Title: Chief Financial Officer

Date: October 20, 2022

September 30, 2022

Raymond Vennare
179 West Hutchinson Avenue
Pittsburgh, PA 1528-1321

Dear Raymond:

On behalf of Predictive Oncology Inc. (the "Company"), I am very pleased to offer you the position of Chief Executive Officer of Predictive Oncology Inc. This letter establishes the terms of your employment with the Company if you accept this offer. You will continue to serve as a director of the Company.

If you accept this offer of employment, your effective start date will be November 1, 2022. Your salary will be at an annualized level of \$525,000 payable in accordance with the Company's standard payroll practice and subject to applicable withholding taxes. This amount is only subject to reduction in the event of an across-the-board reduction. Commencing November 1, 2022, you will not receive additional compensation for being Chairman or a member of the Board.

You will be eligible to receive an annual bonus ranging up to 50% of base salary, or at the Board's discretion, a higher percentage based on your performance vs. annual MBO/Objectives. Your bonus for 2022 will be prorated for the portion of the year during which you are employed by the Company. The Compensation Committee will be the evaluator of your performance, will solicit input from you and various board members and will make the final decision on the bonus amount.

You will be entitled, during the term of your employment, to such vacation, medical and other employee benefits as the Company may offer from time to time to its senior executive officers, subject to applicable eligibility requirements. The Company reserves the right to make any modifications to this benefits package that it deems appropriate from time to time. In your position as Chief Executive Officer, you will receive five weeks of vacation.

Each year, you will be granted an equity incentive award, with the program to be structured to reward performance and result in officer retention. The Long-Term Incentive Plan ("LTIP") award will each vest after three years subject to continued employment, with the amount that vests to be based on two or more measures of employment performance, including shareholder return (increase in common stock price and accomplishment of profit budgets).

Based on your performance, achievement of an increased common stock price and accomplishment of profit budgets (goals to be established at the time of grant) and continued employment over a 3-year period:

1. You will be granted 300,000 restricted stock units (target) on January 1, 2023 (3-year vesting), or such later time as shareholder approval is obtained as described below.
 2. Each RSU award consists of three equal tranches, corresponding to the three years in the performance period. These RSUs will vest on January 1, 2026, with the level of vesting of each tranche based on (1) the level of achievement of performance goals for the corresponding fiscal year (see below) and (2) continued employment of the executive through January 1, 2026. For each tranche, the RSUs will vest at the 100% level for performance at the target level; 50% for performance at the threshold level (with no vesting below the threshold level); and 150% for maximum performance (in other words, for maximum performance on both performance components in a fiscal year, the payout for that year would be 150% of the number of RSUs in the corresponding tranche). The level of vesting for each component is prorated between the threshold level and the target level, and between the target level and the maximum level. To the extent vested, the awards will be paid out on or before March 15, 2026, following the determination of the Company's earnings per share in 2025. To the extent vested, the awards will be paid out in shares of common stock.
 3. These award amounts may be adjusted from year-to-year so that the targeted values of LTIP awards represent the appropriate percentage of total compensation.
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You would also be eligible for grants of stock options or other equity awards at the discretion of the Compensation Committee.

Any grants of equity awards, including those above, will be made from the Company's Amended and Restated 2012 Stock Incentive Plan (the "2012 Plan") or successor plans. There must be sufficient shares available under the plan reserve for any of these grants, meaning that some of these grants may be subject to obtaining shareholder approval of an increase to the plan reserve. There are currently only 1,004,599 shares available under the 2012 Plan, meaning that the grants of the awards described above may not be made until shareholder approval of an amendment to the 2012 Plan to increase the share reserve. If shareholder approval is necessary for the RSU awards described above and is not obtained during the calendar year in which an award is required to be made, the Company may pay a cash award of equivalent value.

If you accept our offer of employment, you will be an employee-at-will, meaning that either you or the Company may terminate our relationship at any time for any reason, with or without cause. If your employment is terminated without cause (to be defined in a written employment agreement (the "Employment Agreement") to be entered into between you and the Company prior to the commencement of your employment, which will contain terms consistent with this offer letter and such other terms as are customarily included in the Company's executive employment agreements), you will receive 12 months' salary as severance.

If you accept employment with the Company, this offer letter, in conjunction with the Employment Agreement, will set forth the terms of your employment. This letter and the Employment Agreement will supersede any previous discussions or offers, no matter what their source. Any future modifications of or additions to the terms set forth in this letter or the Employment Agreement will be of no effect unless in writing and signed by you and an officer of the Company.

I hope that you will accept this offer and look forward to a productive and mutually beneficial working relationship. Please let me know if I can answer any questions for you about any of the matters outlined in this letter.

Sincerely,

/s/ Charles L. Nuzum

Charles L. Nuzum
On Behalf of the Compensation Committee

ACCEPTANCE

I accept employment with Predictive Oncology Inc. under the terms set forth in this letter:

Signed: /s/ Raymond F. Vennare

Raymond F. Vennare
September 30, 2022

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) made and entered into effective as of the 1st day of November 2022 (the “Effective Date”) by and between Raymond F. Vennare, an individual, residing at 179 West Hutchinson Avenue, Pittsburgh, PA 15218, and Predictive Oncology Inc., 2915 Commers Drive, Suite 900, Eagan, Minnesota 55121, a Delaware corporation (“Company”), collectively referred to as “the Parties”.

WITNESSETH:

WHEREAS, the Company desires to employ Employee to render services for the Company as its Chief Executive Officer on the terms and conditions hereinafter set forth, and Employee desires to be employed by the Company on such terms and conditions;

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements contained herein, the Parties hereby agree as follows:

1. Employee’s Acknowledgment and Certifications. Employee hereby represents and certifies that Employee is not subject to any other agreement or restrictive covenant that Employee violates by working with the Company. Further, Employee represents that no conflict of interest or breach of Employee’s fiduciary duties will result by working with and performing duties for the Company. Employee further agrees and certifies that Employee will not use or disclose to the Company any confidential, proprietary or trade secret information belonging to another individual or entity which may not properly be used or disclosed by Employee to the Company.

2. Employment and Term. The Company and Employee acknowledge that Employee has been a member of the Board of Directors of the Company since September 2021. The Company hereby employs Employee and Employee hereby accepts employment with the Company upon the terms and conditions of this Agreement. Employee’s employment with the Company is at-will and will commence on November 1, 2022. This Agreement does not modify the at-will nature of Employee’s employment nor is it intended to guarantee Employee a specific term of employment with the Company. Either Employee or the Company may terminate the employment relationship at any time, for any lawful reason. Employee agrees to abide by all Company rules, policies, and procedures.

3. Duties. Employee shall have the title of Chief Executive Officer and shall continue to serve as a member of the Board of Directors in accordance with the Company’s bylaws. Employee will devote Employee’s full working time, attention, loyalty, skills and efforts to diligently perform all the duties, responsibilities, and requirements assigned to Employee while employed by the Company. Employee will be based out of the Company’s office in Pittsburgh, Pennsylvania and will travel on business matters to the Company’s other offices and elsewhere at Company expense, as needed, subject to the Company’s Expense Reporting Procedure and policies, as in effect from time to time. Employee’s title, position and duties are at all times subject to change at the Company’s sole discretion. Employee will be limited to holding board seats for a maximum of two public companies in addition to the Company as long as there is no conflict or interference with Employee’s obligations to the Company.

4. **Compensation.**

- a. **Base Salary.** Employee will receive an initial annualized base salary of \$525,000 (gross, less applicable legally required withholdings and such other deductions as Employee voluntarily authorizes in writing). Commencing November 1, 2022, Employee will not receive additional compensation for service on the Board or committees of the Board. Employee's base salary and other compensation will be subject to review and adjustment by the Company at any time, as the Company deems appropriate; provided, that Employee's base salary will not be reduced without Employee's consent unless a salary reduction is imposed upon substantially all employees of the Company as part of a general reduction.
- b. **Bonus and Incentive Compensation.** For each calendar year during the term of this Agreement, beginning at date of hire in 2022, Employee shall be eligible to receive an annual incentive bonus determined annually at the discretion of the Compensation Committee of the Board. The Compensation Committee will award a bonus based on performance of Employee vs. annual MBO/Objectives on a percentage of base salary. The Compensation Committee will be the evaluator of Employee performance and will make the final decision on the bonus amount. Bonus payout will range from 0% to 50% of base salary, or at the Board's discretion, a higher percentage based on performance. Any bonus payments made under this Section 4(b) shall be paid within 2 1/2 months of the end of the bonus period, provided that Employee was employed by the Company on the last day of the bonus period.

Employee shall be eligible to receive a pro-rated bonus for the portion of 2022 during which he is employed by the Company.

Employee will also be eligible to participate in a long-term incentive plan to be adopted and maintained by the Compensation Committee, with the current long-term incentive plan attached to this Agreement as Exhibit A.

Employee will also be considered for stock option awards in connection with grants to key employees and in other appropriate circumstances.

Any grants of equity awards, including those above, will be made from the Company's Amended and Restated 2012 Stock Incentive Plan (the "2012 Plan") or successor plans. There must be sufficient shares available under the plan reserve for any of these grants, meaning that some of these grants may be subject to obtaining shareholder approval of an increase to the plan reserve.

- c. **Directors & Officers Insurance.** While employed by the Company, Employee shall be considered an officer of the Company and shall be covered by D&O Insurance, or any other similar type of insurance, that provides coverage for Employee's acts or omissions undertaken during the course and scope of Employee's employment, and maintain coverage for Employee for at least three (3) years following Employee's employment.

5. Additional Benefits.

- a. **Automobile.** The Company shall reimburse Employee for deductible automobile mileage according to its Expense Reporting Procedures.
- b. **Business Expenses.** The Company will reimburse Employee for all reasonable, deductible and substantiated business expenses per its Expense Reporting Procedures. This includes, but is not limited to, such expenses as computer and necessary software, cell phones and business meetings.
- c. **Paid Time Off.** Employee shall be entitled to thirty-three (33) days of paid time off per each calendar year earned ratably over each calendar year, to be taken at such times as Employee and the Company shall determine and provided that no paid time off shall unreasonably interfere with the duties required to be rendered by Employee hereunder. Pursuant to the Company's policy, Employee may carry over up to a maximum of 80 hours of paid time off to the next calendar year. Accrued but unused paid time off will be paid out to Employee at the time of termination of employment.
- d. **Benefits.** Employee will be eligible to participate in other benefits programs generally available to executive officers of the Company specifically including health and dental insurance, short-term and long-term disability insurance, life insurance and the 401(k) plan.

6. Non-Competition. Employee agrees that while employed by the Company and for a period of twelve (12) months after the date Employee's employment with the Company terminates, regardless of the reason for termination, Employee will not, without the prior written consent of the Company, directly or indirectly, as an employee, owner, consultant or in any other capacity whatsoever, for Employee's own behalf or on behalf of any other person or entity, anywhere in the United States of America:

- a. **Prohibition on Competition.** Engage in or render services, directly or indirectly, to any person or organization engaged in or about to become engaged in the development, production, marketing or selling of any product, process or service in existence or under development which is similar to or competes with a product, process or service of the Company; or
- b. **Company Clients.** Work or perform services as an employee, agent, independent contractor or otherwise, for any client, customer, supplier or business partner of the Company with whom Employee worked, solicited, marketed or obtained confidential information about during Employee's employment with the Company; or

- c. **Non-Solicitation.** (i) Solicit, contact, sell to, provide services to, or attempt to divert, take away or induce clients or prospective clients of the Company with whom Employee worked, solicited, marketed, or obtained confidential information about during Employee's employment with the Company, regarding services or products that are competitive with any of the Company's services or products; or (ii) solicit, divert, take away or induce any employee or independent contractor of the Company to leave the company or service of the Company.

The Company is providing Employee with adequate and valuable consideration to compensate Employee for the reasonable restrictions on Employee's post-employment competitive activities contained within this Agreement. Employee hereby acknowledges that Employee's employment with the Company, and the benefits associated with that, the Employee's stock option grant and access to certain of the Company's proprietary information and goodwill, constitute adequate and sufficient consideration for the restrictive covenants in this Agreement. Employee agrees that the restrictions set forth in this Agreement are reasonable considering Employee's position.

If any of the above restrictions are deemed by a court of competent jurisdiction to be unreasonable in duration or in geographical scope, it will be considered modified and valid for such duration and geographical scope as the court determines to be reasonable under the circumstances. The duration of the above restrictions will be extended beyond the twelve (12) month period for a period equal to the duration of any breach or default of such covenant by Employee. Upon terminating employment with the Company (for whatever reason), Employee has an affirmative obligation to inform any prospective employer and/or actual employer, of Employee's post-employment obligations contained within this Agreement including Employee's non-competition and non-solicitation obligations.

7. **Intellectual Property.** Employee agrees that all rights, title and interest of every kind and nature whatsoever, whether now known or unknown, in and to any "Intellectual Property," defined to include, but not be limited to, any patent rights, trademarks, copyrights, ideas, creations and properties invented, created, written, developed, furnished, produced or disclosed by Employee in the course of rendering his/her services to the Company (both before the execution of this Agreement and thereafter) shall, as between the Parties, be and remain the sole and exclusive property of the Company for any and all purposes and uses whatsoever, and Employee shall have no right, title or interest of any kind or nature therein or thereto, or in and to any results and proceeds there from. Employee agrees to assign, and hereby expressly and irrevocably assigns, to the Company all worldwide rights, title and interest, in perpetuity, in respect of any and all rights Employee may have or acquire in the Intellectual Property. The assignment of the rights as above shall not lapse if the Company has not exercised its rights under the assignment for any period of time or in any jurisdiction or territory. Pursuant to Section 181.78 of the Minnesota Statutes, the preceding sentence does not apply to an invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on the Employee's own time, and (1) which does not relate (a) directly to the business of the Company or (b) to the Company's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by Employee for the Company. To the extent any of the rights, title, and interest in and to the Intellectual Property cannot be assigned to the Company (and to the extent any of Employee's retained rights under Section 181.78 were incorporated by Employee (directly or indirectly) in any of the Company's past, current or future products or services), Employee hereby grants to the Company an exclusive, royalty-free, transferable, perpetual, irrevocable, unrestricted, worldwide license (with rights to sublicense through one or more tiers of sublicense) to such non-assignable (or non-assigned) rights. To the extent any rights, title and interest in and to Intellectual Property rights can be neither assigned nor so licensed by Employee to the Company, Employee hereby irrevocably waives and agrees never to assert such non-assignable and non-licensable rights, title and interest against the Company, any of the Company's successors in interest, and the customers and licensees of either. Further, Employee agrees to waive, and hereby waives, any "moral rights" Employee may have or may obtain in the Intellectual Property. Employee further agrees to assist the Company in every proper way to apply for, obtain, perfect and enforce rights in the Intellectual Property in any and all countries, and to that end Employee will execute all documents for use in applying for, obtaining and perfecting such rights and enforcing same, as the Company may desire, together with any assignments thereof to the Company or persons designated by it. Employee appoints the Company as its attorney in fact to execute any documents necessary to achieve such results. To the maximum extent possible, the Company shall be shown in all documentation as the owner of all rights in the Intellectual Property.

8. Nondisclosure of Confidential Information. Employee shall keep confidential and not disclose to anyone or use, either during or after Employee's employment with the Company, any Confidential Information of the Company, except as required by Employee's employment with the Company or as expressly authorized in writing by the Company. For the purposes of this Agreement, "Confidential Information" is any and all sensitive, confidential, proprietary and trade secret information concerning or relating to the Company and its direct and indirect parents, subsidiaries and/or affiliated organizations, including any information or compilation of information which derives independent economic value from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Examples of Confidential Information not to be disclosed or used except as expressly permitted by the Company include, but are not limited to, the following:

- a. All patterns, compilations, programs, know how; designs, processes or formulae; software; market or sales information or plans, devices, methods, concepts, techniques, processes, source codes, data capture innovations, algorithms, user interface designs and database designs relating to the Company's products, services, systems or business;
- b. Information acquired or compiled by the Company concerning actual or potential clients/customers, suppliers and business partners, including their identities, financial information concerning their actual or prospective business operations, identity and quantity of services and/or products provided by the Company, and any unpublished written materials furnished by or about them to the Company; and
- c. Information concerning the Company's ownership, management, financial condition, financial operations, business activities or practices, sales activities, marketing activities or plans, research and development, pricing practices, legal matters, and strategic business plans.

Employee acknowledges that the Company shall at all times be and remain the owner of all Confidential Information disclosed to/acquired by Employee during Employee's employment with the Company, and Employee acknowledges that Employee may use the Confidential Information only for the limited purposes for which it was disclosed under this Agreement. Employee shall use his/her best efforts to preserve the confidentiality of such Confidential Information which he/she knows or reasonably should know the Company deems to be Confidential Information. Employee agrees that he/she will not knowingly use, disclose or permit the use or disclosure of the Company's Confidential Information in any manner which may injure the Company's business, impair its investments and goodwill, and/or adversely impact the Company's relationships with its actual or potential customers and suppliers. The obligations of this Section shall continue in full force and effect after the termination of this Agreement and the termination of Employee's employment with the Company. As used in this Section 8, the "Company" shall include the Company and each of its direct and indirect parent, subsidiary and affiliated organizations on a collective basis.

9. Use, Removal, and Return of the Company's Property. Employee shall not use, duplicate, disseminate or remove from the Company's premises any information contained in any records, documents, data, or other tangible items of the Company in original, duplicate or copied form, except as needed in the ordinary course of performing his/her employment duties for and subject to the approval by the Company. Employee shall immediately deliver to the Company, upon termination of Employee's employment with the Company, or at any other time upon the Company's request, any records, documents, data, and other tangible items in Employee's possession or control belonging to or relating to the products, services, systems or business of the Company. Employee will not retain any copies or reproductions of records, documents, data or other tangible items of the Company or any of its direct or indirect parent, subsidiary or affiliated organizations.

10. Termination by Company for Cause. The Company may terminate Employee's employment for "Cause" at any time, without notice. For purposes of this Agreement, the term "Cause" shall mean any of the following:

- Employee engages in willful misconduct or fails to follow the reasonable and lawful instructions of the Board of Directors, if such conduct is not cured within thirty (30) calendar days after the Company sends notice to the Employee of the alleged Cause,
- Employee embezzles or misappropriates assets of the Company or any of its subsidiaries;
- Employee's violation of Employee's obligations in this Agreement, if such conduct is not cured within thirty (30) calendar days after the Company sends written notice to the Employee of the alleged Cause;

- Breach of any agreement between Employee and the Company or to which the Company and Employee are parties, or a breach by Employee of a fiduciary duty or responsibility to the Company;
- The commission by Employee of fraud or other willful conduct that adversely affects the business or reputation of the Company, as determined in the Company's sole discretion; or,
- The Company has a reasonable belief Employee engaged in some form of harassment or other improper conduct prohibited by the Company policy or the law.

In the event of a termination for Cause, Employee shall only be entitled to receive payment of base salary, in effect at the time of termination, through Employee's last date of employment and accrued, unused paid time off. Employee will not be entitled to any other payments, salary or bonus. Employee shall have absolutely no right to receive or retain any other payment or compensation whatsoever under this Agreement. The Employee's rights and obligations regarding stock options, restricted stock or other equity incentives owned by Employee shall be determined in accordance with and be governed by the 2012 Plan or other applicable equity plan.

11. Termination by the Company without Cause. The Company may terminate Employee's employment without Cause at any time, for any reason, without notice. In the event Employee's employment is terminated by the Company without Cause, Employee shall be entitled to receive payment of base salary, in effect at the time of termination, through Employee's last date of employment and accrued, unused paid time off. In addition, Employee shall be entitled to receive from the Company (a) severance pay in an amount equal to twelve (12) months of Employee's base salary then in effect at the time of termination, less applicable taxes and withholdings; and (b) bonus payment on a pro-rata basis through the date of Employee's termination. The severance pay and bonus payment provided in the preceding sentence is conditioned upon Employee's execution of a full and final waiver of all claims against the Company, and not rescinding or revoking (to the extent permitted under such release) Employee's release, in a form acceptable to the Company. The severance pay and bonus payment will be paid to Employee in equal bimonthly installments over a period of 12 (twelve) months (or 24 pay periods), with the first payment on the first payday following Employee's execution of the release and the expiration of any rescission and revocation periods provided in the release and subsequent payments on subsequent paydays.

12. Termination by Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall include (i) a material diminution in Employee's position, duties, base salary, and responsibilities; or (ii) the Company's notice to Employee that his or her position will be relocated to an office which is greater than 100 miles from Employee's prior office location. In all cases of Good Reason, Employee must have given notice to the Company that an alleged Good Reason event has occurred and the circumstance must remain uncorrected by the Company after the expiration of thirty (30) days after receipt by the Company of such notice. If Employee terminates his or her employment for Good Reason, Employee shall be entitled to receive from the Company payment of base salary, in effect at the time of termination, through Employee's last date of employment and accrued, unused paid time off. In addition, Employee shall be entitled to (a) severance pay in an amount equal to twelve (12) months of Employee's base salary then in effect at the time of termination, less applicable taxes and withholdings; and (b) bonus payment on a pro-rata basis through the date of Employee's termination. The severance pay and bonus payment provided in the preceding sentence is conditioned upon Employee's execution of a full and final waiver of all claims against the Company, and not rescinding or revoking (to the extent permitted under such release) Employee's release, in a form acceptable to the Company. The severance pay and bonus payment will be paid to the Employee in equal bimonthly installments over a period of 12 (twelve) months (or 24 pay periods) with the first payment on the first payday following Employee's execution of the release and the expiration of any rescission and revocation periods provided in the release and subsequent payments on subsequent paydays.

13. Termination by Employee without Good Reason. If Employee terminates his or her employment with the Company without Good Reason, Employee is only entitled to his or her base salary, then in effect at the time of termination, through Employee's last day of employment and accrued, unused paid time off. Employee will not be entitled to any other payments, salary, or bonus.

14. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. The venue for any action relating to this Agreement shall be the federal or state courts located in Dakota County, Minnesota, to which venue each party hereby submits.

15. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given, when received, if delivered by hand or by telegram, or three (3) working days after deposited, if placed in the mail for delivery by certified mail, return receipt requested, postage prepaid and addressed to the appropriate party at the following addresses:

Company: Predictive Oncology Inc.
Attention: Bob Myers, CFO
2915 Commers Drive
Suite 900
Eagan, Minnesota 55121

Employee: Raymond F. Vennare
179 West Hutchinson Avenue
Pittsburgh, PA 15218

Addresses may be changed by written notice given pursuant to this Section; however, any such notice shall not be effective, if mailed, until three (3) working days after depositing in the mails or when actually received, whichever occurs first.

16. Other Agreements. This Agreement contains the entire agreement between the Parties concerning terms of employment and supersedes at the effective date hereof any other agreement, written or oral, except the 2012 Plan or other applicable equity plans and the applicable award agreements under such plans.

17. **Modification and Waiver.** A waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof. Any modification of this Agreement must be in writing and signed by both parties.

18. **Scope of Remedies.** In the event Employee breaches the covenants contained in this Agreement, Employee recognizes that irreparable injury will result to the Company, that the Company's traditional remedies at law for damages will be inadequate, and that the Company shall be entitled to injunctive relief ordered by a judicial court of competent jurisdiction to restrain the continuing breach by Employee, Employee's partners, agents, or employees, or any other persons or entities acting for or with Employee. The Company shall further be entitled to seek remedies in a judicial court of competent jurisdiction for damages, reasonable attorney's fees, and all other costs and expenses incurred in connection with the enforcement of this Agreement, in addition to any other rights and remedies which the Company may have at law or in equity.

19. **Binding Effect, Assigns, Successors, Etc.** The benefits and obligations of this Agreement shall inure to the successors and assigns of the Company, to any person or entity which purchases substantially all of the assets of the Company, and to any subsidiary, affiliated corporation, or operating division of the Company. This Agreement is not assignable by Employee.

20. **Savings Clause.** If any provision, portion or aspect of this Agreement is determined to be void, or voidable by any legislative, judicial or administrative action as properly applied to this Agreement, then this Agreement shall be construed to so limit such provision, portion or aspect thereof to render same enforceable to the greatest extent permitted by or in the relevant jurisdiction.

21. **Headings.** The headings of this Agreement are intended solely for convenience and reference, and shall give no effect in the construction or interpretation of this Agreement.

22. **Survival.** The restrictions on Employee's post-employment activities (including Employee's confidentiality obligations and restrictive covenants), and those sections of this Agreement that pertain to interpretation and enforcement of such restrictions, will survive the termination of this Agreement and/or Employee's employment and will remain in full force and effect.

23. **Execution and Delivery.** This Agreement may be executed in counterparts, which taken together shall constitute one agreement binding on all the Parties. Electronically transmitted signatures shall be valid and binding to the same extent as signatures delivered in original. In making proof of this Agreement, it will be necessary to produce only one copy signed (or reproduced from an electronically delivered signature) by the party to be charged.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective as of the day and year first written above.

PREDICTIVE ONCOLOGY INC.

By: /s/ Bob Myers
Title: CFO

EMPLOYEE

By: /s/ Raymond F. Vennare
Raymond F. Vennare

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Exhibit A follows on the next page.

EXHIBIT A TO EMPLOYMENT AGREEMENT

Long Term Incentive Plan: Employee will be granted an equity incentive award in the form of restricted stock units (RSUs), structured to reward performance and result in officer retention. The Long-Term Incentive Plan (“LTIP”) award will vest after three years subject to continued employment, with the amount that vests to be based on two or more measures of employment performance, including shareholder return (increase in common stock price and accomplishment of profit budgets), as further described below:

1. Employee will be granted 300,000 RSUs (target) on January 1, 2023 (3-year vesting), or such later time as shareholder approval is obtained as described below.
2. The RSU award will consist of three equal tranches, corresponding to the three years in the performance period. The RSUs will vest on January 1, 2026, with the level of vesting of each tranche based on (1) the level of achievement of performance goals for the corresponding fiscal year (see below) and (2) continued employment of the executive through January 1, 2026. For each tranche, the RSUs will vest at the 100% level for performance at the target level; 50% for performance at the threshold level (with no vesting below the threshold level); and 150% for maximum performance (in other words, for maximum performance on both performance components in a fiscal year, the payout for that year would be 150% of the number of RSUs (target) in the corresponding tranche). The level of vesting for each component will be prorated between the threshold level and the target level, and between the target level and the maximum level, as applicable. To the extent vested, the awards will be paid out in shares of common stock on or before March 15, 2026, following the determination of the Company’s earnings per share in 2025.

The LTIP will be governed by an RSU agreement and the RSUs will granted from the Company’s Amended and Restated 2012 Stock Incentive Plan (the “2012 Plan”) or successor plans. There must be sufficient shares available under the plan reserve for the grant, meaning that the grant may be subject to obtaining shareholder approval of an increase to the plan reserve. There are currently only 1,004,599 shares available under the 2012 Plan, meaning that the grant of the award described above may not be made until shareholders approve an amendment to the 2012 Plan to increase the share reserve or approve a successor plan with sufficient reserved shares . If shareholder approval is necessary for the RSU award described above and is not obtained prior to expiration of the performance period, the Company may grant a cash award of equivalent value.

Predictive Oncology Announces New Chief Executive Officer Raymond F. Vennare to Lead Company Growth

EAGAN, Minn., Oct. 20, 2022 (GLOBE NEWSWIRE) -- Predictive Oncology (NASDAQ: POAI) is pleased to announce the appointment of Raymond F. Vennare as Chief Executive Officer and Chairman of the Board, effective Nov. 1.

As an active member on the POAI Board of Directors since September 2021 and, as an accomplished senior executive with more than three decades of experience building biotechnology and bioinformatics companies across diverse markets in life sciences, Mr. Vennare emerged as a clear frontrunner to serve as the next Chief Executive Officer of Predictive Oncology.

“We are fortunate to have Raymond leading Predictive Oncology at this pivotal time in our company’s evolution. He is an experienced biotechnology executive who brings an informed vision and fresh perspective to our company as we strive to become a significant player in the pharmaceutical and biotech industries. He has the right balance of entrepreneurship, innovation, technology commercialization and strategic thinking that makes him the right fit to grow our business,” shared Bob Myers, Chief Financial Officer of Predictive Oncology.

Mr. Vennare will continue to work closely with the company’s senior management to expand its portfolio of proprietary solutions to advance the pipeline of drug development in oncology, ranging from early discovery through clinical trials. He will lead Predictive Oncology’s efforts to evolve the company’s core products and services, which include its flagship technology that pairs artificial intelligence with the world’s largest commercial biobank for oncology drug discovery, as well as the application of 3D tumor models and formulation solutions.

“Having served on the Board of Directors of Predictive Oncology for more than a year, now, I have come to recognize the unmet needs in the marketplace, the growth potential for the company and the passion of the people who will make this all happen,” said Mr. Vennare. “What we do for our customers today, will directly impact the lives of those patients who may benefit by these discoveries, in the future.”

An accomplished senior executive and biotechnology entrepreneur, Mr. Vennare has a long history of founding, advising and leading companies in both the private and public sectors, ranging from bioinformatics, diagnostics and therapeutic drug delivery to FDA-cleared medical devices. He has played a key role in company formation, capitalization, business development and execution of commercialization opportunities for novel technologies.

Since 2015, Mr. Vennare has served as CEO and Chairman of Cvergenx, Inc., a genomic informatics company developing decision-support tools for radiation oncology, and is currently an Investment Partner in Inventeur, LLC, a holding company of medical technologies in anesthesiology. Mr. Vennare’s previous experience includes co-founding ThermalTherapeutic Systems, Inc., where he served as President and Chief Executive Officer, President and Chief Executive Officer of ImmunoSite, Inc., Senior Vice President and Chief Information Officer of TissueInformatics, Inc., and President of VS/Interactive.

Mr. Vennare earned his undergraduate degree from the University of Pittsburgh and holds graduate degrees from Duquesne University and Case Western Reserve University, and a non-degree Certificate in Technology Commercialization from Carnegie Mellon University.

About Predictive Oncology

Predictive Oncology (NASDAQ: POAI) is a knowledge-driven company focused on applying artificial intelligence (AI) to develop optimal cancer therapies, which can lead to more effective treatments and improved patient outcomes. Through AI, Predictive Oncology uses a biobank of 150,000+ cancer tumors, categorized by patient type, against drug compounds to help the drug discovery process and increase the probability of success. The company offers a suite of solutions for oncology drug development from early discovery to clinical trials.

Public Relations Contact:

Predictive Oncology
Theresa Ferguson
(630) 566-2003
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Investor Relations Contact:

Landon Capital
Keith Pinder
(404) 995-6671
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Forward-Looking Statements:

Certain matters discussed in this release contain forward-looking statements. These forward-looking statements reflect our current expectations and projections about future events and are subject to substantial risks, uncertainties and assumptions about our operations and the investments we make. All statements, other than statements of historical facts, included in this press release regarding our strategy, future operations, future financial position, future revenue and financial performance, projected costs, prospects, changes in management, plans and objectives of management are forward-looking statements. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “would,” “target” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Our actual future performance may materially differ from that contemplated by the forward-looking statements as a result of a variety of factors including, among other things, factors discussed under the heading “Risk Factors” in our filings with the SEC. Except as expressly required by law, the Company disclaims any intent or obligation to update these forward-looking statements.

A photo accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/bb245662-d0b3-4386-b9a9-04daf09d038d>
