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 (Date of earliest event reported): May 17, 2021

Predictive Oncology Inc.

(Exact name of Registrant as Specified in its Charter)

Delaware	**001-36790**	**33-1007393**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2915 Commers Drive, Suite 900 **Eagan, Minnesota**	**55121**
(Address of Principal Executive Offices)	(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))

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. ☐

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

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

(e) On May 17, 2021, the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Predictive Oncology, Inc. (the "Company") adopted and approved a 2021 Long Term Incentive Plan (the "LTIP") to provide appropriate incentives to the Company's executive officers over the critical three year performance period consisting of fiscal years 2021, 2022 and 2023. Under the LTIP, the Company is granting restricted stock units ("RSUs") to the Company's CEO, J. Melville Engle, and its CFO, Bob Myers, pursuant to the Company's Amended and Restated 2012 Stock Incentive Plan (as amended, the "Stock Incentive Plan").

The LTIP awards consist of 300,000 RSUs for the CEO and 150,000 RSUs for the CFO granted as of May 17, 2021. Each RSU award consists of three equal tranches, corresponding to the three years in the performance period. These RSUs will vest on January 1, 2024, 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, 2024. 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, 2024, following the determination of the Company's earnings per share in 2023. To the extent vested, the awards will be paid out in shares of common stock (subject to the possibility of partial cash payment as described below).

Performance-based vesting of the RSUs in the tranche for each fiscal year (100,000 RSUs per year for the CEO and 50,000 RSUs per year for the CFO) will be based equally on two components of performance:

(1) *Stock Price*. A stock price component is based on the average closing share price of the Company's common stock over the last 20 trading days of the fiscal year, as set forth in the LTIP.

(2) *Earnings (Loss) Per Share*. An earnings component is based on the Company's earnings (loss) per common share for that fiscal year, as set forth in the LTIP.

If the Committee determines that circumstances have changed and modification is required to reflect the original intent of the performance goals, the Committee may in its discretion increase (but not decrease) the number of RSUs that vest for any of the covered years.

The Company intends to take appropriate action to seek stockholder approval of an amendment to the Stock Incentive Plan to increase the shares reserved thereunder in an amount sufficient to allow all of the RSUs awarded under the LTIP to be paid in shares of common stock under the Stock Incentive Plan. However, if the shareholders do not approve such an amendment on or before the vesting date of January 1, 2024, then only the first tranche will be paid out in common stock, and the second and third tranches will be paid out in cash equal to the value of the shares that would have vested and been paid out.

The foregoing description of the material terms of the LTIP 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.

Item 9.01. Financial Statements and Exhibits.

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Exhibits.

Exhibit No.	**Description**
10.1	2021 Long Term Incentive Plan

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: May 20, 2021

Predictive Oncology Inc. (POAI)
2021 Long-Term Incentive Plan (LTIP)
Effective May 17, 2021

Goals of Long-Term Incentive Plan

Long-Term Incentive Plan (LTIP) awards are intended to reward senior executives in a manner that aligns remuneration with the creation of shareholder wealth. Under the LTIP, the CEO and CFO, are being granted equity awards under the Amended and Restated 2012 Stock Incentive Plan (the "Stock Incentive Plan") as described below. The awards are structured to reward performance and result in officer retention.

LTIP Awards for 2021-2023

The CEO and CFO will be granted restricted stock units (RSUs) that will provide the appropriate incentives to the executive officers over the critical three year performance period consisting of fiscal years 2021, 2022 and 2023.

Terms of RSU Awards. The RSU awards are being granted as of May 17, 2021, the effective date of the LTIP.

- The awards will consist of 300,000 RSUs for the CEO and 150,000 RSUs for the CFO. Each RSU award will consist of three equal tranches, corresponding to the three years in the performance period.

- These LTIP awards will vest on January 1, 2024, with the level of vesting of each tranche based on (1) the level of achievement of performance goals for the corresponding fiscal year (see Performance Goals below) and (2) continued employment of the executive through January 1, 2024.

- To the extent vested, the awards will be paid out on or before March 15, 2024, following the determination of POAI's earnings per share in 2023.

- To the extent vested, the awards will be paid out in shares of common stock. However, if the shareholders do not approve a sufficient increase in the share reserve under the Stock Incentive Plan by January 1, 2024, then only the first tranche will be paid out in common stock, and the second and third tranches will be paid out in cash equal to the value of the shares that would have vested and been paid out.

Performance Goals. The RSUs in the tranche for each fiscal year will vest based on two components:

- *Stock Price*. One-half (1/2) of the shares in the tranche for each year (50,000 shares for the CEO and 25,000 shares for the CFO) will vest based on the average closing share price of POAI common stock over the last twenty (20) trading days of the fiscal year, as follows:

Tranche/ Performance Year	Threshold Price (vesting of 50% of one-half of tranche)	Target Price (vesting of 100% of one-half of tranche)	Maximum Price (vesting of 150% of one-half of tranche)
2021	$2.00	$2.50	$3.00
2022	$3.00	$4.00	$5.00
2023	$4.00	$5.00	$6.00

If the average trading price is less than the Threshold Price, 0% of one-half of the shares in the tranche for that year will vest. If the average trading price is between the Threshold Price and the Target Price, the number of shares that vest will be prorated between the levels for the Threshold Price (50%) and the Target Price (100%). If the average trading price is between the Target Price and the Maximum Price, the number of shares that vest will be prorated between levels for the Target Price (100%) and the Maximum Price (150%).

· *Earnings (Loss) Per Share*. One-half (1/2) of the shares in the tranche for each year will vest based on the Company's earnings (loss) per common share (EPS) for that fiscal year, as follows:

Tranche/ Performance Year	Threshold Level EPS* (vesting of 50% of one-half of tranche)	Target Level EPS* (vesting of 100% of one-half of tranche)	Maximum Level EPS* (vesting of 150% of one-half of tranche)
2021	($0.26) loss	($0.20) loss	($0.15) loss
2022	($0.20) loss	($0.13) loss	($0.10) loss
2023	($0.13) loss	($0.05) loss	$0.00 (break even)

***** EPS is based on the basic earnings (loss) per common share for each year.

If the level of EPS for a fiscal year is less than the Threshold Level, 0% of one-half of the shares in the tranche for that year will vest. If the EPS for the fiscal year is between the Threshold Level and the Target Level, the number of shares that vest will be prorated between the levels for the Threshold Price (50%) and the Target Price (100%). If the average trading price is between the Target Level and the Maximum Level, the number of shares that vest will be prorated between levels for the Target Price (100%) and the Maximum Price (150%).

<u>Example</u>. POAI's stock price is equal to the Target level in 2021 and 2022 and equal to the Threshold level in 2023. The CEO vests in 50,000 shares in 2021, 50,000 shares in 2022 and 25,000 shares in 2023 based on stock price. EPS is halfway between Target level and Maximum level in all three years. The CEO vests in 62,500 shares every year based on EPS. The CEO is employed as of January 1, 2024, and therefore the CEO receives a payout of 312,500 shares in early 2024.

<u>Committee Discretion</u>. If Compensation Committee determines that circumstances have changed and modification is required to reflect the original intent of the performance goals, the Committee may in its discretion increase (but not decrease) the number of RSUs that vest for any of the covered years.

Termination of Employment. In order to receive the payout under the RSU award, the executive must be continuously employed through January 1, 2024. However, if the executive is terminated without cause before that date, the RSUs will be paid out promptly based on the level of actual vesting for completed years and Target level vesting for years that have not yet been completed.

Death or Disability. Upon the death or disability of the executive prior to January 21, 2024, the RSUs will be paid out promptly based on the level of actual vesting for completed years and Target level vesting for the then-current year, prorated for the portion of the year prior to death or disability.

Approved by Compensation Committee of the Board, May 17, 2021.