

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): **January 8, 2019**

Precision Therapeutics Inc.

(Exact name of registrant as specified in 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 55121
(Address of principal executive offices)

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

Not Applicable
(Former name or former address, if changed from last report)

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.

Item 1.01 Entry into a Material Definitive Agreement.

Effective as of January 8, 2019, Carl Schwartz made an investment of \$950,000.00 in Precision Therapeutics Inc. (the “Company”) and received an Amended and Restated Promissory Note in the original principal amount of \$1,320,000.000 (the “Note”) and an Amended and Restated Common Stock Purchase Warrant (the “Warrant”). The Note and the Warrant amend and restate the promissory note and common stock purchase warrant issued to Dr. Schwartz in connection with his November 30, 2018 investment in the Company of \$370,000.00.

The Note bears interest at the rate of eight percent (8%) per annum on the principal amount. The maturity date for the Note is January 8, 2020, and is the date upon which the principal sum, as well as any accrued and unpaid interest and other fees, shall be due and payable. The Note may be prepaid in whole or in part at any time, and upon certain financings, the Company is required to apply a portion of the proceeds to repayment of the Note.

As additional consideration for the investment, the Company issued the Warrant with an exercise price of \$0.836 per share for the initial 221,292 shares that related to the November 2018 investment (the “*First Tranche*”) and an exercise price of \$0.704 per share for the additional 742,188 shares (subject to increase as described below) relating to the current investment (the “*Second Tranche*”). The exercise price in each case is equal to 110% of the closing sale price of the common stock on the date of the applicable investment. Each tranche of the Warrant is exercisable beginning on the sixth month anniversary of the date of the related investment through the fifth year anniversary of the date of the related investment.

On February 1, 2019 and the first day of each calendar month thereafter while the Note and the Warrant remain outstanding, a number of additional shares will be added to the Second Tranche equal to (1) one-half percent (1/2%) of the outstanding principal balance of the Note on such date, divided by (2) the closing price of Common Stock on that date. The number of warrant shares will be subject to a share limit such that the total of (a) the 78,128 shares of Common Stock purchased by Dr. Schwartz on January 8, 2019, and (b) the total number of warrant shares (963,480 warrant shares as of January 8, 2019) may not exceed 2,818,350 shares (equal to 19.9% of the outstanding shares of Common Stock on January 8, 2019). If the Second Tranche cannot be increased as required herein due to the share limit, then in lieu of any such increase, the Company shall pay to Dr. Schwartz a cash amount equal to one-half percent (1/2%) of the principal balance of the Note in lieu of such increase.

In connection with the foregoing, Dr. Schwartz also purchased 78,125 shares of the Company’s common stock in a private investment for \$50,000, representing a price of \$0.64 per share, pursuant to a Subscription Agreement effective January 8, 2019 (the “Subscription Agreement”).

The foregoing description of the Note, the Warrant and the Subscription Agreement is qualified in its entirety by reference thereto, which are filed as Exhibits 4.1, 10.1 and 10.2 to this Current Report, and are incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure in Item 1.01 is incorporated herein by reference thereto. Neither the shares sold to Dr. Schwartz pursuant to the Subscription Agreement nor any of the other securities issued to Dr. Schwartz, nor any of the shares issuable thereunder, were registered under the Securities Act of 1933, as amended (the “Securities Act”) at the time of sale, and therefore may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. For these issuances, the Company relied on the exemption from federal registration under Section 4(a)(2) of the Securities Act and/or Rule 506 promulgated thereunder, based on the Company’s belief that the offer and sale of such Securities has not and will not involve a public offering.

Item 9.01 Financial Statements and Exhibits.

**Exhibit
No.**

Description

- [4.1 Amended and Restated Common Stock Purchase Warrant issued to Carl Schwartz dated January 8, 2019](#)
 - [10.1 Amended and Restated Promissory Note issued to Carl Schwartz dated January 8, 2019](#)
 - [10.2 Subscription Agreement by and between Carl Schwartz and the Company dated January 8, 2019](#)
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SIGNATURES

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

Date: January 8, 2019

PRECISION THERAPEUTICS INC.

By: /s/ Bob Myers _____

Bob Myers
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
4.1	Common Stock Purchase Warrant issued to Carl Schwartz dated January 8, 2019
10.1	Amended and Restated Promissory Note issued to Carl Schwartz dated January 8, 2019
10.2	Subscription Agreement by and between Carl Schwartz and the Company dated January 8, 2019

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

**AMENDED AND RESTATED COMMON STOCK PURCHASE WARRANT
PRECISION THERAPEUTICS INC.**

Warrant Shares: See attached Schedule 1

Date of Issuance: January 8, 2019

THIS AMENDED AND RESTATED COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received in connection with the funding of all or a portion of the purchase price of that certain amended and restated promissory note in the original principal amount of \$1,320,000.00 on January 8, 2019 issued by Precision Therapeutics Inc., a Delaware corporation (the "Company"), to the Holder (as defined below) (the "Note"), Carl Schwartz (including any permitted and registered assigns, the "Holder"), is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company during the Exercise period (as defined below) such numbers of shares of Common Stock (as defined below) as are set forth herein and in the attached Schedule 1, as it may be amended from time to time (the "Warrant Shares") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant) at the Exercise Price (as defined below) per share then in effect. This Warrant amends and restates in its entirety that certain Common Stock Purchase Warrant dated November 30, 2018 issued by the Company to the Holder.

The Warrant Shares include (a) 221,292 Warrant Shares (the "First Tranche") relating to the original Note dated November 30, 2018 in the original principal amount of \$370,000, and (b) an additional 742,188 Warrant Shares (the "Second Tranche") relating to the additional advance by Holder of \$950,000 pursuant to the amended and restated Note on the date hereof; provided, that the Second Tranche will be periodically increased as follows. On February 1, 2019 and the first day of each calendar month thereafter while the Note and this Warrant remain outstanding, a number of additional shares will be added to the Second Tranche equal to (1) one-half percent (1/2%) of the outstanding principal balance of the Note on such date, divided by (2) the closing price of Common Stock on that date; provided, that the number of Warrant Shares will be subject to the share limit (the "Share Limit") described in the following paragraph. For example, if the principal balance of the Note on any such date is \$1,000,000 and the closing price of Common Stock is \$0.75, then 6,667 Warrant Shares shall be added to the Second Tranche. From time to time, the Company will amend Schedule 1 to reflect the increases in the Second Tranche.

The Share Limit will operate as follows. The total of (a) the 78,128 shares of Common Stock purchased by Holder on the date of this amended and restated Warrant, and (b) number of Warrant Shares (963,480 Warrant Shares on the date of this amended and restated Warrant) may not exceed 2,818,350 shares (equal to 19.9% of the outstanding shares of Common Stock on the date of this amended and restated Warrant). If the Second Tranche cannot be increased as required herein due to the Share Limit, then in lieu of any such increase, the Company shall pay to Holder a cash amount equal to one-half percent (1/2%) of the principal balance of the note in lieu of such increase.

For purposes of this Warrant, the term “Exercise Price” shall mean **\$0.836** per share for the First Tranche and **\$0.704** per share for the Second Tranche, subject to appropriate adjustment in the event of any stock split, combination, capital reorganization or similar transaction affecting the Common Stock (but not upon the issuance of additional shares of Common Stock (or securities convertible or exchangeable into shares of Common Stock) at a price less than the Exercise Price then in effect). For purposes of this Warrant, the term “Exercise Period” shall mean (a) for the First Tranche, the period commencing on April 30, 2019 and ending at 5:00 p.m. eastern standard time on November 30, 2023, and (b) for the Second Tranche, the period commencing on July 8, 2019 and ending at 5:00 p.m. eastern standard time on January 8, 2024.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise.* Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of a written notice, in the form attached hereto as Exhibit A (the “Exercise Notice”), of the Holder’s election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the “Warrant Share Delivery Date”) following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the “Aggregate Exercise Price” and together with the Exercise Notice, the “Exercise Delivery Documents”) in cash or by wire transfer of immediately available funds, the Company shall (or direct its transfer agent to) issue and dispatch by overnight courier to the address as specified in the Exercise Notice, a certificate, registered in the Company’s share register in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such exercise. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised.

(b) *No Fractional Shares.* No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay to the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder’s Exercise Limitations.* The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder’s Affiliates, and any other persons acting as a group together with the Holder or any of the Holder’s Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder’s determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. For purposes of this paragraph, in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company’s most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of shares of Common Stock outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The “Beneficial Ownership Limitation” shall be 19.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the “Successor Entity”), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares of Common Stock for other securities, cash or property and the holders of at least 50% of the Common Stock accept such offer, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of shares of Common Stock) (in any such case, a “Fundamental Transaction”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of shares of Common Stock of the Successor Entity or of the Company and any additional consideration (the “Alternate Consideration”) receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder’s right to exercise such warrant into Alternate Consideration.

3. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, three times the number of shares of Common Stock issuable under the Warrant, or as otherwise required under the Purchase Agreement, to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

4. WARRANT HOLDER NOT DEEMED A STOCKHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a stockholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

5. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant.* If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants.* Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

6. TRANSFER.

(a) *Notice of Transfer.* The Holder agrees to give written notice to the Company before transferring this Warrant or transferring any Warrant Shares of such Holder's intention to do so, describing briefly the manner of any proposed transfer. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. If the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 6 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under the Purchase Agreement (registration rights, expenses, and indemnity).

7. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the shares of Common Stock, (B) with respect to any grants, issuances or sales of any stock or other securities directly or indirectly convertible into or exercisable or exchangeable for shares of Common Stock or other property, pro rata to the holders of shares of Common Stock or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

8. **AMENDMENT AND WAIVER.** The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

9. **GOVERNING LAW.** This Warrant shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to the principles of conflicts of law (whether of the State of Delaware or any other jurisdiction).

10. **VENUE; SEVERABILITY; ATTORNEY'S FEES.** Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state or federal courts of Dakota County, Minnesota. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. The costs and expenses of such action shall be paid by and be the sole responsibility of the Borrower, including but not limited to the Holder's attorneys' fees and court fees. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Warrant by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. **JURY TRIAL WAIVER. THE COMPANY AND THE HOLDER HEREBY WAIVE A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS WARRANT.**

12. **ACCEPTANCE.** Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

13. **CERTAIN DEFINITIONS.** For purposes of this Warrant, the following terms shall have the following meanings:

(a) **"Common Stock"** means the Company's common stock, par value \$0.01 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

(b) **"Principal Market"** means the primary national securities exchange or marketplace on which the Common Stock is then traded.

(c) **"Market Price"** means the highest traded price of the Common Stock during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(d) **"Trading Day"** means (i) any day on which the Common Stock is listed or quoted and traded on its Principal Market, (ii) if the Common Stock is not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[Signature Page Follows]

[Signature Page to Warrant]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

PRECISION THERAPEUTICS INC.

By:

Name: Bob Myers

Title: Chief Financial Officer

Agreed & Accepted:

Carl Schwartz

SCHEDULE 1

NUMBER OF WARRANT SHARES

Date: January 8, 2019

The number of Warrant Shares is 963,480, consisting of:

221,292 Warrant Shares in the First Tranche and

742,188 Warrant Shares in the Second Tranche, subject to increase as provided herein.

Commencing February 1, 2019 and on the first day of each calendar month thereafter during the term of the Warrant and the Note, the number of Warrant Shares in the Second Tranche will be increased as provided herein, subject to the Share Limit, and this Schedule 1 will be amended from time to time to reflect such increases.

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Amended and Restated Common Stock Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the shares of Common Stock ("Warrant Shares") of Precision Therapeutics Inc., a Delaware corporation (the "Company"), evidenced by the attached copy of the Amended and Restated Common Stock Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Payment of Exercise Price. The holder shall pay the applicable Aggregate Exercise Price in the sum of \$_____ to the Company in accordance with the terms of the Warrant.
2. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ shares of common stock of Precision Therapeutics Inc., to which the within Amended and Restated Common Stock Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Precision Therapeutics Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Date: _____

(Signature) *

(Name)

(Address)

(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Stock Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THE ISSUANCE NOR SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAS BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES FILED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.

Principal Amount: \$1,320,000.00

Issue Date: January 8, 2019

AMENDED AND RESTATED PROMISSORY NOTE

FOR VALUE RECEIVED, PRECISION THERAPEUTICS INC., a Delaware corporation (hereinafter called the "Borrower"), as of January 8, 2019 (the "Issue Date"), hereby promises to pay to the order of Carl Schwartz, or his registered assigns (the "Holder") the principal sum of \$1,320,000.00 (the "Principal Amount"), together with interest at the rate of eight percent (8%) per annum on the Principal Amount accruing from the date of each advance as described herein, at maturity or upon acceleration or otherwise, as set forth in this Amended and Restated Promissory Note (the "Note"). The first advance of \$370,000.00 was made on November 30, 2018, and the second advance of \$950,000.00 was made on January 8, 2019. The maturity date for the Note shall be January 8, 2020 (the "Maturity Date"), and is the date upon which the principal sum, as well as any accrued and unpaid interest and other fees, shall be due and payable. This Note has been executed not in payment or satisfaction of, but as a complete amendment and restatement of that certain Promissory Note dated November 30, 2018 and made payable by the Company to the order of the Holder in the original principal amount of up to \$500,000.00 (the consideration for which was \$370,000.00 to the Company).

If the Company (a) receives cash proceeds from any sale of securities after January 8, 2019, and (b) is not required to apply a portion of such proceeds to the repayment of any other promissory note, then the Company agrees to apply 50% of such proceeds to repay all or any portion of the outstanding amounts owed under this Note. In addition, this Note may be prepaid in whole or in part at any time and from time to time without premium or penalty. All payments on account of this Note, when paid, shall be applied first to the payment of all interest then due on the unpaid balance of this Note and the balance, if any, shall be applied to reduction of the unpaid balance of the Principal Amount.

On the date of this amended and restated Note, the Company is issuing to Holder an Amended and Restated Warrant (the "Warrant"), providing, among other things, that the Second Tranche (as defined in the Warrant) shall be increased on a monthly basis in relation to the outstanding balance of this Note, and that the Company must pay certain amounts in cash if the Second Tranche cannot be increased as a result of the Share Limit (as defined in the Warrant).

Any amount of principal or interest on this Note which is not paid by the Maturity Date shall bear interest at the rate of the lesser of (i) eighteen percent (18%) per annum on the Principal Amount or (ii) the maximum amount allowed by law, from the due date thereof until the same is paid ("Default Interest"). Interest shall commence accruing on the Principal Amount on the date that this Note is issued and shall be computed on the basis of a 365-day year and the actual number of days elapsed. All payments due hereunder shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, the extension of the due date thereof shall not be taken into account for purposes of determining the amount of interest due on such date. As used in this Note, the term "business day" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed.

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Borrower and will not impose personal liability upon the holder thereof.

This Note shall be an unsecured obligation of the Borrower.

The following additional terms shall also apply to this Note:

ARTICLE I. EVENTS OF DEFAULT

The occurrence of each of the following events of default shall each be an “Event of Default”, with no right to notice or cure except as specifically stated:

1.1 Failure to Pay Principal or Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note.

1.2 Breach of Covenants. The Borrower breaches any material covenant or other material term or condition contained in this Note or the Warrant and such breach continues for a period of three (3) days after written notice thereof to the Borrower from the Holder or after five (5) days after the Borrower should have been aware of the breach.

1.3 Receiver or Trustee. The Borrower or any Subsidiary of the Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

1.4 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Borrower or any subsidiary of the Borrower and, in the case of involuntary proceedings, have not been dismissed within 61 days.

1.5 Liquidation. The Borrower commences any dissolution, liquidation, or winding up of Borrower or any substantial portion of its business.

1.6 Cessation of Operations. The Borrower ceases operations or Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower’s ability to continue as a “going concern” shall not be an admission that the Borrower cannot pay its debts as they become due.

Upon the occurrence of any Event of Default, this Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to the then outstanding entire balance of this Note (including principal and accrued and unpaid interest) plus Default Interest from the date of the Event of Default, if any (collectively, in the aggregate of all of the above, the “Default Amount”), and all other amounts payable hereunder shall immediately become due and payable, all without demand, presentment or notice, all of which hereby are expressly waived, together with all costs, including, without limitation, legal fees and expenses, of collection, and the Holder shall be entitled to exercise all other rights and remedies available at law or in equity.

ARTICLE II. MISCELLANEOUS

2.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

2.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, facsimile, or electronic mail addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery, upon electronic mail delivery, or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

PRECISION THERAPEUTICS INC.
2915 Commers Drive, Suite 900
Eagan, Minnesota 55121
Attention: Bob Myers, CFO
E-mail: bmyers@skylinemedical.com
Phone: 651.389.4800

If to the Holder:

Carl Schwartz
2915 Commers Drive, Suite 900
Eagan, Minnesota 55121
E-mail: cschwartz@skylinemedical.com
Phone:

2.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented.

2.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Notwithstanding anything to the contrary herein, the rights, interests or obligations of the Borrower hereunder may not be assigned, by operation of law or otherwise, in whole or in part, by the Borrower without the prior signed written consent of the Holder, which consent may be withheld at the sole discretion of the Holder (any such assignment or transfer shall be null and void if the Borrower does not obtain the prior signed written consent of the Holder). This Note or any of the severable rights and obligations inuring to the benefit of or to be performed by Holder hereunder may be assigned by Holder to a third party, in whole or in part, without the need to obtain the Borrower's consent thereto. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the Securities Act). Notwithstanding anything in this Note to the contrary, this Note may be pledged as collateral in connection with a bona fide margin account or other lending arrangement.

2.5 Cost of Collection. If default is made in the payment of this Note, the Borrower shall pay the Holder hereof costs of collection, including reasonable attorneys' fees.

2.6 Governing Law. This Note shall be governed by and interpreted in accordance with the laws of the State of Minnesota without regard to the principles of conflicts of law (whether of the State of Minnesota or any other jurisdiction).

2.7 Venue; Severability; Attorney's Fees. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the state or federal courts of Dakota County, Minnesota. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. The costs and expenses of such action shall be paid by and be the sole responsibility of the Borrower, including but not limited to the Holder's attorneys' fees and court fees. In the event that any provision of this Note or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Note by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

2.8 JURY TRIAL WAIVER. THE BORROWER AND THE HOLDER HEREBY WAIVE A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS NOTE.

2.9 Remedies. The Borrower acknowledges that a breach by it of its obligations hereunder may cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a breach of its obligations under this Note may be inadequate and agrees, in the event of a breach or threatened breach by the Borrower of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required.

2.10 Usury. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Borrower covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Borrower from paying all or any portion of the principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Note, and the Borrower (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

*** signature page to follow ***

*** signature page to Promissory Note***

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer on the Issue Date.

PRECISION THERAPEUTICS INC.

By: _____
Name: Bob Myers
Title: Chief Financial Officer

PRECISION THERAPEUTICS INC.

SUBSCRIPTION AGREEMENT FOR COMMON STOCK

1. **Subscription for Shares.** The undersigned hereby irrevocably subscribes for those shares of Common Stock of Precision Therapeutics Inc., a Delaware corporation (the “Company”), set forth on the signature pages hereto (the “Shares”). The undersigned acknowledges that this subscription is subject to acceptance or rejection (in whole or in part) at the discretion of the Company.

2. **Acceptance.** The Company will accept this subscription by executing and delivering to the undersigned a countersigned copy of this Agreement. Upon acceptance of the subscription set forth herein, the Company will record the undersigned as an owner of the Shares subscribed in the Company’s records required under the Delaware General Corporation Law.

3. **Representations and Warranties of the Subscriber.** The undersigned, and the person executing this Agreement on behalf of the undersigned (if the undersigned is an entity) (such person being referred to herein as the “Signatory”), hereby represent(s) and warrant(s) to the Company as follows:

(a) The undersigned intends to receive and hold the Shares for the undersigned’s own account. The undersigned has no contract, undertaking, agreement or arrangement with any person or entity to sell or otherwise transfer the Shares to any such person or entity or to have any such person or entity sell the Shares on the undersigned’s behalf. The undersigned is an “Accredited Investor” under the Securities Act of 1933 (as amended, the “Securities Act”).

(b) The undersigned has obtained and read this Agreement and any other documents specifically requested by the undersigned and has had an opportunity to review the Company’s filings under the Securities Exchange Act of 1934, as amended (the “Disclosure Documents”).

(c) The undersigned: (i) has, either alone or with the assistance of a professional advisor, sufficient knowledge and experience in financial and business matters that the undersigned believes himself/herself/itself capable of evaluating the merits and risks of a prospective investment in the Shares and the suitability of an investment in the Company in light of the undersigned’s financial condition and investment needs, and legal, tax and accounting matters; (ii) has not relied on the Company or any of its representatives for financial, tax or legal advice, and (iii) is investing in the Company solely on the basis of the information set forth in Disclosure Documents, irrespective of any other information which the undersigned may have received from the Company or its representatives.

(d) The undersigned has been given access to full and complete information regarding the Company and has utilized such access to the undersigned’s satisfaction for the purpose of obtaining information in addition to, or verifying information included in, the Disclosure Documents. Particularly, the undersigned has been given reasonable opportunity to meet with or contact Company representatives for the purpose of asking questions of, and receiving answers from, such representatives concerning the terms and conditions of the offering and to obtain any additional information, to the extent reasonably available, necessary to verify the accuracy of information provided in the Disclosure Documents.

(e) The undersigned acknowledges that an investment in the Shares involves a high degree of risk, including but not limited to the risk of losing his, her or its entire investment in the Company.

(f) The undersigned acknowledges that no federal or state agency, including the U.S. Securities and Exchange Commission (the “SEC”) or the securities commission or authority of any state, has approved or disapproved the Shares, passed upon or endorsed the merits of the offering of the Shares or the accuracy or adequacy of the Disclosure Documents, or made any finding or determination as to the fairness or fitness of the Shares for public sale.

(g) The undersigned has relied upon the advice of the undersigned’s legal counsel and accountants or other financial advisors with respect to tax and other considerations relating to the purchase of Shares in the offering. The undersigned is not relying upon the Company with respect to the economic considerations involved to make an investment decision in the Shares.

(h) If the undersigned is an entity or unincorporated association: (i) the undersigned has the requisite corporate or other power and authority to enter into and to perform its obligations under this Agreement and to consummate the transactions contemplated hereby in accordance with the terms hereof; (ii) the execution, delivery and performance of this Agreement by the undersigned and the consummation by it of the transactions contemplated hereby have been duly authorized by the undersigned’s board of directors or other governing body and no further consent or authorization of the undersigned, its board of directors or its shareholders, members or other interest holders is required; and (iii) the undersigned was not formed or organized for the purpose of acquiring the Shares.

(i) The undersigned is not required to give any notice to, make any filing, application or registration with, obtain any authorization, consent, order or approval of or obtain any waiver from any person or entity in order to execute and deliver this Agreement or to consummate the transactions contemplated hereby, except for filings required by applicable state securities laws and regulations.

(j) Neither the execution and delivery by the undersigned of this Agreement, nor the consummation by the undersigned of the transactions contemplated hereby, will (i) violate any law, rule, injunction, or judgment of any governmental agency or court to which the undersigned is subject or any provision of its charter, bylaws, trust agreement, or other governing documents or (ii) conflict with, result in a breach of, or constitute a default under, any agreement, contract, lease, license, instrument, or other arrangement to which the undersigned is a party or by which the undersigned is bound or to which any of its assets is subject.

(k) The undersigned is a bona fide resident of (or, if an entity, is organized or incorporated under the laws of, and is domiciled in), and received the offer and decided to invest in the Shares, in the state or jurisdiction set forth as the undersigned’s mailing address on the signature page to this Agreement.

(l) The undersigned has no need for immediate liquidity with respect to his, her or its investment and has sufficient income to meet the undersigned’s current and anticipated obligations. The loss of the undersigned’s entire investment in the Shares would not cause financial hardship to the undersigned and would not adversely affect the undersigned’s current standard of living. In addition, the overall commitment of the undersigned to investments that are not readily marketable is not disproportionate to the undersigned’s net worth and the undersigned’s investment in the Shares will not cause such overall commitment to become excessive.

(m) The undersigned is not aware of any occurrence, event or circumstance upon the happening of which the undersigned intends to transfer or sell the Shares and the undersigned does not have any present intention to transfer or sell the Shares after a lapse of any particular period of time.

(n) The undersigned has been informed that, in the view of the SEC and certain state securities commissions, a purchase of the Shares with a current intent to resell, by reason of any foreseeable specific contingency or anticipated change in market values, any change in the condition of the Company or the investment market as a whole, or in connection with a contemplated liquidation or settlement of any loan obtained for the acquisition of the Shares, would represent a purchase with an intent inconsistent with the representations set forth above, and that the SEC and certain state securities commissions might regard such sale or disposition as a deferred sale with regard to which an exemption from registration is not available.

4. Restrictions on Transfer of Shares. With respect to the registration status and transferability of the Shares, the undersigned understands, acknowledges and agrees that:

(a) Neither the offer nor the sale of the Shares to be issued in connection with this subscription and the offering have been registered under the Securities Act or under applicable state securities laws on the grounds that they are being issued in a transaction (i) involving a limited group of knowledgeable investors fully familiar with the proposed operations of the Company, and (ii) not involving a public offering and that, consequently, such transaction is exempt from registration under the Securities Act and applicable state securities laws. The Company will rely on the undersigned's representations herein as a basis for exemptions from the Securities Act's registration requirements.

(b) As a result of the offer and sale of the Shares in a transaction exempt from the registration requirements of the Securities Act, the Shares may not be sold, transferred or otherwise disposed of except pursuant to an effective registration statement or appropriate exemption from registration under applicable federal and state law and, as a result, the undersigned may be required to hold the Shares for an indefinite period of time.

(c) In light of the foregoing, all certificates representing the Shares, if any, will bear legends substantially in the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAW OF ANY STATE. SUCH SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND WITHOUT A VIEW TO THEIR DISTRIBUTION AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF IN THE ABSENCE OF ANY EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE SECURITIES ACT OF 1933 AND UNDER APPLICABLE STATE SECURITIES LAWS, UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE UNDER APPLICABLE SECURITIES LAWS.

5. Indemnity. The undersigned agrees to indemnify and hold harmless the Company, its affiliates and its stockholders from and against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation or any claim commenced or threatened) arising out of or based upon any false or misleading representation or warranty hereunder, misinformation, breach or failure by the undersigned herein or hereunder or under any other document furnished or delivered by the undersigned to any of the foregoing indemnified persons in connection with the undersigned's investment in the Company.

6. **Status as Stockholder.** In connection with the undersigned's subscription for Shares hereunder, the undersigned understands and agrees that on the date that this Agreement is accepted by the Company and the related subscription payment is received by the Company, the undersigned will become a stockholder of the Company if he/she/it is not one already.

7. **Entire Agreement; Governing Law; Dispute Resolution.** This Agreement constitutes the entire agreement among the parties with respect to the Company. It supersedes any prior agreement or understanding among them, and it may not be modified or amended in any manner other than as set forth herein. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts-of-law principles thereof. The venue for any action hereunder shall be in the State of Minnesota, whether or not such venue is or subsequently becomes inconvenient, and the parties consent to the jurisdiction of the courts of the State of Minnesota, County of Dakota, and the U.S. District Court, District of Minnesota. Accordingly, the parties hereby submit to the process, jurisdiction and venue of any such courts. Each party hereby waives, and agrees not to assert, any claim that it is not personally subject to the jurisdiction of the foregoing courts in the State of Minnesota or that any action or other proceeding brought in compliance with this Section is brought in an inconvenient forum.

8. **Legal Effect and Survival.** The undersigned understands the meaning and legal consequences of the indemnity provisions, representations, warranties, agreements and covenants contained herein, and that such indemnity provisions, representations, warranties, agreements and covenants shall survive the Company's acceptance of this Agreement, the admission of the undersigned as a shareholder of the Company, and the undersigned's purchase and sale of the Shares.

9. **Severability and Waiver.** If any provision of this Agreement or the application of such provision to any party or circumstances shall be held invalid, the remainder of the Agreement, or the application of such provision to such party or circumstances other than those to which it is held invalid, shall not be affected thereby. No failure or delay by the Company or the undersigned in exercising or enforcing any right or remedy under this Agreement will waive any provision of the Agreement. Nor will any single or partial exercise by the Company or the undersigned of any right or remedy under this Agreement preclude either of them from otherwise or further exercising these rights or remedies, or any other rights or remedies granted by any law or any related document.

10. **Additional Information.** The undersigned shall from time to time provide to the Company such information and documentation as the Company reasonably may request in order to verify the information contained in this Agreement and in the signature pages hereto.

11. **Counterparts and Delivery.** The signature pages hereto may be executed in counterparts, all of which shall together constitute one and the same document, together with the text of this Agreement. Signature pages delivered by facsimile or other means of electronic transmission shall have the same binding force and effect as the delivery of original signatures.

* * * * *

SIGNATURE PAGES

Please indicate how you would like your Shares to be registered (check one):

- | | | |
|-------------------------------------|--|---------------------------|
| <input checked="" type="checkbox"/> | Individual Ownership (One signature required below) | Trust or IRA |
| | Joint Tenants with Rights of Survivorship
(All tenants must sign below) | Corporation |
| | Tenants in Common (All tenants must sign below) | Limited Partnership |
| | Other (Please specify): _____ | Limited Liability Company |
| | | General Partnership |

Number of Shares:	78,125
Price per share:	\$ 0.64
Total Subscription Amount:	\$50,000.00

I. Subscriber Information.

Subscriber's Name: Carl Schwartz

Social Security or Taxpayer Identification Number: _____

Home Address (individuals): _____
(Street) (City/State/Zip Code)

Jurisdiction of Organization (entities): _____

Principal Place of Business (entities): _____
(Street) (City/State/Zip Code)

Telephone Number: _____ Facsimile Number: _____

Email Address: cschwartz@ skylinemedical.com

Contact Person (entities): _____

Date of Formation (entities): _____ Fiscal Year (entities): _____

II. Signatures.

INDIVIDUAL SUBSCRIBERS

(Signature)

Carl Schwartz
(Printed name)

(Signature, if joint investment)

(Printed name, if joint investment)

Dated: January ____, 2019

ACCEPTED:

PRECISION THERAPEUTICS INC.

By: _____

Name: Bob Myers

Its: Chief Financial Officer

Dated: January ____, 2019 (the “**Effective Date**”)

*Signature Page 2 of
Subscription Agreement*

ENTITY SUBSCRIBERS

(Name of entity)

(Name of Signatory)

(Title)

(Signature)

Dated _____, _____

