SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2020

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________________________ to __________________________

Commission File Number: 001-36790

Predictive Oncology Inc.
(Exact name of registrant as specified in its charter)

Delaware	33-1007393
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2915 Commers Drive, Suite 900	Eagan, Minnesota 55121
(Address of principal executive offices)	(Zip Code)

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

(Former name, former address and former fiscal year, if changed since last report)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Accelerated filer ☐
Non-accelerated filer ☒
Smaller reporting company ☒
Emerging growth company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

As of November 11, 2020, the registrant had 17,676,621 shares of common stock, par value $0.01 per share outstanding.

PREDICTIVE ONCOLOGY INC.

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Item 1. Condensed Consolidated Financial Statements

PREDICTIVE ONCOLOGY INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2020	December 31, 2019
	(unaudited)	(audited)
ASSETS		
Current Assets:		
Cash	$ 2,474,312	$ 150,831
Accounts Receivable	508,265	297,055
Inventories	205,908	190,156
Prepaid Expense and Other Assets	269,282	160,222
Total Current Assets	3,457,767	798,264
Fixed Assets, net	3,755,464	1,507,799
Intangibles, net	3,464,327	3,649,412
Lease Right-of-Use Assets	1,790,130	729,745
Goodwill	12,693,290	15,690,290
Total Assets	$ 25,160,978	22,375,510
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	$ 1,628,944	$ 3,155,641
Notes Payable – Net of Discounts of $495,100 and $350,426	5,751,876	4,795,800
Accrued Expenses	2,530,385	2,371,633
Derivative Liability	1,052,494	50,989
Deferred Revenue	66,123	40,384
Lease Liability	577,505	459,481
Total Current Liabilities	11,607,327	10,873,928
Lease Liability – Net of current portion	1,221,806	270,264
Other long-term liabilities	95,079	-
Total Liabilities	12,924,212	11,144,192
Stockholders' Equity:		
Preferred Stock, 20,000,000 authorized inclusive of designated below		
Series B Convertible Preferred Stock, $.01 par value, 2,300,000 shares authorized, 79,246 and 79,246 shares outstanding	792	792
Series D Convertible Preferred Stock, $.01 par value, 3,500,000 shares authorized, 0 and 3,500,000 outstanding	-	35,000
Series E Convertible Preferred Stock, $.01 par value, 350 shares authorized, 0 and 258 outstanding	-	3
Common Stock, $.01 par value, 100,000,000 shares authorized, 16,593,283 and 4,056,652 outstanding	165,932	40,567
Additional paid-in capital	108,983,174	93,653,667
Accumulated Deficit	(96,913,132)	(82,498,711)
Total Stockholders' Equity	12,236,766	11,231,318
Total Liabilities and Stockholders' Equity	$ 25,160,978	$ 22,375,510

See Notes to Condensed Consolidated Financial Statements

PREDICTIVE ONCOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF NET LOSS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Revenue	$ 480,757	$ 522,696	$ 958,484	$ 1,064,088
Cost of goods sold	175,206	208,096	353,124	400,202
Gross margin	305,551	314,600	605,360	663,886
General and administrative expense	2,226,634	2,616,991	8,266,927	7,425,305
Operations expense	568,766	707,414	1,638,635	2,445,238
Sales and marketing expense	121,514	434,955	518,938	1,674,200
Loss on goodwill impairment	2,997,000	-	2,997,000	-
Total operating loss	(5,608,363)	(3,444,760)	(12,816,140)	(10,880,857)
Gain on revaluation of cash advances to Helomics	-	-	-	1,222,244
Other income	44,926	15,084	97,894	65,293
Other expense	(2,147,057)	(894,811)	(3,993,969)	(2,052,522)
Gain on derivative instruments	1,402,768	315,975	1,007,794	84,627
Gain on notes receivables associated with asset purchase	-	-	1,290,000	-
Loss on equity method investment	-	-	-	439,637
Gain on revaluation of equity method in investment	-	-	-	6,164,260
Net loss	$ (6,307,726)	$ (4,008,512)	$ (14,414,421)	$ (5,836,592)
Deemed dividend	554,287	125,801	554,287	146,199
Net loss attributable to common shareholders per common shares-basic and diluted	$ (6,862,013)	$ (4,134,313)	$ (14,968,708)	$ (5,982,791)
Loss per common share basic and diluted	$ (0.46)	$ (1.31)	$ (1.51)	$ (2.32)
Weighted average shared used in computation – basic and diluted	15,026,789	3,146,609	9,935,738	2,581,014

See Notes to Condensed Consolidated Financial Statements

PREDICTIVE ONCOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2020 AND 2019
(Unaudited)

	Series B Preferred		Series D Preferred		Series E Preferred		Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance at 12/31/2019	79,246	$ 792	3,500,000	$ 35,000	258	$ 3	4,056,652	$ 40,567	$ 93,653,667	$ (82,498,711)	$ 11,231,318
Shares issued pursuant to CEO exchange agreement							50,000	500	129,500		130,000
Inducement shares issued pursuant to promissory note extension							30,000	300	40,950		41,250
Issuance of shares and prefunded warrants pursuant to March 2020 private placement							260,000	2,600	455,223		457,823
Inducement shares issued pursuant to 2020 convertible debt and warrants							46,875	468	119,532		120,000
Warrants issued pursuant to 2020 convertible debt									116,951		116,951
Shares issued pursuant to note conversions - bridge loan							170,000	1,700	265,628		267,328
Shares issued pursuant to series E preferred stock conversions					(50)	(1)	141,191	1,412	(1,411)		-
Shares issued pursuant to Equity Line							943,000	9,430	1,860,469		1,869,899
Shares issued to consultant and other							155,000	1,550	360,750		362,300
Vesting expense									287,838		287,838
Net loss										(4,529,317)	(4,529,317)
Balance at 03/31/2020	79,246	$ 792	3,500,000	$ 35,000	208	$ 2	5,852,718	$ 58,527	$ 97,289,097	$ (87,028,028)	$ 10,355,390
Warrants issued pursuant to 2020 convertible debt									62,373		62,373
Shares issued pursuant to CEO note conversion and accrued interest and exchange agreement							1,533,481	15,335	2,177,543		2,192,878
Shares issued pursuant to series E preferred stock conversions					(208)	(2)	1,257,416	12,574	(12,572)		-
Shares issued pursuant to series D preferred stock conversions			(3,500,000)	(35,000)			350,004	3,500	31,500		-
Issuance of shares from prefunded warrant exercises							1,390,166	13,902	(13,148)		754
Issuance of shares pursuant to May 2020 offering, net							1,396,826	13,968	591,949		605,917
Shares issued in connection with asset purchase agreement							115,000	1,150	185,150		186,300
Exercise of warrants and issuance of new warrants June 2020, net							1,274,826	12,748	1,682,237		1,694,985
Director compensation							20,350	204	34,796		35,000
Vesting expense									134,939		134,939
Net Loss										(3,577,378)	(3,577,378)
Balance at 06/30/20	79,246	$ 792	-	$ -	-	$ -	13,190,787	$ 131,908	$ 102,163,864	$ (90,605,406)	$ 11,691,158
Shares issued in connection with asset purchase agreement							954,719	9,547	1,460.720		1,470,267
Repricing and Reclassification of warrants issued pursuant to convertible debt									1,865,953		1,865,953
Repricing and Reclassification of June 2020 warrants									803,455		803,455
Exercise of warrants							122,000	1,220	190,930		192,150
Share issuance to consultant and other							2,669	26	3,005		3,031
Shares issued pursuant to Equity Line							2,307,000	23,070	2,336,733		2,359,803
Director Compensation							16,108	161	23,839		24,000
Vesting expense and option repricing									134,675		134,675
Net loss										(6,307,726)	(6,307,726)
Balance at 09/30/20	79,246	$ 792	-	$ -	-	$ -	16,593,283	$ 165,932	$ 108,983,174	$ (96,913,132)	$ 12,236,766

See Notes to Condensed Consolidated Financial Statements

PREDICTIVE ONCOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Series B Preferred		Series D Preferred		Series E Preferred		Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance at 12/31/2018	79,246	$ 792		$ -		$ -	1,409,175	$ 14,092	$ 63,146,533	$ (63,107,945)	$ 53,472
Investment by CEO							7,813	78	49,922		50,000
Shares issued in forbearance agreement							16,667	166	158,183		158,349
Shares issued pursuant to S-3 public offering							286,375	2,864	2,426,845		2,429,709
Shares issued pursuant to note conversions							15,985	160	89,840		90,000
Warrants issued pursuant to CEO note payable									318,058		318,058
Vesting expense									263,600		263,600
Net loss										(3,293,184)	(3,293,184)
Balance at 03/31/2019	79,246	$ 792	-	$ -	-	$ -	1,736,015	$ 17,360	$ 66,452,982	$ (66,401,129)	$ 70,005
Shares issued pursuant to note conversions							39,873	399	148,173		148,572
Stock issued to extinguish debt as part of Helomics purchase consideration							863,732	8,637	6,454,672		6,463,309
Warrants issued pursuant to CEO note payable									23,550		23,550
Stock issued for Helomics acquisition			3,500,000	35,000			400,000	4,000	5,573,250		5,612,250
Issuance of warrants as Helomics purchase consideration									6,261,591		6,261,591
Exercise of warrants							57,856	579	5,207		5,786
Issuance of Series E Preferred shares					84	1			743,559		743,560
Issuance of Noteholders' warrants									117,241		117,241
Vesting expense									1,380,620		1,380,620
Net income										1,465,104	1,465,104
Balance at 06/30/19	79,246	$ 792	3,500,000	$ 35,000	84	$ 1	3,097,476	$ 30,975	$ 87,160,845	$ (64,936,025)	$ 22,291,588
Shares issued pursuant to note conversions							26,573	266	99,734		100,000
Shares issued pursuant to bridge loan agreement							23,858	238	119,136		119,374
Warrants issued pursuant to CEO note payable									14,863		14,863
Exercise of warrants							1,844	18	166		184
Issuance of Series E Preferred shares					174	2			1,595,278		1,595,280
Expense warrants for note extension									60,100		60,100
Warrants issued pursuant to promissory note									180,640		180,640
Vesting expense									360,146		360,146
Net loss										(4,008,512)	(4,008,512)
Balance at 09/30/19	79,246	$ 792	3,500,000	$ 35,000	258	$ 3	3,149,751	$ 31,497	$ 89,590,908	$ (68,944,537)	$ 20,713,663

See Notes to Condensed Consolidated Financial Statements

PREDICTIVE ONCOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Cash flow from operating activities:		
Net loss	$ (14,414,421)	$ (5,836,592)
Adjustments to reconcile net loss to net cash used in operating activities:		
Recognition of credit loss on notes receivable	-	787,524
Accrued interest revenue	-	(34,917)
Loss on equity method investment	-	439,637
Gain on revaluation of equity method investment	-	(6,164,260)
Gain on note receivable in connection with asset purchase	(1,290,000)	-
Depreciation and amortization	716,595	483,631
Vesting expense	557,452	2,004,366
Equity instruments issued for management, consultant, and other	424,331	-
Amortization of debt discount	996,271	1,621,181
Loss on valuation of equity-linked instruments and derivative liability	(1,007,794)	(84,627)
Gain on revaluation of cash advances to Helomics	-	(1,222,244)
Debt extinguishment costs	1,996,681	204,750
Equity instruments issued in connection with 2020 convertible debt	20,695	-
Loss on goodwill impairment	2,997,000	-
Loss on fixed asset disposal	120,577	293
Changes in assets and liabilities:		
Accounts receivable	(122,003)	68,252
Inventories	(15,752)	60,638
Prepaid expense and other assets	(109,060)	33,834
Accounts payable	(1,438,033)	942,183
Accrued expenses	587,937	751,975
Deferred revenue	25,739	7,573
Net cash used in operating activities:	(9,953,785)	(5,936,803)
Cash flow from investing activities:		
Advance on notes receivable	-	(975,000)
Cash received from notes receivable	-	154,418
Cash received in Helomics Acquisition	-	248,102
Acquisition of fixed assets	(114,180)	-
Proceeds from asset sales	133,850	(855)
Acquisition of intangibles	(45,862)	(18,419)
Net cash used in investing activities:	(26,192)	(591,754)
Cash flow from financing activities:		
Proceeds from debt issuance	2,761,867	2,250,000
Proceeds from exercise of warrants into common stock	1,935,854	5,970
Proceeds from issuance of Series E convertible preferred stock	-	2,338,840
Repayment of debt	(1,459,973)	(609,514)
Payment penalties	(247,327)	-
Proceeds from issuance of common stock pursuant to equity line	4,229,702	-
Issuance of common stock, A, B and prefunded warrants, net	5,057,919	2,479,708
Other financing (security deposit)	25,416	-
Net cash provided by financing activities	12,303,458	6,465,004
Net increase (decrease) in cash and cash equivalents	2,323,481	(63,553)
Cash at beginning of period	150,831	162,152
Cash at end of period	$ 2,474,312	$ 98,599
Non-cash transactions:		
Consideration given for acquisition of Helomics	$ -	$ 26,711,791
Forbearance settlement of bridge loan	-	503,009
Bridge loan conversion into common stock	267,328	338,573
Shares issued pursuant to CEO note conversion and accrued interest and exchange agreement	2,322,878	-
Fixed assets acquired for notes receivable and common stock	1,492,500	-
Fixed asset acquired for common stock	1,470,267	-
Increase to operating lease right of use asset and lease liability due to new and modified leases	1,417,076	-
Put and conversion derivative from debt issuance and modification	636,563	
Warrants issued pursuant to debt issuance	179,324	180,640
Inducement shares issued pursuant to debt	140,555	-
Series D preferred stock conversions	35,000	-
Additional warrants issued pursuant to CEO note payable	-	47,078
Fixed assets sold for accounts receivable	89,207	-

Series E preferred stock conversion	3	-

See Notes to Condensed Consolidated Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Continuance of Operations

Predictive Oncology Inc. (the "Company") was originally incorporated on April 23, 2002 in Minnesota as BioDrain Medical, Inc. Effective August 6, 2013, the Company changed its name to Skyline Medical Inc. Pursuant to an Agreement and Plan of Merger effective December 16, 2013, the Company merged with and into a Delaware corporation with the same name that was its wholly owned subsidiary, with such Delaware corporation as the surviving corporation of the merger. On August 31, 2015, the Company completed a successful offering and concurrent uplisting to the NASDAQ Capital Market. On February 1, 2018, the Company filed with the Secretary of State of Delaware a Certificate of Amendment to its Certificate of Incorporation to change the corporate name from Skyline Medical Inc. to Precision Therapeutics Inc., effective February 1, 2018. Because of this change, the Company's common stock traded under the ticker symbol "AIPT," effective February 2, 2018. On June 10, 2019, the Company filed with the Secretary of State of Delaware a Certificate of Amendment to its Certificate of Incorporation to change the corporate name from Precision Therapeutics Inc. to Predictive Oncology Inc., trading under the new ticker symbol "POAI," effective June 13, 2019. Skyline Medical ("Skyline") remains as an incorporated division of Predictive Oncology Inc. On October 28, 2019, the Company completed a one-for-ten reverse stock split that was effective for trading purposes on October 29, 2019. All numbers of shares and per-share amounts in this report have been adjusted to reflect the reverse stock split.

The Company is a healthcare company that provides personalized medicine solutions and medical devices in two main areas: (1) precision medicine, which aims to apply artificial intelligence to personalized medicine and drug discovery, primarily through its wholly owned subsidiary Helomics Holding Corporation ("Helomics") and (2) an environmentally-safe system for the collection and disposal of infectious fluids that result from surgical procedures and post-operative care. The Company sells proprietary cleaning fluid and filters to users of its systems.

In addition, the Company's wholly owned subsidiary, TumorGenesis Inc. ("TumorGenesis"), is developing the next generation, patient-derived tumor models for precision cancer therapy and drug development. TumorGenesis is presented as part of the condensed consolidated financial statements and is included in corporate in the Company's segment reporting.

During the first quarter of 2018, the Company acquired 25% of the capital stock of Helomics Holding Corporation ("Helomics"). On April 4, 2019, the Company completed a forward triangular merger with Helomics Acquisition Inc., a wholly owned subsidiary of the Company and Helomics, acquiring the remaining 75% of the capital stock of Helomics.

The Company has incurred recurring losses from operations and has an accumulated deficit of $96,913,132 at September 30, 2020. The Company does not expect to generate sufficient operating revenue to sustain its operations in the near-term. During fiscal year 2019 and the nine months ended September 30, 2020, the Company incurred negative cash flows from operations. Although the Company has attempted to curtail expenses, there is no guarantee that the Company will be able to reduce these expenses significantly, and expenses may need to be higher to prepare product lines for broader sales in order to generate sustainable revenues. These conditions raise substantial doubts about the Company's ability to continue as a going concern. The Company had cash and cash equivalents of $2,474,312 as of September 30, 2020 and needs to raise significant additional capital to meet its operating needs and pay debt obligations coming due. Outstanding debt, including accrued interest and penalties, totaled $7,872,542 as of September 30, 2020, all of which is due within six months. Debt is secured by all assets of the Company and its subsidiaries. The Company intends to raise these funds through equity or debt financing that may include public offerings, private placements, alternative offerings, or other means. In October 2019, the Company entered into a purchase agreement for an equity line under which it can raise up to $15,000,000 over a three-year period, subject to market conditions including trading volume and stock price. As of September 30, 2020, there was $10,451,105 remaining available balance under the equity line, subject to market conditions including trading volume and stock price, and subject to other limitations. Given the limitations in place, there is no guarantee that the Company will be able to raise the full amount available under the equity line over the course of the three-year period. In nine months ended September 30, 2020, the Company completed various debt, equity and other financing activities and raised net proceeds of $12,303,458, net of repayments. Despite these sources of funding, it is not probable the Company will be able to obtain additional financing in order to fund operations. Therefore, there is substantial doubt about the Company's ability to continue as a going concern for one year after the date that the condensed consolidated financial statements are issued. The accompanying condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

Coronavirus Outbreak

In March 2020, the World Health Organization declared the recent spread of COVID-19 to be a global pandemic. In response to the crisis, emergency measures have been imposed by governments worldwide, including mandatory social distancing and the shutdown of non-essential businesses. These measures have adversely impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. While it is not currently possible to estimate the duration and severity of the COVID-19 pandemic or the adverse economic impact resulting therefrom, our business and operations have been and will likely continue to be materially and adversely affected. For example, our contract manufacturer for the STREAMWAY® System has been forced to change locations, thereby delaying our order fulfillment for parts. We have also reduced on-site staff at several of our facilities, resulting in delayed production, less efficiency, and our sales staff is unable to visit with hospital administrators who are our customers and potential customers. In addition, COVID-19 has impacted the Company's capital and financial resources, including our overall liquidity position and outlook. For instance, our accounts receivable has slowed while our suppliers continue to ask for pre-delivery deposits. Although we have received a Paycheck Protection Loan pursuant to the CARES Act which has helped fund some payroll costs, we may not be able to access necessary additional capital given the current condition of the financial markets. Further, there is no assurance that we will be able to obtain forgiveness of this loan. Thus, if COVID-19 continues to spread or the response to contain the virus is unsuccessful, we may continue to experience a material adverse effect on our business, financial condition, results of operations, cash flows and stock price.

Interim Financial Statements

The Company has prepared the condensed consolidated financial statements and related unaudited financial information in the footnotes in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC") for interim condensed consolidated financial statements. These interim condensed consolidated financial statements reflect all adjustments consisting of normal recurring accruals, which in the opinion of management, are necessary to present fairly the Company's position, the results of its operations, and its cash flows for the interim periods. These interim condensed consolidated financial statements reflect all intercompany eliminations. These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements and the notes thereto contained in the Annual Report on Form 10-K filed with the SEC on April 1, 2020. The nature of the Company's business is such that the results of any interim period may not be indicative of the results to be expected for the entire year.

Accounting Policies and Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements during the reporting period. Actual results could materially differ from those estimates.

Fair Value Measurements

As outlined in ASC – 820, *Fair Value Measurement*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standard ASC 820 establishes a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

Level 1 – Observable inputs such as quoted prices in active markets;

Level 2 – Inputs other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

The Company uses observable market data, when available, in making fair value measurements. Fair value measurements are classified according to the lowest level input that is significant to the valuation.

The fair value of the Company's investment securities, which consist of cash and cash equivalents, was determined based on Level 1 inputs. The fair values of the Company's derivative liabilities were determined based on Level 3 inputs. See *Note 8 – Derivatives*. The fair values of the Company's notes payable were determined based on Level 2 inputs. See *Note 6 – Notes Payable*.

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation of fixed assets is computed using the straight-line method over the estimated useful lives of the respective assets. Estimated useful asset life by classification is as follows:

	Years
Computers, software and office equipment	3 - 10
Leasehold improvements (1)	5
Manufacturing tooling	3 - 7
Laboratory equipment	4 - 6
Demo equipment	3

(1) Leasehold improvements are depreciated over the shorter of the useful life or the remaining lease term.

Upon retirement or sale of fixed assets, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is reflected in operations. Maintenance and repairs are charged to operations expense as incurred.

Long-lived Assets

Finite-lived intangible assets consist of patents and trademarks, licensing fees, developed technology, and customer relationships, and are amortized over their estimated useful life. Accumulated amortization is included in intangibles, net in the accompanying consolidated balance sheets.

The Company reviews finite-lived identifiable intangible assets for impairment in accordance with ASC 360 — *Property, Plant and Equipment*, whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Events or changes in circumstances that indicate the carrying amount may not be recoverable include, but are not limited to, a significant change in the medical device marketplace and a significant adverse change in the business climate in which the Company operates.

The tradename was an indefinite-lived intangible asset and was not amortized during third quarter of 2020. The Company reviews its other intangible assets in accordance with ASC 350—*Intangibles—Goodwill and Other*. Under this topic, intangible assets determined to have an indefinite useful life are not amortized but are tested for impairment annually or more often if an event or circumstances indicate that an impairment loss has been incurred. Our impairment testing as of December 31, 2019 resulted in $770,250 of impairment charges to our intangible assets.

Given the decrease in the Company's market capitalization from June 30, 2020, the Company determined that potential impairment indicators were present and that an impairment assessment was warranted for long-lived assets. In evaluating tradename, estimated fair values were determined using discounted cash flows and implied royalty rates. Based on the results of the tradename assessments, the Company concluded that the fair values of the tradename exceeded the carrying values. The Company concluded there was no impairment of its intangible assets as of September 30, 2020.

As a part of the Company’s review of the tradename intangible asset associated with its Helomics operating segment, the Company has determined the asset is a finite lived asset. The useful life of the tradename has a useful life of eighteen and one—half years beginning September 30, 2020.

In evaluating other long-lived assets, the Company prepared the undiscounted cash flows per ASC 360. The Company concluded that the undiscounted cash flows of the long-lived assets exceeded the carrying values. The Company concluded there was no impairment of its finite lived assets as of September 30, 2020.

Goodwill

In accordance with ASC 350 – *Intangibles – Goodwill and Other*, goodwill is calculated as the difference between the acquisition date fair value of the consideration transferred and the fair value of net assets acquired. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination. Goodwill is an indefinite-lived asset and is not amortized. Goodwill is tested for impairment annually at the reporting unit level or whenever events or circumstances present an indication of impairment.

To determine whether goodwill is impaired, annually or more frequently if needed, the Company performs a multi-step impairment test. The Company first has the option to assess qualitative factors to determine if it is more likely than not that the carrying value of a reporting unit exceeds its estimated fair value. The Company may also elect to skip the qualitative testing and proceed directly to the quantitative testing. When performing quantitative testing, the Company first estimates the fair values of its reporting units using discounted cash flows. To determine fair values, the Company is required to make assumptions about a wide variety of internal and external factors. Significant assumptions used in the impairment analysis include financial projections of free cash flow (including significant assumptions about operations including the rate of future revenue growth, capital requirements, and income taxes), long-term growth rates for determining terminal value and discount rates. Comparative market multiples are used to corroborate the results of the discounted cash flow test. These assumptions require significant judgement. If the fair value is less than the carrying value of the reporting unit, then the implied value of goodwill would be calculated and compared to the carrying amount of goodwill to determine whether goodwill is impaired.

Our annual impairment test as of December 31, 2019 resulted in $8,100,000 of impairment charges related to our goodwill.

During the third quarter of 2020, the Company’s share price experienced a sustained reduction in trading values. This was also reflective of broader difficulties in the general economic conditions due to the COVID pandemic. Based on our examination of these and other qualitative factors at September 30, 2020, the Company concluded that that potential impairment indicators were present and that an impairment assessment was warranted for goodwill.

In testing goodwill for impairment as of September 30, 2020, the Company performed a quantitative impairment test, including computing the fair value of the Helomics reporting unit and comparing that value to its carrying value. Based upon the Company’s quantitative goodwill impairment test, the Company concluded that goodwill was impaired as of the testing date of September 30, 2020. Pursuant to ASU 2017-04 – *Simplifying the Test for Goodwill Impairment*, the single step is to determine the estimated fair value of the reporting unit and compare it to the carrying value of the reporting unit, including goodwill. To the extent the carrying amount of goodwill exceeds the implied goodwill, the difference is the amount of the goodwill impairment. The Company also completed a reconciliation between the implied equity valuation prepared and the Company’s market capitalization.

The quantitative review as of September 30, 2020 resulted in $2,997,000 of impairment expense related to goodwill. As of September 30, 2020, the cumulative impairment recorded was $11,097,000.

Goodwill balance at December 31, 2019	$	15,690,290
Impairment		(2,997,000)
Goodwill balance at September 30, 2020	$	12,693,290

When evaluating the fair value of Helomics reporting unit the Company used a discounted cash flow model and market comparisons. Key assumptions used to determine the estimated fair value included: (a) expected cash flow for the 20-year period following the testing date (including net revenues, costs of revenues, and operating expenses as well as estimated working capital needs and capital expenditures); (b) an estimated terminal value using a terminal year growth rate of 3.0% determined based on the growth prospects of the reporting unit; and (c) a discount rate of 25% based on management’s best estimate of the after-tax weighted average cost of capital. The discount rate included a Company specific risk premium of 10% for risks related to the term of the forecasts.

The majority of the inputs used in the discounted cash flow model are unobservable and thus are considered to be Level 3 inputs. The inputs for the market capitalization calculation are considered Level 1 inputs.

The Company will continue to monitor its reporting units to determine whether events and circumstances warrant further interim impairment testing. Impairment of goodwill is not expected to be deductible for tax purposes. The Company can make no assurances that its goodwill will not be impaired in the future.

Revenue Recognition

The Company recognizes revenue when it satisfies a performance obligation by transferring control of the promised goods or services to its customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Sales taxes are imposed on the Company's sales to nonexempt customers. The Company collects the taxes from the customers and remits the entire amounts to the governmental authorities. The Company has elected an accounting policy to exclude sales taxes from revenue and expenses and to recognize shipping and handling costs at point of sale. The Company has elected a practical expedient and does not recognize financing components for contracts with customers containing customary terms for one year or less.

Revenue from Product Sales

The Company has medical device revenue consisting primarily of sales of the STREAMWAY System, as well as sales of the proprietary cleaning fluid and filters for use with the STREAMWAY System. This revenue stream is reported within both the domestic and international revenue segments. The Company sells its medical device products directly to hospitals and other medical facilities using employed sales representatives and independent contractors. Purchase orders, which are governed by sales agreements in all cases, state the final terms for unit price, quantity, shipping and payment terms. The unit price is considered the observable stand-alone selling price for the arrangements. The Company Sales Agreement, and Terms and Conditions, is a dually executed contract providing explicit criteria supporting the sale of the STREAMWAY System. The Company considers the combination of a purchase order and acceptance of its Terms and Conditions to be a customer's contract in all cases.

Product sales for medical devices consist of a single performance obligation that the Company satisfies at a point in time. The Company recognizes product revenue when the following events have occurred: (1) the Company has transferred physical possession of the products, (2) the Company has a present right to payment, (3) the customer has legal title to the products, and (4) the customer bears significant risks and rewards of ownership of the products. Based on the shipping terms specified in the sales agreements and purchase orders, these criteria are generally met when the products are shipped from the Company's facilities ("FOB origin," which is the Company's standard shipping terms). As a result, the Company determined that the customer is able to direct the use of, and obtain substantially all of the benefits from, the products at the time the products are shipped. The Company may, at its discretion, negotiate different shipping terms with customers which may affect the timing of revenue recognition. The Company's standard payment terms for its customers are generally 30 to 60 days after the Company transfers control of the product to its customer. The Company allows returns of defective disposable merchandise if the customer requests a return merchandise authorization from the Company.

Customers may also purchase a maintenance plan for the medical devices from the Company, which requires the Company to service the STREAMWAY System for a period of one year subsequent to the one-year anniversary date of the original STREAMWAY System invoice. The maintenance plan is considered a separate performance obligation from the product sale, is charged separately from the product sale, and is recognized over time (ratably over the relevant one-year period) as maintenance services are available. A time-elapsed output method is used to measure progress because the Company transfers control evenly by providing a stand-ready service. The Company has determined that this method provides a faithful depiction of the transfer of services to its customers.

All amounts billed to a customer in a sales transaction for medical devices related to shipping and handling, if any, represent revenues earned for the goods provided, and these amounts have been included in revenue. Costs related to such shipping and handling billing are classified as cost of goods sold. This revenue stream is reported under the domestic and international sales segments.

Variable Consideration

The Company records revenue from distributors and direct end customers in an amount that reflects the transaction price it expects to be entitled to after transferring control of those goods or services. The Company's current product sales contracts do not contain any features that create variability in the amount or timing of revenue to be earned.

Warranty

The Company generally provides one-year warranties against defects in materials and workmanship on product sales and will either repair the products or provide replacements at no charge to customers. As they are considered assurance-type warranties, the Company does not account for them as separate performance obligations. Warranty reserve requirements are based on a specific assessment of the products sold with warranties where a customer asserts a claim for warranty or a product defect.

Revenue from Clinical Testing

The Precision Oncology Insights are clinic diagnostic testing comprised of the Company's ChemoFx and BioSpeciFx tests. The ChemoFx test determines how a patient's tumor specimen reacts to a panel of various chemotherapy drugs, while the BioSpeciFx test evaluates the expression of a particular gene related to a patient's tumor specimen. Revenues are recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The estimated uncollectible amounts are generally considered implicit price concessions that are a reduction in revenue. The Company's performance obligations are satisfied at a point in time when test reports are delivered.

For service revenues, the Company estimates the transaction price which is the amount of consideration it expects to be entitled to receive in exchange for providing services based on its historical collection experience using a portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. The Company monitors its estimates of transaction price to depict conditions that exist at each reporting date. If the Company subsequently determines that it will collect more or less consideration than it originally estimated for a contract with a patient, it will account for the change as an increase or decrease to the estimate of the transaction price, provided that such adjustment does not result in a significant reversal of cumulative revenue recognized.

The Company recognizes revenue from these patients when contracts as defined in ASC 606, *Revenue from Contracts with Customers* are established at the amount of consideration to which it expects to be entitled or when the Company receives substantially all of the consideration subsequent to the performance obligations being satisfied. The Company's standard payment terms for hospital and patient direct bill is 30 days after invoice date. This revenue stream is reported under the Helomics segment.

CRO Revenue

Contract revenues are generally derived from studies conducted with biopharmaceutical and pharmaceutical companies. The specific methodology for revenue recognition is determined on a case-by-case basis according to the facts and circumstances applicable to a given contract. The Company typically uses an input method that recognizes revenue based on the Company's efforts to satisfy the performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation on the basis of the standalone selling price of each distinct good or service in the contract. Advance payments received in excess of revenues recognized are classified as deferred revenue until such time as the revenue recognition criteria have been met. Payment terms are net 30 from the invoice date, which is sent to the customer as the Company satisfies the performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. This revenue stream is reported under the Helomics and Soluble (as defined below) segments

Contract Balances

The Company records a receivable when it has an unconditional right to receive consideration after the performance obligations are satisfied. As of September 30, 2020, and December 31, 2019, accounts receivable totaled $508,265 and $297,055, respectively.

The Company's deferred revenues related primarily to maintenance plans as of September 30, 2020 and December 31, 2019 were $66,123 and $40,384, respectively.

Valuation and accounting for stock options and warrants

The Company determines the grant date fair value of options and warrants using a Black-Scholes option valuation model based upon assumptions regarding risk-free interest rate, expected dividend rate, volatility and estimated term.

The fair value of each option and warrant grant is estimated on the grant date using the Black-Scholes option valuation model with the following assumptions:

	Nine Months Ended September 30,					
	2020			2019		
	Stock Options					
Expected dividend yield		0.0%			0.0%	
Expected stock price volatility	82.6%	-	87%	78.6%	-	82.4%
Risk-free interest rate	0.13%	-	1.78%	1.5%	-	2.76%
Expected life (years)		10			10	
	Warrants					
Expected dividend yield		0.0%			0.0%	
Expected stock price volatility	82.6%	-	87%	78.6%	-	82.4%
Risk-free interest rate	0.135%	-	0.79%	1.39%	-	2.58%
Expected life (years)	5	/	5.5		5	

Income Taxes

The Company accounts for income taxes in accordance with ASC 740 - *Income Taxes* (“ASC 740”). Under ASC 740, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and net operating loss and credit carry forwards using enacted tax rates in effect for the year in which the differences are expected to impact taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

There is no income tax provision in the accompanying condensed consolidated statements of net loss due to the cumulative operating losses that indicate a 100% valuation allowance for the deferred tax assets and state income taxes is appropriate.

The Company reviews income tax positions expected to be taken in income tax returns to determine if there are any income tax uncertainties. The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on technical merits of the positions. The Company would recognize interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying consolidated statement of operations, and any accrued interest and penalties would be included on the related tax liability line in the consolidated balance sheet. The Company has identified no income tax uncertainties.

During 2020 and 2019, the Company believes it experienced an ownership change as defined in Section 382 of the Internal Revenue Code which will limit the ability to utilize the Company’s net operating losses (NOLs). The Company may have experienced additional ownership changes in earlier years further limiting the NOL carry-forwards that may be utilized. The Company has not yet completed a formal Section 382 analysis. The general limitation rules allow the Company to utilize its NOLs subject to an annual limitation that is determined by multiplying the federal long-term tax-exempt rate by the Company’s value immediately before the ownership change

Tax years subsequent to 2017 remain open to examination by federal and state tax authorities.

Offering Costs

Costs incurred which are direct and incremental to an offering of the Company’s securities are deferred and charged against the proceeds of the offering, unless such costs are deemed to be insignificant in which case they are expensed as incurred.

Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash. The Company places its cash with high credit quality financial institutions and, by policy, generally limits the amount of credit exposure to any one financial institution. The Company has a credit risk of $1,781,714 for cash amounts held in a single institution that are in excess of amounts issued by the Federal Deposit Insurance Corporation.

Risks and Uncertainties

The Company is subject to risks common to companies in the medical device and biopharmaceutical industries, including, but not limited to, development by the Company or its competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, and compliance with regulations of the Food and Drug Administration ("FDA"), Clinical Laboratory Improvement Amendments ("CLIA"), and other governmental agencies.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. The reclassifications had no effect on previously reported results of operations, cash flows or accumulated deficit.

Recent Accounting Pronouncements

The Company considers the applicability and impact of all Accounting Standards Updates ("ASUs") issued by the Financial Accounting Standards Board (the "FASB"). Recently issued ASUs not listed below either were assessed and determined to be not applicable or are currently expected to have no impact on the consolidated financial statements of the Company.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses." This ASU added a new impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses. The CECL model applies to most debt instruments, trade receivables, lease receivables, financial guarantee contracts, and other loan commitments. The CECL model does not have a minimum threshold for recognition of impairment losses and entities will need to measure expected credit losses on assets that have a low risk of loss. As a smaller reporting company pursuant to Rule 12b-2 of the Securities Exchange Act of 1934, as amended, these changes become effective for the Company on January 1, 2023. Management is currently evaluating the potential impact of these changes on the consolidated financial statements of the Company.

Newly formed subsidiaries

The Company formed Extraordinary Vaccine Development Corporation as a wholly owned subsidiary in May 2020.

The Company also formed Soluble Biotech Inc. as a wholly owned subsidiary in May 2020. This subsidiary operates the assets of Soluble Therapeutics and BioDtech the Company acquired in May 2020. See *Note 7 – Stockholders' Equity, Stock options and Warrants - Acquisition from Soluble Therapeutics and BioDtech.*

Recent Developments

On July 8, 2020, Andrew P. Reding resigned from the Board of Directors of the Company, effective immediately. Effective July 9, 2020, the Board elected Chuck Nuzum, Nancy Chung-Welch, Ph.D., and Gregory S. St.Clair to the Board. They were chosen to fill the vacancies created by the resignations of Pam Prior, Gerald J. Vardzel, Jr. and Andrew P. Reding, respectively. Mr. Nuzum was also chosen to chair the Board's Audit Committee. As a Class I director, his term will expire at the 2022 annual meeting of the Company's stockholders, while Dr. Chung-Welch's and Mr. St. Clair's terms will expire at the 2020 annual meeting of the Company's stockholders (as with the other Class II directors). On April 2, 2020, J. Melville Engle was elected Chairman of the Board of Directors.

The Company has evaluated all of its activities and concluded that no other subsequent events have occurred that would require recognition in the condensed consolidated financial statements or disclosure in the notes to the condensed consolidated financial statements, except as described above and in Note 13 – Subsequent Events.

NOTE 2 – NOTES RECEIVABLE

The Company had a secured promissory note receivable from CytoBioscience for $1,112,524 (“2017 Promissory Note”), plus interest paid monthly at the per annum rate of (8%) on the principal amount. Unpaid principal and unpaid accrued interest on the note were due and payable on February 28, 2020. In 2019, CytoBioscience and its parent company, InventaBioTech, paid interest in the first quarter due through April 2019. The Company had not received any payments from CytoBioscience since the first quarter of 2019. The Company had evaluated the feasibility of repayment and concluded that it was probable that the Company would be unable to collect all amounts due according to the contractual terms of the receivable. During 2019, the Company recorded a loss on this note for the uncollected balance.

On May 27, 2020, the Company entered into an Asset Purchase Agreement with InventaBioTech, Inc. (“InventaBioTech”) and two of its subsidiaries, Soluble Therapeutics, Inc. (“Soluble”), and BioDtech, Inc. (“BioDtech”), and simultaneously completed the acquisition of substantially all of Soluble’s and BioDtech’s assets. In exchange, the Company issued 125,000 shares of common stock and waived all existing claims that the Company has or may have against InventaBioTech (f/k/a CytoBioscience, Inc.). Prior to the completion of the transaction, InventaBioTech owed the Company approximately $1,290,000 under the 2017 Promissory Note, which was secured by certain intellectual property and equipment useful in CRO. In connection with the asset purchase agreement, the Company recognized a gain on the note previously determined to be uncollectable of $1,290,000 and recognized fixed assets of $1,492,500.

NOTE 3 – INVENTORIES

Inventory balances are as follows:

	As of September 30, 2020	As of December 31, 2019
Finished goods	$ 118,059	$ 91,410
Raw materials	87,849	69,821
Work-In-Process	-	28,925
Total	$ 205,908	$ 190,156

NOTE 4 – FIXED ASSETS

The Company’s fixed assets consist of the following:

	As of September 30, 2020	As of December 31, 2019
Computers, software and office equipment	$ 1,862,669	$ 508,143
Leasehold improvements	216,514	188,014
Laboratory equipment	2,612,403	1,401,210
Manufacturing tooling	108,955	108,956
Demo equipment	69,606	73,051
Total	4,870,146	2,279,373
Less: Accumulated depreciation	1,114,682	771,574
Total Fixed Assets, Net	$ 3,755,464	$ 1,507,799

Depreciation expense was $485,648 and $284,150 during the nine months ended September 30, 2020 and 2019, respectively and $236,599 and $130,848 during the three months ended September 30, 2020 and 2019, respectively.

Acquisition of Quantitative Medicine

On July 1, 2020, the Company entered into an Asset Purchase Agreement with Quantitative Medicine LLC ("QM), a Delaware limited liability company and its owners and simultaneously completed the acquisition of substantially all of QM's assets. See *Note 7 — Stockholders' Equity, Stock Options and Warrants* for additional information.

NOTE 5 – INTANGIBLE ASSETS

The components of intangible assets were as follows:

	As of September 30, 2020			As of December 31, 2019		
	Gross Carrying Costs	Accumulated Amortization	Net Carrying Amount	Gross Carrying Costs	Accumulated Amortization	Net Carrying Amount
Patents & Trademarks	$ 384,885	$ (206,908)	$ 177,977	$ 339,023	$ (195,286)	$ 143,737
Developed Technology	2,882,000	(216,150)	2,665,850	2,882,000	(108,075)	2,773,925
Customer Relationships	445,000	(222,500)	222,500	445,000	(111,250)	333,750
Tradename	398,000	-	398,000	398,000	-	398,000
Total	$ 4,109,885	$ (645,558)	$ 3,464,327	$ 4,064,023	$ (414,611)	$ 3,649,412

Amortization expense was $230,947 and $199,481 during the nine months ended September 30, 2020 and 2019, respectively and $77,258 and $93,421 during the three months ended September 30, 2020 and 2019, respectively.

The following table outlines the estimated future amortization expense related to intangible assets held as of September 30, 2020:

Year ending December 31,	Expense
2020	$ 82,429
2021	329,715
2022	218,465
2023	181,381
2024	181,381
Thereafter	2,470,956
Total	$ 3,464,327

NOTE 6 – NOTES PAYABLE

The balances of notes payable were as follows:

	Due Date	As of September 30, 2020	As of December 31, 2019
Bridge loan	March 31, 2021	$ 1,721,776	$ 1,989,104
Promissory note 2019	March 31, 2021	2,015,833	680,833
Promissory note 2020	March 31, 2021	1,967,500	-
Paycheck Protection Plan	April 20, 2022	541,867	
Short term borrowing	May 26, 2020	-	18,563
Short term borrowing	June 10, 2020	-	147,783
Short term borrowing	June 20, 2020	-	194,943
Dr. Schwartz notes	September 30, 2020	-	2,115,000
Total Notes Payable, gross		6,246,976	5,146,226
Less: Unamortized discount		495,100	350,426
Total Notes Payable, net		$ 5,751,876	$ 4,795,800

The fair value of the Company's notes payable was $4,476,245 as of September 30, 2020 based on Level 2 inputs.

Bridge Loan

In September 2018, the Company issued convertible secured promissory notes to two private investors in the original principal amount of an aggregate $2,297,727 (the "bridge loan") in exchange for cash proceeds of $2,000,000. As additional consideration for the loan, the Company issued an aggregate 65,000 shares of its common stock as inducement shares plus warrants to acquire up to an aggregate 107,178 shares of common stock at an exercise price of $11.55 per share. Pursuant to a security agreement between the Company and the investors, the Company granted to the investors a security interest in its assets to secure repayment of the note. The bridge loan accrues interest at a rate of 8% per annum. In February 2019, the Company entered into a forbearance agreement with the bridge loan investors pursuant to which, among other things, the investors agreed to forbear on their rights to accelerate the bridge loan based on an event of default and a claimed event of default. In connection with such forbearance, an additional $344,659 in principal and an additional 16,667 common shares were issued to the investors. In September 2019, the bridge loan of one investor was paid in full. On March 19, 2020, the Company and the remaining investor agreed to extend the note maturity to June 28, 2020. The Company and the remaining investor further agreed to extend the due date to July 15, 2020 and then in July 2020 agreed to extend to September 30, 2020. Effective September 30, 2020, the remaining investor and the Company agreed to extend to March 31, 2021.

No payment penalties were paid in relation to payments on the bridge loan during the three and nine months ended September 30, 2020 and $517,247 in payment penalties were accrued but not paid as of September 30, 2020. The outstanding principal balance of the bridge loan as of September 30, 2020 was $1,721,776, with an unamortized discount of $0.

Each investor received the right to convert all or any part of its bridge loan into shares of the Company's common stock at a conversion factor that is the lesser of a discounted 20-day average price or a set price floor. The number of conversion shares that may be issued is subject to an exchange cap such that the sum of (1) the total number of conversion shares plus (2) the number of inducement shares is limited to an aggregate 267,833 shares. As of September 30, 2020, the maximum number of conversion shares have been issued, no additional shares are available to be issued related to this conversion option. During the nine months ended September 30, 2020 and 2019, the remaining investor converted $267,328 and $100,000 of the principal balance, respectively and received 170,000 and 26,573 shares of the Company's common stock, respectively.

Dr. Schwartz Notes

In November 2018, Dr. Schwartz made a loan to the Company with a principal balance of $370,000. As of December 31, 2018, one promissory note was held with a principal balance of $370,000 and an unamortized discount of $63,028. From November 30, 2018 through July 15, 2019, Dr. Schwartz made numerous loans to the Company in the total amount of $1,920,000 under two promissory notes. As consideration for these amounts, Dr. Schwartz received promissory notes and warrants to purchase 22,129 shares of the Company's common stock at $8.36 per share. Further, beginning on February 1, 2019 and the first day of each calendar month thereafter while the note remained outstanding, a number of additional warrants were issued. Beginning in October 2019, the Company and Dr Schwartz began to renegotiate the note. Due to the negotiations, the Company did not issue any additional warrants because they would be cancelled under the new deal.

During January 2020, the Company entered into an exchange agreement with Dr. Schwartz. Under the exchange agreement, the two outstanding notes were cancelled and in exchange a new promissory note in the amount of $2,115,000 bearing 12% interest per annum and maturing on September 30, 2020 was issued. In addition to the promissory note, Dr. Schwartz received 50,000 shares of the Company's common stock. All warrants issued under the prior promissory notes were cancelled under the exchange agreement; no rights and obligations remain under the cancelled notes. The Company determined that the exchange agreement had, in substance, occurred at December 31, 2019.

Effective as of April 21, 2020, the Company and Carl Schwartz, entered into an exchange agreement relating to a promissory note of the Company dated January 31, 2020 issued by the Company in the principal amount of $2,115,000. The note bore twelve percent (12%) interest per annum and had a maturity date of September 30, 2020. The accrued interest on the note through April 21, 2020 was $77,878, resulting in a total balance of $2,192,878 in principal and accrued interest on the Note as of such date. Dr. Schwartz and the Company agreed to exchange the note for newly issued shares of common stock of the Company at market value. Pursuant to the exchange agreement, Dr. Schwartz was issued 1,533,481 shares of newly issued common stock at an exchange rate of $1.43 per share, equal to the closing price of the common stock on April 21, 2020. Dr. Schwartz agreed (1) not to sell or otherwise transfer 766,740 shares for three months after the date of the exchange agreement, and (2) not to sell or otherwise transfer the remaining 766,741 shares for six months after the date of the exchange agreement.

Promissory Note 2019

During September 2019, the Company issued a promissory note with a principal amount of $847,500 in exchange for cash proceeds of $700,000. Pursuant to a security agreement between the Company and the investor, the Company has granted to the investor a security interest in its assets to secure repayment of the note. As additional consideration for the loan, the Company issued an aggregate 8,857 shares of its common stock to the investor plus warrants to acquire up to 68,237 shares of the Company's common stock at an exercise price of $6.21 per share. The warrants are exercisable beginning on the sixth month anniversary of the effective date through the fifth-year anniversary thereof. The note accrues interest at a rate of 8% per annum.

On March 19, 2020, the Company entered into an agreement to extend the due date of its Promissory Note 2019 from March 27, 2020 and March 31, 2020 to June 27, 2020. The Company increased the principal amount due on the note by $300,000 and issued 30,000 shares of its common stock as consideration for the extension. The change in value resulting from the extension exceeded 10% and as a result the extension was accounted for as an extinguishment under ASC 470, *Debt*. During the first quarter of 2020, the Company incurred a $300,000 loss on debt extinguishment related to the extension of the note.

The Company and the investor further agreed to extend the due date of the note to July 15, 2020 and then agreed to extend to September 30, 2020. The change in value resulting from the extension to September 30, 2020 exceeded 10% and as a result the extension was accounted for as an extinguishment under ASC 470, Debt. During the third quarter of 2020, the Company incurred a $345,000 loss on debt extinguishment related to the extension of the note to September 30, 2020.

Effective September 30, 2020, the investor and the Company agreed to further extend the maturity date of the note to March 31,2021. The change in value resulting from the extension to March 31, 2021 exceeded 10% and as a result the extension was accounted for as an extinguishment under ASC 470, Debt. During the third quarter of 2020, the Company incurred a $690,000 loss on debt extinguishment related to the extension of the note to March 31, 2021. Further, the parties agreed that the note shall be convertible into shares of the Company's common stock, par at a price equal to the lesser of (i) $1.00 and (ii) 70% of the lowest VWAP (as defined in the note) of the Company's common stock during the twenty (20) Trading Day (as defined) period ending on either (i) the last complete Trading Day prior to the conversion date or (ii) the conversion date, as determined by the holder in its sole discretion upon such conversion (subject to adjustment).

No payment penalties were paid in relation to payments on this promissory note during the three and nine months ended September 30, 2020 and $279,903 in payment penalties were accrued but not paid as of September 30, 2020. As of September 30, 2020, the remaining balance on the promissory note was $2,015,833 with $495,100 unamortized discount.

Promissory Note 2020

On February 5, 2020, the Company issued a promissory note with a principal amount of $1,450,000 in exchange for cash proceeds of $1,200,000. Distributions of proceeds under the note were to be made in three tranches. Net proceeds of $400,000 were received for the first, second, and third tranches on February 5, 2020, March 5, 2020, and April 5, 2020, respectively. Pursuant to a security agreement between the Company and the investor, the Company has granted to the investor a security interest in its assets to secure repayment of the note. The note accrues interest at a rate of 8% per annum. Subject to certain limitations, the outstanding principal amount of the note and interest thereon were convertible at the election of the investor into shares of the Company's common stock at a conversion price equal to $2.589. The conversion price was amended effective September 30, 2020 to a variable price equal to 70% of the lowest VWAP (as defined in the note) of Company's common stock during the twenty (20) Trading Day (as defined in the note) period ending on either (i) the last complete Trading Day prior to the conversion date or (ii) the conversion date, as determined by the holder in its sole discretion upon such conversion (subject to adjustment). No payment penalties were paid in relation to payments on this promissory note during the three and nine months ended September 30, 2020 and $338,337 in payment penalties were accrued but not paid as of September 30, 2020. As of September 30, 2020, the outstanding balance on the promissory note was $1,967,500 with no remaining unamortized discount. The note contains a conversion feature and a put which were determined to be derivatives and are discussed further below.

Effective July 15, 2020, the Company and the investor agreed to amend the maturity date of the note to September 30, 2020. The change in value resulting from the amendment to maturity to September 30, 2020 exceeded 10% and as a result the amendment was accounted for as an extinguishment under ASC 470, Debt. During the third quarter of 2020, the Company incurred a $172,500 loss on debt extinguishment related to the amendment of the note to September 30, 2020.

Effective September 30, 2020, the investor and the Company agreed to further extend the maturity date of the note to March 31,2021. The change in value resulting from the extension to March 31, 2021 exceeded 10% and as a result the extension was accounted for as an extinguishment under ASC 470, Debt. During the third quarter of 2020, the Company incurred a $345,000 loss on debt extinguishment related to the extension of the note to March 31, 2021.

As additional consideration, the Company issued to the investor warrants to purchase 94,631, 92,700 and 92,700 shares of the Company's common stock at the closing of the first, second and third tranches, respectively. The warrants are exercisable beginning on the sixth month anniversary of the issuance date at an exercise price equal $2.992 per share. The Company also issued 46,875 shares of its common stock to the investor at the closing of the first tranche.

Short Term Borrowings

The Company entered into short-term borrowings with an investor. The maturity date of the notes is six months after the dates of issuance with interest rates of 8% payable at maturity. Repayment of such notes is subject to a premium. During the three and nine months ended September 30, 2020, the Company issued short term notes for a total of $1,098,684 for cash proceeds of $1,020,000 and repaid $1,459,973 of principal using a portion of proceeds from the equity financing facility. Payment penalties of $247,327 were paid in relation to payments on these short-term borrowings during the nine months ended September 30, 2020. There were no amounts outstanding under the short-term borrowings as of September 30, 2020.

April 2020 Paycheck Protection Program

On April 20, 2020, the Company entered into a promissory note with Park State Bank, which provides for an unsecured loan of $541,867 pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security Act and applicable regulations (the "CARES Act"). The promissory note has a term of 2 years with a 1% per annum interest rate. Payments are deferred for 6 months from the date of the promissory note and the Company can apply for forgiveness of all or a portion of the promissory note after 60 days for covered use of funds.

Pursuant to the terms of the PPP, the promissory note, or a portion thereof, may be forgiven if proceeds are used for qualifying expenses as described in the CARES Act, such as payroll costs, costs used to continue group health care benefits, mortgage interest payments, rent and utilities. The Company has used all proceeds for qualifying expenses. The Company has requested forgiveness; however, there is no assurance that we will be able to obtain forgiveness of this loan. The terms of the promissory note, including eligibility and forgiveness, may be subject to further requirements in regulations and guidance adopted by the Small Business Administration.

NOTE 7 – STOCKHOLDERS' EQUITY, STOCK OPTIONS AND WARRANTS

Series D Preferred Stock

In April 2019, the Company issued 3,500,000 shares of Series D preferred stock to Helomics as part of its acquisition of Helomics. Each share of Series D preferred stock is subject to automatic conversion, whereby each such share converts automatically on a 10:1 basis into a share of the Company's common stock upon the earlier of (1) the consummation of any fundamental transaction (e.g., a consolidation or merger, the sale or lease of all or substantially all of the assets of Predictive or the purchase, tender or exchange offer of more than 50% of the outstanding shares of voting stock of Predictive,) or (2) the one-year anniversary of the issuance date. On April 4, 2020, 3,500,000 shares of Series D convertible preferred stock were converted into 350,004 shares of common stock.

Series E Convertible Preferred Stock

In June through September 2019, the Company entered into a private placement securities purchase agreement with investors for shares of Series E convertible preferred stock. The Company issued 258 preferred shares. Each preferred shareholder had the right to convert each Series E convertible preferred share into 0.056857% of the issued and outstanding shares of common stock immediately prior to conversion for each share of Series E convertible stock, beginning six months after the initial close date of June 13, 2019. On the date that is 12 months after the initial closing date, the Company has the option to convert the preferred shares into common stock upon the same terms and limitations as the above optional conversion. The preferred shares included a contingent beneficial conversion amount of $289,935, representing the intrinsic value of the shares at the time of issuance. The Company determined the Series E convertible preferred stock should be classified as permanent equity and the beneficial conversion feature amount was accreted through the earliest redemption date of December 13, 2019.

In May 2020, we notified the holders of our Series E Convertible Preferred Stock of our election to convert the outstanding shares of Series E Stock into common stock effective on June 13, 2020 pursuant to the terms of the Series E Stock. Prior to the conversion, there were 207.7 shares of Series E Stock outstanding. Each share of Series E Stock converted into 0.056857% of the issued and outstanding shares of common stock immediately prior to conversion; therefore, the 207.7 outstanding shares of Series E Stock on June 13, 2020 converted into 1,257,416 shares of common stock equal to 11.8% of the outstanding shares of common stock as of June 12, 2020.

Equity Line

On October 24, 2019, the Company entered into an equity purchase agreement with an investor, providing for an equity financing facility. Upon the terms and subject to the conditions in the purchase agreement, the investor is committed to purchase shares having an aggregate value of up to $15,000,000 of the Company's common stock for a period of up to three years. The Company issued to the investor 104,651 commitment shares at a fair market value of $450,000 for entering into the agreement. From time to time during the three-year commitment period, provided that the closing conditions are satisfied, the Company may provide the investor with put notices to purchase a specified number of shares subject to certain limitations and conditions and at specified prices, which generally represent discounts to the market price of the common stock. During the nine months ended September 30, 2020, the Company issued 3,250,000 shares of common stock valued at $4,229,702 pursuant to the equity line. As of September 30, 2020, there was $10,451,105 remaining available balance under the equity line, subject to market conditions including trading volume and stock price, and subject to other limitations.

March 2020 Private Placement

On March 18, 2020, we sold and issued to private investors (i) 260,000 shares of common stock, at a sale price of $2.121 per share; (ii) prefunded warrants to acquire 1,390,166 shares of common stock, sold at $2.12 per share and exercisable at an exercise price of $0.001 per share; (iii) Series A warrants to acquire 1,650,166 shares of Common Stock at $1.88 per share, exercisable immediately and terminating five and one-half years after the date of issuance; and (iv) Series B warrants to acquire 1,650,166 shares of Common Stock at $1.88 per share, exercisable immediately and terminating two years after the date of issuance. See below for amendment dated September 23, 2020.

In addition, and in lieu of common shares, the investors also purchased prefunded warrants to purchase 1,390,166 shares of common stock at a purchase price of $2.12 per prefunded warrant, which represents the per share offering price, minus the $0.0001 per share exercise price of each such prefunded warrant. As a result of the prefunded warrants exercise price being of a nominal amount, these warrants were included as outstanding shares within our earnings per share calculation during the period from purchase through to exercise during the second quarter 2020.

The sale of the offering shares, prefunded warrants and A and B warrants resulted in gross proceeds of $3,498,612 and net proceeds of $3,127,818 after deducting the placement agent fees and estimated offering expenses payable by the Company. The Company agreed to use the net proceeds from the offering for general corporate purposes. The offering closed on March 18, 2020, subject to the satisfaction of customary closing conditions. See *Note 8 — Derivatives* for discussion of A, B and agent warrants accounted for as derivative liabilities.

Effective September 23, 2020, the Company amended the terms of A and B warrants. Earlier in September, the Company notified the holders of the warrants that the Company would accept an exercise price therefor of $0.8457, amended from the original exercise price of $1.88 per share. The amendment also modified the settlement provisions of the warrants under certain circumstances; this change resulted in a classification change from derivative liability to equity classification. See *Note 8 — Derivatives* for discussion of A, B and agent warrants accounted for as derivative liabilities prior to September 23, 2020.

Equity Incentive Plan

The Company has an equity incentive plan, which allows issuance of incentive and non-qualified stock options to employees, directors and consultants of the Company, where permitted under the plan. The exercise price for each stock option is determined by the Board of Directors. Vesting requirements are determined by the Board of Directors when granted and currently range from immediate to three years. Options under this plan have terms ranging from three to ten years.

Schwartz Note Exchange

Effective as of April 21, 2020, the Company and Carl Schwartz, entered into an exchange agreement relating to a promissory note of the Company dated January 31, 2020 issued by the Company in the principal amount of $2,115,000. Pursuant to the exchange agreement, Dr. Schwartz was issued 1,533,481 shares of newly issued common stock at an exchange rate of $1.43 per share. *See Note 6 – Notes Payable.*

May 2020 Registered Direct Offering and Concurrent Private Placement of Warrants

During May 2020, the Company entered into a securities purchase agreement with certain accredited investors for a registered direct offering of 1,396,826 shares of common stock, par value $0.01 per share. In a concurrent private placement, the Company also issued such investors warrants to purchase up to an aggregate of 1,396,826 shares of common stock. The shares and the warrants were sold at a combined offering price of $1.575 per share and associated warrant. Each warrant is exercisable immediately upon issuance at an exercise price of $1.45 per share and will expire five and one-half years from the issue date. The sale of the offering shares and associated warrants resulted in gross proceeds of $2,200,001 and net proceeds of $1,930,101 after deducting the placement agent fees and offering expenses payable by the Company. The Company used the net proceeds from the offering to repay certain indebtedness and agreed to use the remaining net proceeds from the offering for general corporate purposes. The offering closed on May 8, 2020.

Acquisition from Soluble Therapeutics and BioDtech

On May 27, 2020, the Company entered into an Asset Purchase Agreement with InventaBioTech, Inc. ("InventaBioTech") and two of its subsidiaries, Soluble Therapeutics, Inc. ("Soluble"), and BioDtech, Inc. ("BioDtech"), and simultaneously completed the acquisition of substantially all of Soluble's and BioDtech's assets. In exchange, the Company issued 125,000 shares of common stock and waived all existing claims that the Company has or may have against InventaBioTech (f/k/a CytoBioscience, Inc.). All of the shares issued in the acquisition were deposited into escrow, with 25,000 to be released upon the six month anniversary of the closing, 25,000 to be released upon the nine month anniversary of the closing, and the remaining shares to be released on the one year anniversary of the closing. Notwithstanding the foregoing, all or some of the escrow shares may be released and returned to the Company for reimbursement in the event that the Company suffers a loss against which InventaBioTech, Soluble, and BioDtech have indemnified the Company pursuant to the Agreement. The Company is also entitled to reclaim 10,000 of the shares if, within six months of the closing, the Company is unable to successfully obtain ownership of all of Soluble's interest under its license agreement with the UAB Research Foundation. As a result of the acquisition, which was treated as an asset acquisition, the Company recognized fixed assets of $1,492,500.

June 2020 Warrant exercise and issuance

During June 2020, the Company entered into an agreement with certain accredited institutional investors to immediately exercise for cash an aggregate of 1,396,826 of the warrants issued in connection with the May 2020 Registered Direct Offering, exercisable immediately at the exercise price of $1.45 per share of common stock plus an additional $0.125 for each new warrant to purchase up to a number of shares of common stock equal to 100% of the number of shares issued pursuant to the exercise of the existing warrants. The new warrants are exercisable immediately and have a term of five and one-half years and an exercise price per share equal to $1.80. The Company received $2,130,701 in gross proceeds and net proceeds of $1,865,800 after deducting the placement agent fees and offering expenses payable by the Company.

Effective on September 23, 2020, the Company amended the terms of warrants to purchase up to 1,396,826 shares of the Company's common stock, par value $0.01 per share. The amendment modified the settlement provisions of the warrants under certain circumstances; this change resulted in a classification change from derivative liability to equity classification.

Acquisition of Quantitative Medicine

On July 1, 2020, the Company entered into an Asset Purchase Agreement with Quantitative Medicine LLC ("QM"), a Delaware limited liability company and its owners and simultaneously completed the acquisition of substantially all of QM's assets owned by Seller. QM is a biomedical analytics and computational biology company that developed a novel, computational drug discovery platform called CoRE. CoRE is designed to dramatically reduce the time, cost, and financial risk of discovering new therapeutic drugs by predicting the main effects of drugs on target molecules that mediate disease. In exchange for QM's assets, including CoRE, the Company provided consideration in the form of 954,719 shares of common stock, which, when issued, had a fair value of $1,470,267. One half of the shares issued or 477,359 shares were deposited and held in escrow upon issuance, while 207,144 of the remaining shares were issued to Carnegie Mellon University ("CMU") in satisfaction of all pre-closing amounts owed to CMU under a technology licensing agreement that was assumed by the Company on the closing date. Half of the shares held in escrow will be released on the six month anniversary of the closing date, and the other half will be released on the one year anniversary of the closing date; provided, however, that all or some of the escrow shares may be released and returned to the Company for reimbursement in the event that the Company suffers a loss against which the Selling Parties have indemnified the Company pursuant to the Agreement.

Warrants Issued in Connection with Helomics' Acquisition

Effective on September 14, 2020 , the Company amended the terms of warrants to purchase up to 1,424,506 shares of the Company's common stock, par value $0.01 per share, which were issued to certain holders in connection with the Company's merger transaction with Helomics on April 4, 2019. In September 2020, the Company notified the holders of the warrants that the Company will accept an exercise price of $0.845, equal to the last reported per share price of Common Stock on the Nasdaq Capital Market on September 11, 2020, amended from the original exercise price of $10.00 per share (as adjusted for a one-for-ten (1:10) reverse stock split that was effective on October 29, 2019). The value of the amendment was determined based on the increase in the fair value on the date of modification using the Black Scholes method and equaled $554,287. The amendment was accounted for as a deemed dividend and increased the loss attributable to the common shareholders when calculating earnings per share. The Warrants were issued on April 4, 2019 to holders of warrants in Helomics; the Warrants expire on April 4, 2024. *See Note 9 – Loss per Share*.

The following summarizes transactions for stock options and warrants for the periods indicated:

	Stock Options			**Warrants**		
	Number of Shares		**Average Exercise Price**	**Number of Shares**		**Average Exercise Price**
Outstanding at December 31, 2018	366,928	$	17.03	362,664	$	41.67
Issued	423,295		6.53	1,869,299		9.25
Forfeited	(23,799)		13.30	(653)		3,249.28
Exercised	-		-	(59,700)		0.10
Outstanding at December 31, 2019	766,424	$	11.34	2,171,610	$	15.26
Issued	121,689		1.42	7,992,706		1.14
Forfeited	(51,637)		10.03	(119,441)		6.47
Exercised	-		-	(2,786,992)		0.79
Outstanding at September 30, 2020	836,655	$	9.96	7,257,883	$	5.36

Stock-based compensation expense recognized for nine months ended September 30, 2020 and September 30, 2019 was $557,452 and $2,004,366, respectively. Stock-based compensation expense recognized for three months ended September 30, 2020 and September 30, 2019 was $134,675 and $360,146, respectively. The Company has $20,196 of unrecognized compensation expense related to non-vested stock options that are expected to be recognized over the next 18 months.

NOTE 8 - DERIVATIVES

Management concluded the September 2018 bridge loan contains a conversion feature which is an embedded derivative and required bifurcation. The embedded derivative's value was determined using the discounted stock price for the 20-trading days preceding the balance sheet date and the assumption of conversion on that date, as management believed it was probable that the notes would be convertible based on management's expectation that additional financing would be required. During the nine months ended September 30, 2020, the maximum number of conversions was reached. The Company recognized an unrealized gain or (loss) for the corresponding change in fair value of $0 and $315,975 for the three months ended September 30, 2020 and September 30, 2019, respectively and $50,989 and $84,627 for the nine months ended September 30, 2020 and September 30, 2019, respectively. The fair value of the derivative liability related to the bridge loan was zero as of September 30, 2020 and $50,989 as of December 31, 2019.

On May 21, 2019, the Company issued a common stock purchase warrant to Dr. Schwartz for value received in connection with the First Note. Beginning on February 1, 2019 and the first day of each calendar month thereafter while the First Note and associated warrants remained outstanding, a number of additional shares were added to the warrant. The Company accounted for the liability to issue more warrants as a derivative liability as the exact number of warrants to be issued was uncertain at the time of the agreement. The Company issued 5,753 warrants to Dr. Schwartz under the agreement in 2019. The remaining derivative liability of $22,644 was reduced to zero as of December 31, 2019, due to the exchange agreement in January 2020, which eliminated the issuance of any future warrants and voided all previously issued warrants related to these notes.

Management concluded the Promissory Note 2020 contains a conversion feature and a put each of which is an embedded derivative and are required to be bifurcated. In accordance with ASC 815, *Derivatives and Hedging*, the Company combined these two embedded derivatives into a single derivative and determined the fair value to record within the derivative liability on the condensed consolidated balance sheet. At inception, the fair value of the derivative liability was $68,796, $52,125 and $20,542 for the first, second and third tranches, respectively. During the three months ended September 30, 2020, the Company recognized a loss of $403,171 on the change in the fair value of the derivative liability. As of September 30, 2020, the fair value of the derivative liability was $431,917.

Management concluded the A, B and agent warrants issued in connection with the March 2020 Private Placement discussed above are a derivative liability due to certain features of the warrants which could, in certain circumstances, result in the holder receiving the Black Scholes value of the outstanding warrants in the same type of consideration as the common stockholders. As a result, in those circumstances, the amount of consideration would differ from that provided to holders of common stock, therefore, the warrants were classified as a liability. At inception, the A, B and agent warrants had a fair value of $2,669,995. During the three months ended September 30, 2020, the A and B warrants were amended as discussed in *Note 6 - Notes Payable* above. As a result of this amendment, the warrants no longer represented a liability to the Company and were reclassified to equity. Prior to reclassification, a gain on the change in fair value of $855,057 was recorded in the three months ended September 30, 2020. As of September 30, 2020, the fair value of the agent warrants was determined to be $42,140 and the Company recorded a gain on the change in fair value of $67,595 and $60,994 during the three and nine months ended September 30, 2020, respectively.

Management concluded the warrants and agent warrants issued in connection with the May 2020 Offering discussed above are a derivative liability due to certain features of the warrants which could, in certain circumstances, result in the holder receiving the Black Scholes value of the outstanding warrants in the same type of consideration as the common stockholders. As a result, in those circumstances, the amount of consideration would differ from that provided to holders of common stock, therefore, the warrants were classified as a liability. At inception, the warrants and agent warrants had a fair value of $1,324,184. The Company recorded a loss on the change in fair value of the warrants of $460,065 during the nine months ended September 30, 2020. During June 2020, the investors exercised the warrants and exchanged the warrants for shares of common stock as discussed above. As of September 30, 2020, the fair value of the agent warrants was determined to be $42,994 and the Company recorded a loss on the change in fair value of the agent warrants of $65,532 and $39,499 during the three and nine months ended September 30, 2020.

In connection with the June 2020 Warrant exercise and issuance, management concluded the warrants and agent warrants issued in connection with the June 2020 Warrant exercise and issuance, discussed above, are a derivative liability due to certain features of the warrants which could, in certain circumstances, result in the holder receiving the Black Scholes value of the outstanding warrants in the same type of consideration as the common stockholders. As a result, in those circumstances, the amount of consideration would differ from that provided to holders of common stock, therefore, the warrants were classified as a liability. At inception, the warrants and agent warrants had a fair value of $1,749,721. During the three months ended September 30, 2020, the June warrants were amended. As a result of this amendment, the warrants no longer represented a liability to the Company and were reclassified to equity. Prior to reclassification, the Company recorded a gain on the change in fair value of the warrants of $752,198 and $834,520 during the three and nine months ended September 30, 2020. The Company recorded a gain on the change in fair value of the agent warrants of $65,558 and $71,403 during the three and nine months ended September 30, 2020. As of September 30, 2020, the fair value of the agent warrants was $40,343.

On September 30, 2020, the Promissory Note 2019 was amended. Management concluded the Promissory Note 2019 contains a conversion feature which is an embedded derivative and is required to be bifurcated. In accordance with ASC 815, Derivatives and Hedging, the Company determined the fair value to record within the derivative liability on the condensed consolidated balance sheet. At inception, the fair value of the derivative liability was $495,100.

The table below discloses changes in value of the Company's embedded derivative liabilities discussed above.

Derivative liability balance at December 31, 2019	**$**	**50,989**
Derivative instrument recognized for A, B and Agent Warrants		2,669,995
Derivative instrument related to Promissory Note 2020		120,921
Gain recognized to revalue derivative instrument at fair value		(27,107)
Derivative liability balance at March 30, 2020	**$**	**2,814,798**
Derivative instrument recognized for May 2020 Warrants		1,324,184
Derivative instrument recognized for June 2020 Warrants		1,749,721
Derivative instrument related to Promissory Note 2020		20,542
Reclassification of Warrant liabilities to Equity on exercise		(1,701,756)
Loss recognized to revalue derivative instrument at fair value		422,081
Derivative liability balance at June 30, 2020	**$**	**4,629,570**
Gain recognized to revalue derivative instrument at fair value		(1,402,768)
Reclassification of Warrant liabilities to Equity		(2,669,408)
Derivative instrument related to September 30 debt amendments		495,100
Derivative liability balance at September 30, 2020	**$**	**1,052,494**

NOTE 9 - LOSS PER SHARE

The following table presents the shares used in the basic and diluted loss per common share computations:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2020	**2019**	**2020**	**2019**
Numerator:				
Net loss attributable to common shareholders per common share: basic and diluted calculation	$ (6,862,013)	$ (4,134,313)	$ (14,968,708)	$ (5,982,791)
Denominator:				
Weighted average common shares outstanding-basic	15,026,789	3,146,609	9,935,738	2,581,014
Effect of diluted stock options, warrants, and preferred stock (1)	-	-	-	-
Weighted average common shares outstanding - diluted	15,026,789	3,146,609	9,935,738	2,581,014
Loss per common share-basic and diluted	$ (0.46)	$ (1.31)	$ (1.51)	$ (2.32)

(1) The following is a summary of the number of underlying shares outstanding at the end of the respective periods that have been excluded from the diluted calculations because the effect on loss per common share would have been anti-dilutive:

	Nine Months ended September 30,	
	2020	2019
Options	836,655	713,564
Warrants	7,257,883	2,108,277
Convertible debt	3,319,903	103,734
Preferred stock: series B	7,925	7,925
Preferred stock: series D	-	350,000
Preferred stock: series E	-	461,503

Warrants Issued in Connection with Helomics' Acquisition

Effective September 14, 2020 , the Company amended the terms of warrants to purchase up to 1,424,506 shares of the Company's common stock, par value $0.01 per share, which were issued to certain holders in connection with the Company's merger transaction with Helomics on April 4, 2019. Earlier in September, the Company notified the holders of the warrants that the Company would accept an exercise price therefor of $0.845. The transaction was determined to be a deemed dividend and increases the loss attributable to the common shareholders when calculating earnings per share. *See Note 7 – Shareholders' Equity, Stock Options and Warrants.*

NOTE 10 – SEGMENTS

The Company has determined its operating segments in accordance with ASC 280 – *Segment Reporting*. Factors used to determine the Company's reportable segments include the availability of separate financial statements, the existence of locally based leadership across geographic regions, the economic factors affecting each segment, and the evaluation of operating results at the segment level. The Chief Operating Decision Maker ("CODM") allocates the Company's resources for each of the operating segments and evaluates their relative performance. Each operating segment listed below has separate financial statements and locally based leadership that are evaluated based on the results of their respective segments. It should be noted that the operating segments below have different products and services. The financial information is consolidated and evaluated regularly by the CODM in assessing performance and allocating resources.

As a result of the changes during the third quarter of 2020 and the assets acquired at the end of the second quarter of 2020, the Company considered, whether under ASC 280-10-50-3 there was a change in its operating segments. As a result of the formation of the new Soluble subsidiary, the Company believes the Soluble business represents an operating segment. Soluble signed its first contract during the third quarter of 2020, and additional contracts are expected before the year ended December 31, 2020. The Company also believes it is appropriate to combine our Skyline Medical and Skyline Europe entities into a single reportable operating segment based on the changes to our physical presence and intent to sign future contracts through the US entity. Finally, the Company believes the Helomics business continues to be an operating segment.

The Company has three operating segments: Skyline, Helomics and Soluble. See discussion of revenue recognition in Note 1 – Summary of Significant Accounting Policies for a description of the products and services recognized in each segment. The segment revenues and segment net losses for the three and nine months ended September 30, 2020 are included in the table below. All revenues are earned from external customers.

Revenue

	Three Months Ended September 30,		Nine Months Ended, September 30,	
	2020	2019	2020	2019
Skyline	$ 471,054	$ 495,884	$ 924,605	$ 1,011,672
Helomics	9,703	26,812	33,879	52,416
Soluble	-	-	-	-
Corporate	-	-	-	-
Total	$ 480,757	$ 522,696	$ 958,484	$ 1,064,088

Segment Gain (Loss)

	Three Months Ended September 30,		Nine Months Ended, September 30,	
	2020	2019	2020	2019
Skyline	$ (42,275)	$ (931,140)	$ (1,024,786)	$ (2,986,830)
Helomics	(4,138,459)	(1,353,755)	(7,346,236)	(3,017,692)
Soluble	(282,150)	-	(397,887)	-
Corporate	(1,844,842)	(1,723,617)	(5,645,512)	167,930
Total	$ (6,307,726)	$ (4,008,512)	$ (14,414,421)	$ (5,836,592)

Assets

	As of September 30, 2020	As of December 31, 2019
Skyline	$ 1,292,073	$ 969,793
Helomics	20,193,997	21,275,306
Soluble	1,789,598	-
Corporate	1,885,309	130,411
Total	25,160,978	$ 22,375,510

NOTE 11 – LEASES

On May 1, 2020, the Company signed an amendment to its lease for the Helomics' offices located at 91 43rd Street, Pittsburgh, Pennsylvania. The lease was last amended on October 27, 2017. The lease will end February 28, 2021 and as amended, will include two one-year renewal terms which the Company concluded are reasonably certain to be exercised. The Company also entered into a sublease agreement for a portion of the space leased at 91 43rd Street.

On July 28, 2020, the Company entered into a new lease for Soluble Biotech offices located in the Riverhills Business Park in Birmingham, AL. The lease was effective August 15, 2020 and will end August 31, 2025. The lease does not contain any renewal options.

On August 24, 2020, the Company entered into a new lease for the Helomics' offices located at 91 43rd Street, Pittsburgh, Pennsylvania. The lease was effective September 1, 2020 and will end August 31, 2022. The lease does not contain any renewal options.

NOTE 12 – RELATED PARTY TRANSACTIONS

The Audit Committee has the responsibility to review and approve all transactions to which a related party and the Company may be a party prior to their implementation, to assess whether such transactions meet applicable legal requirements.

One of the Company's directors, Richard L. Gabriel, is the Chief Operating Officer and serves as a director of GLG Pharma ("GLG"). The Company and GLG have a partnership agreement for the purpose of bringing together their proprietary technologies to build out personalized medicine platform for the diagnosis and treatment of women's cancer. There has been no revenue or expenses generated by this partnership to date.

Richard L. Gabriel is also contracted as the Chief Operating Officer for TumorGenesis. Through April 1, 2019, Mr. Gabriel received $12,000 per month pursuant to a renewable six-month contract. On May 1, 2019, Mr. Gabriel executed a one-year contract with renewable three-month periods to continue as the Chief Operating Officer for TumorGenesis, receiving $13,500 in monthly cash payments.

Dr. Carl Schwartz, the Company's CEO, made loans to the Company in exchange for promissory notes and common stock. See *Note 6 – Notes Payable* for detailed description of these arrangements.

NOTE 13 – SUBSEQUENT EVENTS

Equity Line Agreement

During the fourth quarter of 2020 through November 16, the Company issued 981,073 shares of its common stock valued at $661,685 pursuant to the equity line.

Promissory Note Conversions

During the fourth quarter of 2020 through November 16, 2020, the investors converted $53,354 of the principal balance and received 100,000 shares of the Company's common stock.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read together with our unaudited condensed consolidated financial statements and related notes thereto set forth in this Quarterly Report on Form 10-Q as well as our Annual Report on Form 10-K for the year ended December 31, 2019.

This Form 10-Q contains "forward-looking statements" that indicate certain risks and uncertainties, many of which are beyond our control. Actual results could differ materially and adversely from those anticipated in such forward-looking statements as a result of certain factors, including those set forth below and elsewhere in this report. Important factors that may cause actual results to differ from projections include:

- We may not be able to continue operating without additional financing;
- Current negative operating cash flows;
- Our capital needs to accomplish our goals, including any further financing, which may be highly dilutive and may include onerous terms;
- Significant debt repayments due in less than one year, which the Company may need to extend or restructure, with no assurance that this will be possible;
- Risks related to recent and future acquisitions, including the possibility of further impairment of goodwill and risks related to the benefits and costs of acquisition;
- Risks related to our partnerships with other companies, including the need to negotiate the definitive agreements; possible failure to realize anticipated benefits of these partnerships; and costs of providing funding to our partner companies, which may never be repaid or provide anticipated returns;
- Risk related to the protection of our intellectual property or any future legal claims relating to intellectual property;
- The impact of competition;
- Acquisition and maintenance of any necessary regulatory clearances applicable to applications of our technology;
- Inability to attract or retain qualified senior management personnel, including sales and marketing personnel;
- Risk that we never become profitable if our product is not accepted by potential customers;
- Possible impact of government regulation and scrutiny;
- Unexpected costs and operating deficits, and lower than expected sales and revenues, if any;
- Adverse results of any legal proceedings;
- The volatility of our operating results and financial condition,
- Management of growth;
- Risk that our business and operations will continue to be materially and adversely affected by the COVID-19 pandemic, which has impacted on a significant supplier; has resulted in delayed production and less efficiency; and has impacted on our sales efforts, accounts receivable, and terms demanded by suppliers; and may impact financing transactions; and
- Other specific risks that may be alluded to in this report.

All statements, other than statements of historical facts, included in this report regarding our growth strategy, future operations, financial position, estimated revenue or losses, projected costs, prospects and plans, and objectives of management are forward-looking statements. When used in this report, the words “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “plan,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. All forward-looking statements speak only as of the date of this report. We do not undertake any obligation to update any forward-looking statements or other information contained herein. Potential investors should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions, and expectations reflected in or suggested by the forward-looking statements in this report are reasonable, we cannot assure potential investors that these plans, intentions or expectations will be achieved. We disclose important factors that could cause actual results to differ materially from expectations in the “Risk Factors” section and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2019 and in item 1A of Part II below. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

Information regarding market and industry statistics contained in this report is included based on information available to us that we believe is accurate. It is generally based on academic and other publications that are not produced for purposes of securities offerings or economic analysis. We have not reviewed or included data from all sources, and we cannot assure potential investors of the accuracy or completeness of the data included in this report. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue, and market acceptance of products and services. We have no obligation to update forward-looking information to reflect actual results or changes in assumptions or other factors that could affect those statements.

Overview

We operate in two primary business areas: first, application of artificial intelligence (“AI”) in our precision medicine business, to provide AI-driven predictive models of tumor drug response to improve clinical outcomes for patients and to assist pharmaceutical, diagnostic, and biotech industries in the development of new personalized drugs and diagnostics; and second, production of the United States Food and Drug Administration (“FDA”)-cleared STREAMWAY® System for automated, direct-to-drain medical fluid disposal and associated products.

We have three operating segments: Skyline, Helomics and Soluble. Skyline consist of the STREAMWAY System product sales. The Helomics segment consists of clinical testing and contract research. Soluble segment consists of contract services and research focused on solubility improvements, stability studies, and protein production. Our TumorGenesis subsidiary is included within corporate. Going forward, we have determined that we will focus our resources on the Helomics segment and our primary mission of applying AI to precision medicine and drug discovery.

Precision Medicine Business

Our precision medicine business, conducted primarily in our Helomics division, is committed to improving the effectiveness of cancer therapy using our proprietary, multi-omic tumor profiling platform, one-of-a-kind database of historical tumor data, and the power of AI to build predictive models of tumor drug response.

Helomics’ mission is to improve clinical outcomes for patients by partnering with pharmaceutical, diagnostic, and academic organizations to bring innovative clinical products and technologies to the marketplace. In addition to our proprietary patient-derived (“PDx”) tumor profiling platform for oncology, Helomics offers: 1) data and AI driven contract research organization (“CRO”) services for clinical and translational research that leverage PDx tumor models, 2) a wide range of multi-omics assays (genomics, proteomics, and biochemical), and 3) AI driven predictive models to drive the discovery of targeted therapies.

Contract Research Organization (CRO) and AI-Driven Business

We believe leveraging our unique, historical database of the drug responses of over 149,000 patient tumors to build AI and data-driven multi-omic predictive models of tumor drug response and outcome will provide actionable insights critical to both new drug development and individualizing patient treatment. Our large historical database of tumors and related data, plus our ability to obtain the associated patient outcome data is a significant competitive advantage. Cancer treatments require at least 5 years of testing to provide sufficient information on progression-free survival rates. While competitors must wait for this data, we can leverage it today. These AI-driven predictive models, coupled with the PDx platform will create a unique service to drive revenue generating projects with pharma, diagnostic and biotech companies in areas such as biomarker discovery, drug screening, drug repurposing, and clinical trials. The AI-driven models will, once validated, also provide clinical decision support to help oncologists individualize treatment.

Our CRO/AI business is committed to improving the process of targeted therapy discovery. Our proprietary, TruTumor multi-omic PDx profiling and AI platform coupled to our vast multi-omic database of biochemical and clinical information on patients with cancer, uses deep learning to understand the association between the mutational profile of a patient’s tumor and the drug response profile of the tumor that is grown in the lab. This approach is used to build an AI-driven predictive model that offers actionable insights of which mutations in the tumor are associated with drugs to which the tumor is sensitive and which will lead to the optimal outcome for the patient.

Our CRO services business applies these AI-driven predictive models coupled with our unique proprietary TruTumor PDx model to address a range of needs from discovery through clinical and translational research, to clinical trials and diagnostic development and validation as noted below:

Research

- Biomarker discovery
- Drug discovery
- Drug-repurposing

Development

- Patient enrichment & selection for trials
- Clinical trial optimization
- Adaptive trials

Clinical Decision Support

- Patient stratification
- Treatment selection

On July 1, 2020, the Company acquired the assets of Quantitative Medicine LLC including a novel, computational drug discovery platform called CoRE. CoRE which is designed to dramatically reduce the time, cost, and financial risk of discovering new therapeutic drugs by predicting the main effects of drugs on target molecules that mediate disease. By coupling CoRE, with Helomics’ TruTumor™ PDx tumor platform, Helomics multi-omic database of biochemical and clinical information on patients with cancer, and AI-driven predictive models, we will offer a novel, one-of-a-kind capability for discovery of precision therapies that are expected to have considerable value to the industry.

Clinical Testing

Via our Helomics subsidiary, we offer a group of clinically relevant, cancer-related tumor profiling and biomarker tests for gynecological cancers that determine how likely the patient is to respond to various types of chemotherapy and which therapies might be indicated by relevant tumor biomarkers.

Clinical testing is comprised of ChemoFx and BioSpeciFx tests. The ChemoFx test determines how a patient’s tumor specimen responds to a panel of various chemotherapy drugs, while the BioSpeciFx test evaluates the expression of a specific genes, or biomarkers, in the patient’s tumor. Our proprietary TruTumor™ PDx tumor platform provides us with the ability to work with actual live tumor cells to study the unique biology of the patient’s tumor in order to understand how the patient responds to treatment.

Soluble Biotech

On May 27, 2020, the Company entered into an Asset Purchase Agreement with InventaBioTech, Inc. (“InventaBioTech”) and two of its subsidiaries, Soluble Therapeutics, Inc. (“Soluble”), and BioDtech, Inc. (“BioDtech”), and simultaneously completed the acquisition of substantially all of Soluble’s and BioDtech’s assets. Soluble Biotech provides optimized FDA-approved formulations for vaccines, antibodies and other protein therapeutics in a faster and lower cost basis to its customers. The Company focuses on solubility improvements, stability studies, and protein production. In addition, the Company enables protein degradation studies which is a new and substantial line of business for the company.

Our subsidiary, TumorGenesis, is pursuing a new rapid approach to growing tumors in the laboratory, which essentially “fools” the cancer cells into thinking they are still growing inside the patient. We have also announced a proposed joint venture with GLG Pharma focused on using their combined technologies to bring personalized medicines and testing to ovarian and breast cancer patients, especially those who present with ascites fluid (over one-third of patients).

Skyline Medical – The STREAMWAY System

Sold through our subsidiary, Skyline Medical, Inc (“Skyline Medical”), the STREAMWAY System virtually eliminates staff exposure to blood, irrigation fluid and other potentially infectious fluids found in the healthcare environment. Antiquated manual fluid handling methods that require hand carrying and emptying filled fluid canisters present both an exposure risk and potential liability. Skyline Medical’s STREAMWAY System fully automates the collection, measurement, and disposal of waste fluids and is designed to: 1) reduce overhead costs to hospitals and surgical centers; 2) improve compliance with the Occupational Safety and Health Administration and other regulatory agency safety guidelines; 3) improve efficiency in the operating room and radiology and endoscopy departments, thereby leading to greater profitability; and 4) provide greater environmental stewardship by helping to eliminate the approximately 50 million potentially disease-infected canisters that go into landfills each year in the United States.

In December 2019, we announced that we had received indications of interest from several parties for the possible acquisition of our Skyline Medical division, and we reaffirmed that we are focusing our resources on our precision medicine business. We continue to operate the Skyline Medical business with a focus on maximizing our strategic opportunities with respect to this division.

STREAMWAY System Product Sales

Our domestic and international segments consist primarily of sales of the STREAMWAY System, as well as sales of the proprietary cleaning fluid and filters for use with the STREAMWAY System. We manufacture an environmentally conscious system for the collection and disposal of infectious fluids resulting from surgical and other medical procedures. We have been granted patents for the STREAMWAY System in the United States, Canada, and Europe. We distribute our products to medical facilities where bodily and irrigation fluids produced during medical procedures must be contained, measured, documented, and disposed. Our products minimize the exposure potential to the healthcare workers who handle such fluids. In addition to simplifying the handling of these fluids, our goal is to create products that dramatically reduce staff exposure without significant changes to established operative procedures, historically a major industry stumbling block to innovation and product introduction.

We sell our medical device products directly to hospitals and other medical facilities using employed sales representatives, independent contractors and distributors.

Capital Requirements

Since inception, we have been unprofitable. We incurred net losses of $(6,307,726) and $(14,414,421) for the three and nine months ended September 30, 2020, respectively and incurred net losses of $(4,008,512) and $(5,836,592) for the three and nine months ended September 30, 2019. As of September 30, 2020, and December 31, 2019, we had an accumulated deficit of $96,913,132 and $82,498,711, respectively.

We have never generated sufficient revenues to fund our capital requirements. From 2009 through 2018, we built the Skyline Medical business, building a national sales network and international sales. However, the Skyline Medical business has never reached profitability. In 2017, we determined to diversify our business by investing in ventures in the precision medicine business, including making significant loans and investments in early stage companies. These activities led to the acquisition of Helomics in April 2019, which has accelerated our capital needs further. We have funded our operations through a variety of debt and equity instruments. See “Liquidity and Capital Resources – Plan of Financing; Going Concern Qualification” and “Liquidity and Capital Resources –Financing Transactions” below.

Our future cash requirements and the adequacy of available funds depend on our ability to generate revenues from our Helomics segment; to continue to sell our Skyline Medical products and attempt to reach profitability in the Skyline Medical business and the availability of future financing to fulfill our business plans. See “Plan of Financing; Going Concern Qualification” below.

Our limited history of operations, especially in our precision medicine business, and our change in the emphasis of our business, makes prediction of future operating results difficult. We believe that period to period comparisons of our operating results should not be relied on as predictive of our future results.

Results of Operations

Comparison of three and nine months ended September 30, 2020 and September 30, 2019

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Difference	2020	2019	Difference
Revenue	$ 480,757	$ 522,696	$ (41,939)	$ 958,484	$ 1,064,088	$ (105,604)
Cost of goods sold	175,206	208,096	(32,890)	353,124	400,202	(47,078)
General and administrative expense	2,226,634	2,616,991	(390,357)	8,266,927	7,425,305	841,622
Operations expense	568,766	707,414	(138,648)	1,638,635	2,445,238	(806,603)
Sales and marketing expense	121,514	434,955	(313,441)	518,938	1,674,200	(1,155,262)

Revenue. We recorded revenue of $480,757 and $522,696 in the three months ended September 30, 2020 and 2019, respectively. We sold 15 and 19 STREAMWAY System units during the three months ended September 30, 2020 and 2019, respectively.

We recorded revenue of $958,484 and $1,064,088 in the nine months ended September 30, 2020 and 2019, respectively. All revenue was derived from the Skyline Medical business except for $33,879 and $52,416 in Helomics revenues during the nine months ended September 30, 2020 and 2019, respectively. There were 21 and 33 sales of STREAMWAY units in the nine months ended September 30, 2020 and 2019, respectively.

Cost of goods sold. Cost of sales was $175,206 and $353,124 in the three and nine months ended September 30, 2020 and $208,096 and $400,202 in the three and nine months ended September 30, 2019, respectively. The gross profit margin was approximately 64% and 63% in the three and nine months ended September 30, 2020, respectively, compared to 60% and 62% in the prior year. Our margins increased in the current year as costs were lower, which more than offset the revenue earned in the current period. Exclusive of Helomics, gross profit margin related to the Skyline Medical business was 72% in the nine months ended September 30, 2020 and approximately 71% in the nine months ended September 30, 2019.

General and administrative expense. General and administrative ("G&A") expense primarily consists of management salaries, professional fees, consulting fees, travel expense, administrative fees and general office expenses.

General and administrative (G&A) expenses decreased by $390,357 for the three months ended September 30, 2020 compared to 2019. The decrease was primarily due to a decrease of approximately $310,000 in penalties related to short term notes incurred in 2019. Additional decreases in severance related expenses, decreases in audit related expenses and a decrease of $94,185 related to share-based compensation for awards made in 2019, partially offset by increases in salary and related expenses, investor relations expenses and depreciation.

General and administrative (G&A) expenses increased by $841,622 for the nine months ended September 30, 2020 compared to 2019. The increase was primarily due to an increase in costs related to salaries and related costs associated with increased headcount as compared to 2019 primarily in the Helomics division and approximately $400,000 increase in severance and related expenses, offset by 53% decline in costs related to share-based compensation for awards made in 2019. Further declines in legal fees, penalties and bad debt expense.

Operations expense. Operations expense primarily consists of expenses related to product development and prototyping and testing.

Operations expense decreased by $138,648 to $568,766 in the three months ended September 30, 2020 compared to 2019 and decreased by $806,603 to $1,638,635 in the nine months ended September 30, 2020 compared to 2019. The decrease was primarily due to lower costs related to staff including share-based compensation for awards made in 2019.

Sales and marketing expense. Sales and marketing expense consisted of expenses required to sell products through independent reps, attendance at trade shows, product literature and other sales and marketing activities.

Sales and marketing expense decreased by $313,441 to $121,514 in the three months ended September 30, 2020. Such expenses related almost exclusively to the Skyline Medical business. The decrease in 2020 was a direct result of the strategic decision focus on the precision medicine business and reduce the emphasis on expenditures in the Skyline Medical business. These factors decreased our expenses for public relations and salary and travel costs for sales staff.

Loss on goodwill impairment. We incurred an impairment charge of $2,997,000 on goodwill, during the nine months ended September 30, 2020. No impairment charges were incurred during the nine months ended September 30, 2019. The Company performs a goodwill assessment using a qualitative approach to identify and consider the significance of relevant key factors, events, and circumstances that affect the fair value of each of our reporting units. The Company's goodwill relates to the Helomics operating segment and none of the Company's other operating segments. The Company made its qualitative evaluation considering, among other things, general macroeconomic conditions, industry and market considerations, cost factors, overall financial performance and other relevant entity-specific events.

During the third quarter of 2020, the Company's share price experienced a sustained reduction in trading values. This was also reflective of broader difficulties in the general economic conditions due to the COVID pandemic. Based on our examination of these and other qualitative factors at September 30, 2020, the Company concluded that further testing of goodwill was required.

Goodwill is calculated as the difference between the acquisition date fair value of the consideration transferred and the fair value of net assets acquired in the Helomics acquisition and represents the future economic benefits that we expect to achieve as a result of the acquisition that are not individually identified and separately recognized. Goodwill is tested for impairment annually at the reporting unit level, or whenever events or circumstances present an indication of impairment. The primary items that generate goodwill include the value of the synergies between the acquired company and the Company and the acquired assembled workforce, neither of which qualifies for recognition as an intangible asset.

Based upon the goodwill impairment test, the Company concluded that goodwill was impaired as of the testing date. Pursuant to Accounting Standards Update No, 2017-04, *Simplifying the Test for Goodwill Impairment*, the single step is to determine the estimated fair value of our reporting unit and compare it to the carrying value of the reporting unit, including goodwill. To the extent the carrying amount of goodwill exceeds the implied goodwill, the difference is the amount of the goodwill impairment. The quantitative review resulted in $2,997,000 of impairment charges related to our goodwill. Our goodwill at September 30, 2020 following the impairment was $12,693,290. The Company will continue to monitor our reporting unit in an effort to determine whether events and circumstances warrant further impairment testing which may include interim periods.

Other income. We earned other income of $44,926 in the three months ended September 30, 2020 compared to $15,084 in the comparable period in 2019 and earned other income of $97,894 in the nine months ended September 30, 2020 compared to $65,293 in the comparable period in 2019. Other income included interest and dividend income.

Other expense. We incurred other expense of $2,147,057 in the three months ended September 30, 2020 compared to $894,811 in the comparable period in 2019 and incurred other expense of $3,993,969 in the nine months ended September 30, 2020 compared to $2,052,522 in the comparable period in 2019. Other expense consisted primarily of net interest expense, payment penalties, amortization of original issue discounts, and loss on debt extinguishment related to our notes payable.

Gain (loss) on derivative instruments. We incurred a gain of $1,402,768 in the three months ended September 30, 2020 compared to $315,975 in the comparable period in 2019 and incurred gains of $1,007,794 in the nine months ended September 30, 2020 compared to $84,627 in the comparable period in 2019 related to the changes in fair market value on derivatives.

Gain on notes receivable associated with asset purchase. We had a gain on notes receivable associated with the acquisition of assets from Soluble and BioDtech of $1,290,000 in the nine months ended September 30, 2020, with no comparable amounts in 2019.

Liquidity and Capital Resources

Cash Flows

Net cash used in operating activities was $9,953,785 and $5,936,803 for the nine months ended September 30, 2020 and September 30, 2019, respectively. Cash used in operating activities increased in the 2020 period primarily because of the increase in cash used in working capital and the additional costs related to the Helomics business.

Cash flows used in investing activities were $26,192 for the nine months ended September 30, 2020 and cash flows used in investing activities was $591,754 for the nine months ended September 30, 2019, respectively. Cash used in the nine months ended September 30, 2020 was from the acquisition of fixed assets and cash used to maintain our intangible assets, partially offset by the sale of certain fixed assets from our Helomics. Cash used in the nine months ended September 30, 2019 was for cash advances made to Helomics prior to the acquisition but was partially offset by cash received from Helomics on the acquisition date.

Net cash provided by financing activities was $12,303,458 and $6,465,004 for the nine months ended September 30, 2020 and September 30, 2019, respectively. The cash provided in the nine months ended September 30, 2020 were primarily due to proceeds from debt issuance, proceeds from issuance of common stock, prefunded warrants, warrant exercises and issuances related to various transactions, and proceeds from the issuance common stock pursuant to the equity line agreement, each discussed below in "Financing Transactions".

Liquidity, Plan of Financing, and Going Concern Qualification

Since our inception, we have incurred significant losses, and our accumulated deficit was $96,913,132 as of September 30, 2020. We have not achieved profitability and anticipate that we will continue to incur net losses at least through the remainder of 2020. Our operations from inception have been funded with private placements of convertible debt securities and equity securities, public offerings, and loan agreements.

During the first quarter of 2020, we entered into short-term borrowings with an investor for cash proceeds of $1,020,000. On October 24, 2019, we entered into an equity purchase agreement with an investor, providing for an equity financing facility. From January 1, 2020 through November 11, 2020, we issued an aggregate 3,638,073 shares of common stock valued at $4,887,531. The Company used a portion of the net proceeds to repay $821,916 of the short-term borrowings. In February 2020, we entered into a sale of a secured promissory note to a private investor for $1,450,000 with total net proceeds of $1,200,000. In March 2020, we received gross proceeds of $3,498,612 from the sale of common stock, common stock equivalents, and warrants. In May 2020, we received gross proceeds of $2,200,001 from a registered direct offering of common stock and a concurrent private placement of warrants. The Company used approximately $482,525 of the net proceeds from the offering to repay certain indebtedness to Oasis Capital, LLC and agreed to use the remaining net proceeds from the offering for general corporate purposes. In June 2020, we received gross proceeds of $2,130,701 for the exercise of warrants and the issuance of additional warrants.

As a result of the extension of Amendments to and Extensions of Promissory Notes described under "Financing Transactions" below, our secured notes are now due on March 31, 2021, with a total amount payable on that date of $8,192,370 (including current principal and assumed interest and premium payable upon repayment), unless portions of certain notes are converted or unless notes are further extended

As a result of our capital needs for operations and debt repayment, we need to raise significant capital. There is no assurance that we will be successful in raising sufficient capital. The terms of any such financing will be dilutive to our stockholders. We may also acquire technologies or companies by issuing stock or other equity securities in addition to payment of cash, which may have the result of diluting the investment of our stockholders.

We will attempt to raise these funds through equity or debt financing. We will attempt to raise funds from other sources that may include public offerings, private placements, alternative offerings, or other means. If we are successful in securing adequate funding, we plan to make significant capital or equipment investments, and we will also continue to make human resource additions in Helomics. If such financing or adequate funds from operations are not available, we will be forced to limit our business activities, which will have a material adverse effect on our results of operations and financial condition.

As a result of the above factors, we have concluded that there is substantial doubt about our ability to continue as a going concern. The condensed consolidated financial statements have been prepared assuming we will continue as a going concern. Furthermore, our former independent registered public accounting firm has indicated in their audit opinion, contained in our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2019, that there is substantial doubt about our ability to continue as a going concern.

Financing Transactions

We have funded our operations through a combination of debt and equity instruments including short term borrowings, and a variety of debt and equity offerings.

February 2020 Convertible Note

On February 5, 2020, we entered into a securities purchase agreement with an investor, pursuant to which we issued a convertible promissory note to the investor in the principal amount of $1,450,000 in exchange for cash proceeds of $1,200,000. We granted to the investor a security interest in our assets to secure repayment of the note. The principal amount of the note accrues interest at a rate of 8% per annum (with six months of interest guaranteed). Effective July 15, 2020, the Company entered into amendments to promissory notes under which the maturity of the notes was extended to September 30, 2020. Effective September 30, 2020, the investor and the Company agreed to extend the maturity date of the note to March 31,2021. Unless previously converted, the note will mature and become due and payable on March 31, 2021. We will incur a 20% repayment charge in connection with any repayment of principal under the note. Subject to certain limitations, the outstanding principal amount of the note and interest thereon are convertible at the election of the investor into shares of our common stock at a conversion price equal to $2.589. The conversion price was amended effective September 30, 2020 to a variable price equal to 70% of the lowest VWAP (as defined in the note) of Common Stock during the twenty (20) Trading Day (as defined in the note) period ending on either (i) the last complete Trading Day prior to the conversion date or (ii) the conversion date, as determined by the holder in its sole discretion upon such conversion (subject to adjustment). Advances under the note were made in three tranches. Net proceeds of $400,000 were received for the first, second and third tranches on February 5, 2020, March 5, 2020 and April 5, 2020, respectively. We issued to the investor five-year warrants to purchase 94,631, 92,700 and 92,700 shares of our common stock at the closing of the first, second and third tranches, respectively, and issued warrants to purchase 92,700 shares at the closing of the third tranche. The warrants are exercisable beginning on the sixth month anniversary of the issuance date at an exercise price equal $2.992 per share. As additional consideration for the investment, we issued 46,875 shares of our common stock as inducement shares to the investor at the closing of the first tranche. As of September 30, 2020, the outstanding balance on the note was $1,967,500.

March 2020 Private Placement of Common Stock and Warrants

On March 19, 2020, we sold and issued (1) 260,000 shares of common stock, at a sale price of $2.121 per share; (2) prefunded warrants to acquire 1,390,166 shares of common stock, sold at $2.12 per share and exercisable at an exercise price of $0.001 per share; (3) warrants to acquire 1,650,166 shares of common stock at $1.88 per share, exercisable immediately and terminating five and one-half years after the date of issuance; and (4) warrants to acquire 1,650,166 shares of common stock at $1.88 per share, exercisable immediately and terminating two years after the date of issuance. The gross proceeds were $3,498,612. In the securities purchase agreement with the investors dated March 13, 2020, until 90 days after the initial registration statement required by the Registration Rights Agreement is declared effective by the SEC, neither us nor any of our subsidiaries will issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of common stock or common stock equivalents. Notwithstanding the foregoing, if, at any time following 30 days after the effective date of such registration statement, the last closing sale price for the common stock on the Nasdaq Capital Market is at least $6.30 (subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the common stock that occur after the date of the Purchase Agreement) for three consecutive trading days, then these issuance restrictions no longer apply.

April 2020 Paycheck Protection Program

On April 20, 2020, the Company entered into a promissory note with Park State Bank, which provides for an unsecured loan of $541,867 pursuant to the Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief, and Economic Security Act and applicable regulations (the “CARES Act”). The promissory note has a term of 2 years with a 1% per annum interest rate. Payments are deferred for 6 months from the date of the promissory note and the Company can apply for forgiveness of all or a portion of the promissory note after 60 days.

Pursuant to the terms of the PPP, the promissory note, or a portion thereof, may be forgiven if proceeds are used for qualifying expenses as described in the CARES Act, such as payroll costs, costs used to continue group health care benefits, mortgage interest payments, rent and utilities. The Company intends to use all proceeds for qualifying expenses. The Company has requested forgiveness; however, there is no assurance that we will be able to obtain forgiveness of this loan. The terms of the promissory note, including eligibility and forgiveness, may be subject to further requirements in regulations and guidance adopted by the Small Business Administration.

May 2020 Registered Direct Offering of Common Stock and Concurrent Private Placement of Warrants

During May 2020, the Company entered into a securities purchase agreement with certain accredited investors for a registered direct offering of 1,396,826 shares of common stock, par value $0.01 per share. The shares were registered pursuant to the Company's registration statement on Form S-3 (File No. 333-234073) (the "Shelf Registration Statement") which was declared effective by the SEC on December 20, 2019. In a concurrent private placement, the Company also issued such investors warrants to purchase up to an aggregate of 1,396,826 shares of our common stock. The Warrants were not registered pursuant to the Shelf Registration Statement. The Company filed a registration statement providing for the resale of the shares of common stock issuable upon the exercise of the Warrants, which was declared effective on July 21, 2020. The Shares and the Warrants were sold at a combined offering price of $1.575 per Share and associated Warrant. Each Warrant is exercisable immediately upon issuance at an exercise price of $1.45 per share and will expire five and one-half years from the issue date. The sale of the offering shares and associated warrants resulted in gross proceeds of $2,200,001 and net proceeds of $1,930,101 after deducting the placement agent fees and estimated offering expenses payable by the Company. The Company used approximately $482,525 of the net proceeds from the offering to repay certain indebtedness and agreed to use the remaining net proceeds from the offering for general corporate purposes. The offering closed on May 8, 2020.

June 2020 Warrant exercise and issuance

During June 2020, the Company entered into an agreement with certain accredited institutional investors to immediately exercise in cash an aggregate of 1,396,826 of the warrants issued in connection with the May 2020 Registered Direct Offering, exercisable immediately at $1.45 per share of common stock at the exercise price of $1.45 per share plus an additional $0.125 for each new warrant to purchase up to a number of shares of common stock equal to 100% of the number of shares issued pursuant to the exercise of the existing warrants. The new warrants are exercisable immediately and have a term of five and one-half years and an exercise price per share equal to $1.80. The Company received $2,130,701 in gross proceeds and net proceeds of $1,865,800 after deducting the placement agent fees and estimated offering expenses payable by the Company. The Company expects to use the net proceeds of these transactions for general corporate and working capital purposes.

Amendments to and Extensions of Promissory Notes

On March 19, 2020, we entered into a third amendment to the Amended and Restated Senior Secured Promissory Note dated September 28, 2018 and amended and restated as of February 7, 2019 issued to L2 Capital, LLC (as amended by that certain First Amendment dated September 27, 2019 and that certain Second Amendment dated December 12, 2019, the "L2 Note"). Under the third amendment, the maturity date of the L2 Note was extended from March 28, 2020 to June 28, 2020. The Company and the investor further agreed to extend the due date to July 15, 2020 and then in July 2020 agreed to extend to September 30, 2020. Effective September 30, 2020, the investor and the Company agreed to extend to March 31, 2021.

On March 19, 2020, we entered into an amendment to the Senior Secured Promissory Note dated September 27, 2019 issued to Oasis Capital, LLC (the "Oasis Note"). Under the amendment, the maturity date of the Oasis Note was extended from March 27, 2020 to June 28, 2020. In exchange for such extension, the outstanding principal amount of the Oasis Note was increased by $300,000, such that, as of the effective date of the amendment, the outstanding principal amount owed under the Oasis Note was $980,833. Under the amendment, through March 26, 2020, the holder waived its rights under the Oasis Note to have the Oasis Note repaid from the proceeds of any financing consummated by us. In exchange for such waiver, we issued 30,000 shares of common stock to the holder. The Company and the investor further agreed to extend the due date to July 15, 2020 and then agreed to extend to September 30, 2020. Effective September 30, 2020, the investor and the Company agreed to extend the due date of the note to March 31, 2021.

During the three months ended September 30, 2020, the Company entered into two amendments to the Amended and Restated Senior Secured Promissory Note dated September 28, 2018, issued to L2 Capital, LLC. Under the amendments, the maturity date of the note was extended from July 15, 2020 to September 30, 2020 and then again extended the due date of the note to March 31, 2021.

During the three months ended September 30, 2020, the Company entered into two amendments to the Senior Secured Promissory Note dated September 27, 2019 issued to Oasis Capital, LLC. Under the amendments, the maturity date of the note was extended from July 15, 2020 to September 30, 2020 and again to March 31, 2021. In exchange for such extensions, the outstanding principal amount of the note was increased by a total of $1,035,000. As of September 30, 2020, the outstanding principal amount owed under the note was $2,015,833. Further, the parties agreed that effective September 30, 2020, the note shall be convertible into shares of the Company's common stock, at a price equal to 70% of the lowest VWAP (as defined in the note) of the Company's common stock during the twenty (20) Trading Day (as defined in the note) period ending on either (i) the last complete Trading Day prior to the conversion date or (ii) the conversion date, as determined by the holder in its sole discretion upon such conversion (subject to adjustment).

During the three months ended September 30, 2020, the Company entered into two amendments to the Senior Secured Promissory Note dated February 5, 2020 issued to Oasis Capital, LLC. Under the amendments, the maturity date of the note was amended to September 30, 2020 and then extended to March 31, 2021. In exchange for such extensions, the outstanding principal amount of the note was increased by a total of $517,500, such that, as of the effective date of the amendment, the outstanding principal amount owed under the note was $1,967,500. Further, the parties agreed that the note shall be convertible into shares of the Company's common stock at a price equal to 70% of the lowest VWAP (as defined in the note) of the Company's common stock during the twenty (20) Trading Day (as defined in the note) period ending on either (i) the last complete Trading Day prior to the conversion date or (ii) the conversion date, as determined by the holder in its sole discretion upon such conversion (subject to adjustment).

Off-Balance Sheet Arrangements

We have not engaged in any off-balance sheet activities as defined in Item 303(a)(4) of Regulation S-K.

Accounting Standards and Recent Accounting Developments

See *Note 1 - Summary of Significant Accounting Policies* to the unaudited, Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q for a discussion of recent accounting developments.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Not required.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act), defines the term "disclosure controls and procedures" as those controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based on their evaluation as of September 30, 2020, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective as of September 30, 2020 for the reasons described below:

Management has determined that we have not maintained adequate accounting resources with a sufficient understanding of accounting principles generally accepted in the United States of America ("U.S. GAAP") to allow us to properly identify and account for new complex transactions. We have determined that this represents a material weakness in our internal control over financial reporting.

Notwithstanding the material weakness in our internal control over financial reporting, we have concluded that the condensed consolidated financial statements and other financial information included in our annual and quarterly filings fairly present in all material respects our financial condition, results of operations and cash flows as of, and for, the periods presented.

Material Weakness Remediation Activities

To remediate the material weakness in our internal control over financial reporting described above, we have reevaluated our overall staffing levels within the accounting department and during the fourth quarter of 2019 hired additional resources with qualifications that include a high level of experience with complex technical accounting transactions and application of U.S. GAAP. In the first quarter of 2020, we also engaged an external accounting consultant to assist with the assessment of new complex transactions, which has been ongoing to date. We have completed internal control remediation testing utilizing an external consulting company. We have also re-evaluated the training and ongoing professional education that is provided to, and required of, our accounting personnel.

Once the above actions and processes have been in operation for a sufficient period of time for our management to conclude that the material weakness has been fully remediated and our internal controls over financial reporting are effective, we will consider this material weakness fully addressed.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the nine months ended September 30, 2020 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

None

ITEM 1A. Risk Factors

In addition to the other information set forth in the Quarterly Report on Form 10-Q, the reader should carefully consider the risks included in Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 before making an investment decision. Our business could be harmed by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. The following risk factors modify and update the Company's risk factors disclosed in Part I, Item 1A, of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

We will require additional financing to finance operating expenses, repay our loan obligations and fulfill our business plan. Such financing, if available, will be dilutive.

We have not achieved profitability and anticipate that we will continue to incur net losses at least through the remainder of 2020. We had cash of $2,474,312 as of September 30, 2020 and will need to raise significant additional capital to meet our operating needs, support strategic investments, and pay debt obligations coming due.

As a result of the extension of Amendments to and Extensions of Promissory Notes described under "Financing Transactions" below, our secured notes are now due on March 31, 2021, with a total amount payable on that date of $8,192,370 (including current principal and assumed interest and a premium payable upon repayment), unless portions of certain notes are converted or unless notes are further extended.

On October 24, 2019, we entered into an equity purchase agreement with Oasis Capital, LLC ("Oasis") providing for a $15,000,000 equity line. From time to time during the three-year commitment period, provided that the closing conditions are satisfied, we may provide Oasis with put notices to purchase a specified number of shares subject to certain limitations and conditions and at specified prices, which generally represent discounts to the market price of our common stock. During the nine months ended September 30, 2020, the Company issued 3,250,000 shares of common stock valued at $4,229,702 pursuant to the equity line. As of September 30, 2020, there was $10,451,105, remaining available balance under the equity line. Additional needs to access this line will be dilutive.

During the nine months ended September 30, 2020, the Company completed various debt, equity and other financing activities and raised net proceeds of $12,303,458, net of repayments. We will require additional funding to finance operating expenses, invest in our sales organization and new product development, compete in the international marketplace, and develop the strategic assets of our Helomics businesses. Although we are attempting to curtail our expenses, there is no guarantee that we will be able to reduce these expenses significantly, and expenses for some periods may be higher.

We will attempt to raise these funds through equity or debt financing that may include public offerings, private placements, alternative offerings, further draws on the equity line, or other means. If we are successful in securing adequate funding, we plan to make significant capital or equipment investments, as well as human resource additions over the next 12 months. Such additional financing will be dilutive to existing stockholders, and there is no assurance that such financing will be available upon acceptable terms. If such financing or adequate funds from operations are not available, we will be forced to limit our business activities, which will have a material adverse effect on our results of operations and financial condition. Further, if we are unable to generate adequate cash from operations, and if we are unable to find sources of funding, it may be necessary for us to sell one or more lines of business or all or a portion of our assets, enter into a business combination, reduce or eliminate operations, liquidate assets, or seek relief through a filing under the U.S. Bankruptcy Code. These possibilities, to the extent available, may be on terms that result in significant dilution to our existing shareholders or that result in our existing shareholders losing part or all of their investment.

As a result of the above factors, we have concluded that there is substantial doubt about our ability to continue as a going concern. The condensed consolidated financial statements have been prepared assuming we will continue as a going concern. The condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Furthermore, our former independent registered public accounting firm has indicated in their audit opinion, contained in our consolidated financial statements included in our Annual Report on Form 10-K within Item 8, that there is substantial doubt about our ability to continue as a going concern.

Our business and operations have been and will likely continue to be materially and adversely affected by the COVID-19 pandemic.

In March 2020, the World Health Organization declared the recent spread of COVID-19 to be a global pandemic. In response to the crisis, emergency measures have been imposed by governments worldwide, including mandatory social distancing and the shutdown of non-essential businesses. These measures have adversely impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. While it is not currently possible to estimate the duration and severity of the COVID-19 pandemic or the adverse economic impact resulting therefrom, our business and operations have been and will likely continue to be materially and adversely affected. For example, our contract manufacturer for the STREAMWAY® System has been forced to change locations, thereby delaying our order fulfillment for parts. We have also reduced on-site staff at several of our facilities, resulting in delayed production, less efficiency, and our sales staff is unable to visit with hospital administrators who are our customers and potential customers. In addition, COVID-19 has impacted the Company’s capital and financial resources, including our overall liquidity position and outlook. For instance, our accounts receivable has slowed while our suppliers continue to ask for pre-delivery deposits. Although we have received a Paycheck Protection Loan pursuant to the CARES Act which has helped fund some payroll costs, we may not be able to access necessary additional capital given the current condition of the financial markets. Further, there is no assurance that we will be able to obtain forgiveness of this loan. Thus, if COVID-19 continues to spread or the response to contain the virus is unsuccessful, we may continue to experience a material adverse effect on our business, financial condition, results of operations, cash flows and stock price.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

Not applicable.

ITEM 6. Exhibits

See the attached exhibit index.

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 thereunto duly authorized.

		PREDICTIVE ONCOLOGY INC.
Date: November 16, 2020	By:	/s/ Carl Schwartz
		Carl Schwartz
		Chief Executive Officer
Date: November 16, 2020	By:	/s/ Bob Myers
		Bob Myers
		Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
4.1*	Form of Warrant dated April 4, 2019 issued in Exchange Offer with Holders of Securities of Helomics Holding Corporation, as amended on September 14, 2020
4.2	Form of Amendment to Common Stock Purchase Warrant (1) Exhibit 4.2
10.1	Amendment #5 To The Amended And Restated Senior Secured Promissory Note Originally Issued on September 28, 2018, by and between the Company and L2 Capital, LLC (2) Exhibit 10.1
10.2	Amendment #3 To The Senior Secured Promissory Note Originally Issued On September 27, 2019, by and Between the Company and Oasis Capital, LLC (2) Exhibit 10.2
10.3	Amendment #2 to the Senior Secured Promissory Note originally issued on February 5, 2020 by and among the Company and Oasis Capital, LLC investors (2) Exhibit 10.3
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith

(1) Filed on September 24, 2020 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.

(2) Filed on September 30, 2020 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.

Exhibit 4.1

COMMON STOCK PURCHASE WARRANT
PRECISION THERAPEUTICS INC.

Warrant Shares: [______________]
Date of Issuance: April 4, 2019

Warrant Number: 2019E-[________]

This COMMON STOCK PURCHASE WARRANT (the "**Warrant**") certifies that, for value received, the Holder (as defined below), [NAME OF HOLDER] (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 April 3, 2019 ("**Issuance Date**"), to purchase from Precision Therapeutics Inc., a Delaware corporation (the "**Company**"), up to [______________] shares of Common Stock (as defined below) (the "**Warrant Shares**") at the Exercise Price (defined below) per share then in effect. This Warrant is one of the Warrants (the "**Warrants**") issued pursuant to the Warrant Agency Agreement, dated as of April 3, 2019, by and between the Company and Corporate Stock Transfer, Inc. (the "**Warrant Agent**") (the "**Warrant Agency Agreement**") in connection with the exchange offer to holders of warrants of Helomics Holding Corporation.

This Warrant shall be issuable in book entry form (the "**Book-Entry Warrant Certificate**") and shall initially be represented by one or more Book-Entry Warrant Certificates deposited with the Warrant Agent and registered in the name of the Holder, or as otherwise directed by the Warrant Agent. Ownership of beneficial interests in this Warrant shall be shown on, and the transfer of such ownership shall be effected through, records maintained by the Warrant Agent (the "**Warrant Register**"). The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual written notice to the contrary.

For purposes of this Warrant, the term "Exercise Price" per share shall mean $0.845[1], subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "Exercise Period" shall mean the period commencing on the Issuance Date and ending on 5:00 p.m. Eastern Time on the five-year anniversary thereof.

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") to the Company or the Warrant Agent, 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 first Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by e-mail or facsimile an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as Exhibit B, to the Warrant Agent. 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 (or by cashless exercise if permitted under the terms of this Warrant, in which case there shall be no Aggregate Exercise Price provided), 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.

[1] Exercise price was amended on September 14, 2020.

If the Company fails to cause its transfer agent to transmit to the Holder the respective shares of Common Stock by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion.

If, at any time during the Exercise Period, there is no effective registration statement of the Company covering either (1) the issuance of the Warrant Shares upon exercise of the Warrant, or (2) the Holder's immediate resale of the Warrant Shares without any limitations, then the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Stock computed using the following formula:

$$X = \frac{Y\,(A-B)}{A}$$

Where X = the number of shares to be issued to Holder.

Y = the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

A = the Market Price (at the date of such calculation).

B = Exercise Price (as adjusted to the date of such calculation).

(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 of 1934, as amended (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 Securities Exchange 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 4.99% 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. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Stock Dividends and Splits*. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 2(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including without limitation any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of shares of Common Stock entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the shares of Common Stock on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one share of Common Stock, and (ii) the denominator of which shall be the Closing Sale Price of the shares of Common Stock on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of shares of Common Stock obtainable immediately prior to the close of business on the record date fixed for the determination of holders of shares of Common Stock entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of shares of common stock of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of shares of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

3. 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.

4. 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 to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. 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.

6. 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.

7. 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 7 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.

8. NOTICES.

(a) 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, or e-mail as a PDF, addressed as set forth below or to such other address as such party shall have specified most recently by written notice given in accordance herewith. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (A) upon hand delivery or delivery by e-mail at the address 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 or on the fifth business day after deposited in the mail, in each case, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

If to the Company, 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

With a copy (which shall not constitute notice) to:

Maslon LLP
3300 Wells Fargo Center, 90 S. Seventh Street
Minneapolis, MN 55402
Attention: Martin R. Rosenbaum
E-mail: martin.rosenbaum@maslon.com

If to the Warrant Agent, to:

Corporate Stock Transfer, Inc.
3200 Cherry Creek Drive South, Suite 430
Denver, Colorado 80209
Attention: Operations Department

If to the Holder, to the address set forth on the signature page of this Warrant, or such address as is later provided by Holder in a written notice to the Company as provided above in this Section 8(a).

(b) 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.

9. 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.

10. 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.

11. ARBITRATION. Any disputes, claims, or controversies arising out of or relating to this Warrant, or the transactions, contemplated thereby, or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this Warrant to arbitrate, shall be referred to and resolved solely and exclusively by binding arbitration to be conducted before the Judicial Arbitration and Mediation Service ("JAMS"), or its successor pursuant the expedited procedures set forth in the JAMS Comprehensive Arbitration Rules and Procedures (the "Rules"), including Rules 16.1 and 16.2 of those Rules. The arbitration shall be held in New York, New York, before a tribunal consisting of three (3) arbitrators each of whom will be selected in accordance with the "strike and rank" methodology set forth in Rule 15. Either party to this Warrant may, without waiving any remedy under this Warrant, seek from any federal or state court sitting in the State of Florida any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal. The costs and expenses of such arbitration shall be paid by and be the sole responsibility of the Company, including but not limited to the Holder's attorneys' fees and each arbitrator's fees. The arbitrators' decision must set forth a reasoned basis for any award of damages or finding of liability. The arbitrators' decision and award will be made and delivered as soon as reasonably possible and in any case within sixty (60) days' following the conclusion of the arbitration hearing and shall be final and binding on the parties and may be entered by any court having jurisdiction thereof.

12. **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.**

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

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

(a) "Nasdaq" means www.Nasdaq.com.

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

(c) "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.

(d) "Common Stock Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Stock, including without limitation any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

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

(f) "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.

(g) "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.

* * * * * * *

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

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this 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 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. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _________________ Warrant Shares; or
   ☐ by cashless exercise if permitted pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $___________________ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall cause the Warrant Agent to deliver to the holder, or its designee or agent as specified below, __________________ Warrant Shares in accordance with the terms of the Warrant. Delivery shall be made to Holder, or for its benefit, to the following address:

EXHIBIT A

Date: ,

Name of Registered Holder

By:

Name:
Title:

Account Number: ______________________________
(if electronic book entry transfer)

Transaction Code Number: ______________________________
(if electronic book entry transfer)

EXHIBIT A

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs Corporate Stock Transfer, Inc. to issue the above indicated number of shares of Common Stock.

PRECISION THERAPEUTICS INC.

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 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.

Exhibit 31.1

CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Carl Schwartz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Predictive Oncology Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 16, 2020

/s/ Carl Schwartz
Carl Schwartz
Chief Executive Officer

Exhibit 31.2

CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Bob Myers, certify that:

1. I have reviewed the quarterly report on Form 10-Q of Predictive Oncology Inc.;

2. Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements in light of the circumstances under which some statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report (that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date November 16, 2020

/s/ Bob Myers
Bob Myers
Chief Financial Officer

Exhibit 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Predictive Oncology Inc. (the "Company") for the quarter ended September 30, 2020 as filed with the Securities and Exchange Commission (the "Report"), I, Carl Schwartz, Chief Executive Officer (Principal Executive Officer) and, I, Bob Myers, Chief Financial Officer (Principal Financial Officer) of the Company, hereby certify as of the date hereof, solely for purposes of § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: November 16, 2020

/s/ Carl Schwartz
Carl Schwartz
Chief Executive Officer

Date: November 16, 2020

/s/ Bob Myers
Bob Myers
Chief Financial Officer