

Series A Preferred Stock Purchase Agreement

Vertex Analytics, Inc.

Dated as of March 15, 2024

This Series A Preferred Stock Purchase Agreement (this "Agreement") is entered into as of March 15, 2024, by and among Vertex Analytics, Inc., a Delaware corporation (the "Company"), and the investors listed on Exhibit A attached hereto (each, an "Investor" and collectively, the "Investors").

1. Purchase and Sale of Series A Preferred Stock

1.1 Sale and Issuance

Subject to the terms and conditions of this Agreement, each Investor agrees to purchase at the Closing, and the Company agrees to sell and issue to each Investor, that number of shares of Series A Preferred Stock set forth opposite such Investor's name on Exhibit A, at a purchase price of \$4.25 per share (the "Purchase Price").

1.2 Closing

The initial closing (the "Closing") of the purchase and sale of the Series A Preferred Stock shall take place at the offices of Morrison & Blake LLP, 1290 Avenue of the Americas, 35th Floor, New York, NY 10104, at 10:00 a.m. Eastern Time on April 1, 2024, or at such other time and place as the Company and the Lead Investor mutually agree (the "Closing Date").

1.3 Aggregate Investment

The aggregate purchase price for all shares of Series A Preferred Stock to be sold at the Closing is \$8,500,000.00 (Eight Million Five Hundred Thousand Dollars), representing 2,000,000 shares at \$4.25 per share.

2. Company and Investor Information

2.1 The Company

Legal Name: Vertex Analytics, Inc.

State of Incorporation: Delaware

EIN: 82-4591037

Principal Office: 350 Fifth Avenue, Suite 4800, New York, NY 10118

CEO and Co-Founder: Robert Chen

Phone: +1-212-555-0190

Email: robert.chen@vertexanalytics.com

Home Address: 88 Greenwich Street, Apt 3901, New York, NY 10006

SSN (last four on file): 4521

CTO and Co-Founder: John Smith

Phone: +1-212-555-0147

Email: john.smith@vertexanalytics.com

Home Address: 415 East 54th Street, Apt 12F, New York, NY 10022

SSN (last four on file): 7890

2.2 Lead Investor

Fund Name: Horizon Ventures Fund III, L.P.

Managing Partner: Katherine Liu

EIN: 47-3829156

Address: 2000 Sand Hill Road, Suite 220, Menlo Park, CA 94025

Phone: +1-650-555-0312

Email: katherine.liu@horizonvc.com

Investment Amount: \$5,000,000.00 (1,176,471 shares)

Wire Instructions for Capital Calls:

Bank: Silicon Valley Bank (a division of First Citizens Bank)

Routing: 121140399

Account: 3301-8847-2210

Account Name: Horizon Ventures Fund III, L.P.

SWIFT: SVBKUS6S

2.3 Co-Investor

Fund Name: Eastbridge Capital Partners, LLC

Managing Director: James O'Brien

EIN: 61-7724830

Address: 100 Federal Street, 29th Floor, Boston, MA 02110

Phone: +1-617-555-0278

Email: jobrien@eastbridgecap.com

Investment Amount: \$2,500,000.00 (588,235 shares)

2.4 Angel Investor

Name: Sarah Williams

SSN (last four on file): 3344

Address: 742 Evergreen Terrace, Apt 5C, San Francisco, CA 94102

Phone: +1-415-555-0199

Email: sarah.williams.angel@gmail.com

Investment Amount: \$1,000,000.00 (235,294 shares)

3. Representations and Warranties of the Company

The Company hereby represents and warrants to each Investor as follows:

3.1 Organization. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own and operate its properties and assets, to execute and deliver this Agreement, and to carry on its business as presently conducted.

3.2 Capitalization. The authorized capital stock of the Company, immediately prior to the Closing, consists of:

- (a) 20,000,000 shares of Common Stock, of which 8,000,000 are issued and outstanding; and
- (b) 5,000,000 shares of Preferred Stock, of which 2,000,000 shares have been designated Series A Preferred Stock, none of which are issued and outstanding.

3.3 Financial Statements. The Company has delivered to the Investors unaudited financial statements (balance sheet, income statement, and cash flow statement) for the fiscal year ended December 31, 2023. Such financial statements have been prepared in accordance with GAAP and fairly present the financial condition of the Company.

3.4 No Litigation. There is no action, suit, proceeding, or investigation pending or, to the Company's knowledge, currently threatened against the Company.

4. Representations and Warranties of the Investors

Each Investor hereby represents and warrants that:

4.1 Such Investor is an "accredited investor" as defined in Rule 501(a) of Regulation D.

4.2 Such Investor is acquiring the shares for investment for its own account and not with a view to, or for resale in connection with, any distribution thereof.

4.3 Such Investor has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Company.

4.4 Such Investor has had the opportunity to ask questions and receive answers from the Company regarding the Company, its business, and the terms of this investment.

5. Rights, Preferences, and Privileges of Series A Preferred Stock

5.1 Dividends. Holders of Series A Preferred Stock shall be entitled to receive non-cumulative dividends at a rate of 8% per annum on the Purchase Price, when and if declared by the Board of Directors.

5.2 Liquidation Preference. In the event of any liquidation, dissolution, or winding up of the Company, the holders of Series A Preferred Stock shall be entitled to receive, prior to any distribution to holders of Common Stock, an amount equal to 1.0x the Purchase Price per share, plus any declared but unpaid dividends (the "Liquidation Preference"). After payment of the Liquidation Preference, the remaining assets shall be distributed to the holders of Common Stock.

5.3 Conversion. Each share of Series A Preferred Stock shall be convertible, at the option of the holder, into one share of Common Stock, subject to adjustment for stock splits, dividends, and similar events.

5.4 Anti-Dilution. The conversion price shall be subject to broad-based weighted average anti-dilution protection in the event of a down round.

5.5 Voting Rights. Each holder of Series A Preferred Stock shall have the right to vote on all matters submitted to a vote of stockholders, on an as-converted-to-Common-Stock basis.

6. Board of Directors and Governance

6.1 Board Composition. Immediately following the Closing, the Board of Directors shall consist of five (5) members:

- (a) Two seats designated by the holders of Common Stock (initially Robert Chen and John Smith);
- (b) Two seats designated by the Lead Investor (initially Katherine Liu and one additional designee); and
- (c) One independent seat mutually agreed upon by the Common holders and the Lead Investor.

6.2 Board Observer. Eastbridge Capital Partners shall be entitled to designate one non-voting board observer (initially James O'Brien).

6.3 Protective Provisions. For so long as any shares of Series A Preferred Stock remain outstanding, the Company shall not, without the affirmative vote of the holders of at least a majority of the Series A Preferred Stock:

- (a) alter the rights or preferences of the Series A Preferred Stock;

- (b) increase or decrease the authorized number of shares;
- (c) create any new class of stock senior to the Series A;
- (d) declare or pay any dividend on Common Stock;
- (e) sell, lease, or transfer all or substantially all assets; or
- (f) incur indebtedness in excess of \$500,000.

7. Information Rights

7.1 The Company shall deliver to each Major Investor (holding at least 500,000 shares of Series A Preferred Stock):

- (a) Unaudited quarterly financial statements within 30 days of each fiscal quarter end;
- (b) Audited annual financial statements within 90 days of each fiscal year end;
- (c) An annual budget and operating plan at least 30 days prior to the beginning of each fiscal year.

7.2 Financial reports shall be sent to:

Horizon Ventures Fund III, L.P.
Attn: Katherine Liu
2000 Sand Hill Road, Suite 220
Menlo Park, CA 94025
Email: portfolio-reports@horizonvc.com

Eastbridge Capital Partners, LLC
Attn: James O'Brien
100 Federal Street, 29th Floor
Boston, MA 02110
Email: portfolio@eastbridgecap.com

8. Right of First Refusal and Co-Sale

8.1 Right of First Refusal. Before any Key Holder (as defined in Exhibit B) may sell, transfer, or otherwise dispose of any shares of Common Stock, such Key Holder shall first offer such shares to the Investors on a pro rata basis at the same price and on the same terms.

8.2 Co-Sale Right. If a Key Holder proposes to transfer shares and the Investors do not exercise their Right of First Refusal in full, each Investor shall have the right to participate in such transfer on a pro rata basis.

8.3 Key Holders. The Key Holders are:

- Robert Chen (4,800,000 shares of Common Stock)

- John Smith (3,200,000 shares of Common Stock)

9. Drag-Along Rights

If the holders of at least a majority of the Series A Preferred Stock and a majority of the Common Stock approve a Deemed Liquidation Event (including a merger, acquisition, or sale of all or substantially all assets), all other stockholders shall be required to vote in favor of and not oppose such transaction, and shall take all actions necessary to consummate such transaction.

10. Confidentiality

10.1 Each Investor agrees that all information provided by the Company in connection with this Agreement, including but not limited to financial statements, customer data, employee records (names, Social Security Numbers, compensation details, home addresses), technical specifications, and business plans, constitutes Confidential Information.

10.2 Each Investor shall hold Confidential Information in strict confidence and shall not disclose it to any person other than its partners, employees, advisors, and legal counsel who need to know such information.

10.3 This confidentiality obligation shall survive for 3 years following termination of this Agreement.

11. Conditions to Closing

11.1 Conditions to Investors' Obligations:

- (a) The Company shall have filed an Amended and Restated Certificate of Incorporation with the Delaware Secretary of State;
- (b) The Company shall have delivered an opinion of counsel;
- (c) The Investors' Rights Agreement, Right of First Refusal and Co-Sale Agreement, and Voting Agreement shall have been executed;
- (d) The Company shall have complied with all applicable securities laws.

11.2 Conditions to Company's Obligations:

- (a) Each Investor shall have delivered the Purchase Price by wire transfer to the Company's account:
Bank: JPMorgan Chase
Routing: 021000021
Account: 7729-4410-3356
Account Name: Vertex Analytics, Inc.
SWIFT: CHASUS33
- (b) Each Investor shall have executed this Agreement and all ancillary documents.

12. Governing Law and Dispute Resolution

12.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict-of-laws principles.

12.2 Any dispute arising under this Agreement shall be resolved by binding arbitration administered by JAMS in New York, New York, in accordance with JAMS Comprehensive Arbitration Rules.

13. Miscellaneous

13.1 Entire Agreement. This Agreement, together with the Exhibits, constitutes the entire agreement among the parties.

13.2 Amendments. This Agreement may be amended only by a written instrument signed by the Company and the Lead Investor.

13.3 Notices. All notices shall be in writing and delivered to the addresses set forth in this Agreement or as updated by written notice.

13.4 Expenses. Each party shall bear its own costs and expenses in connection with this Agreement, except that the Company shall reimburse the Lead Investor for legal fees up to \$25,000.

13.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original.

IN WITNESS WHEREOF, the parties have executed this Series A Preferred Stock Purchase Agreement as of the date first written above.

THE COMPANY:

Vertex Analytics, Inc.

By: _____

Name: Robert Chen

Title: Chief Executive Officer

Date: March 15, 2024

LEAD INVESTOR:

Horizon Ventures Fund III, L.P.

By: Horizon Ventures GP III, LLC, its General Partner

By: _____

Name: Katherine Liu

Title: Managing Partner

Date: March 15, 2024

CO-INVESTOR:

Eastbridge Capital Partners, LLC

By: _____

Name: James O'Brien

Title: Managing Director

Date: March 15, 2024

ANGEL INVESTOR:

By: _____

Name: Sarah Williams

Date: March 15, 2024

Exhibit A - Schedule of Investors

Investor Name | Shares | Purchase Price

Horizon Ventures Fund III, L.P. | 1,176,471 | \$5,000,000.00
Eastbridge Capital Partners, LLC | 588,235 | \$2,500,000.00
Sarah Williams | 235,294 | \$1,000,000.00

TOTAL | 2,000,000 | \$8,500,000.00

Exhibit B - Key Holder and Contact Information

Company Officers:

Robert Chen, CEO
88 Greenwich Street, Apt 3901, New York, NY 10006
Phone: +1-212-555-0190 / Email: robert.chen@vertexanalytics.com

John Smith, CTO
415 East 54th Street, Apt 12F, New York, NY 10022
Phone: +1-212-555-0147 / Email: john.smith@vertexanalytics.com

Lisa Park, CFO
230 West 79th Street, Apt 8A, New York, NY 10024
Phone: +1-212-555-0155 / Email: lisa.park@vertexanalytics.com

Legal Counsel to the Company:

Morrison & Blake LLP
Attn: Michael Torres, Esq.
1290 Avenue of the Americas, 35th Floor, New York, NY 10104
Phone: +1-212-555-0288 / Email: mtorres@morrisonblake.com

Legal Counsel to the Lead Investor:

Fenwick & West LLP
Attn: David Park, Esq.
801 California Street, Mountain View, CA 94041
Phone: +1-650-555-0345 / Email: dpark@fenwick.com