

# FUTUREGUARD LTD

Company Number: 17077565

## RISK WARNINGS

**This document must be read before making any investment**

### Important Notice

This Risk Warnings document is issued by FutureGuard Ltd (the “**Company**”) and must be read in conjunction with the Investment Memorandum, the relevant subscription agreement, and the application form for the investment route you are considering. **You should not invest in the Company unless you have read and understood this document in full.**

This document is directed exclusively at persons who qualify as certified high net worth individuals, self-certified sophisticated investors, certified sophisticated investors, or investment professionals within the meaning of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. If you do not fall within one of these categories, you should not read this document or invest in the Company.

**FutureGuard Ltd is not authorised or regulated by the Financial Conduct Authority.**

This document does not constitute investment advice. You should seek independent financial, legal and tax advice before making any investment decision.

### How to Read This Document

FutureGuard operates a diversified 9-brand ecosystem across the later-life planning market. The Company has designed its business model, corporate structure and investment terms to mitigate the risks inherent in any early-stage technology business. Where relevant, specific structural mitigations are noted alongside each risk factor below. However, no mitigation eliminates risk entirely, and investors should assess each factor independently before making any investment decision.

The presence of mitigations does not reduce the fundamental risk of investing in an early-stage company. **You may lose the entire amount you invest.**

### 1. Risk of Total Capital Loss

FutureGuard is a pre-revenue, early-stage company. **You may lose the entire amount you invest.** There is no guarantee that the Company will generate revenue, become profitable, or achieve any of the milestones described in the Investment Memorandum. The financial projections contained in the Investment Memorandum are illustrative and forward-looking. They are based on assumptions that may prove to be incorrect. Actual results may differ materially from projections.

**Structural mitigations.** FutureGuard’s 9-brand architecture means total capital loss requires the simultaneous failure of all nine verticals, each of which serves a distinct market segment with independent revenue streams. The diversified model reduces

single-point-of-failure risk compared to a single-product startup. For qualifying UK investors subscribing via ASA, EIS relief provides meaningful downside protection: 30% income tax relief reduces the effective cost of the investment, and loss relief allows remaining losses to be offset against income, capping the maximum effective loss at approximately 38.5p per £1 invested for a 45% taxpayer.

## 2. Illiquidity

There is **no public market** for shares in the Company. You should not invest unless you are prepared to hold your investment for a minimum of 3–5 years. You may not be able to sell or transfer your shares at any time, and there is no guarantee that an exit event (trade sale, IPO or secondary sale) will occur. If an exit does occur, the price achieved may be lower than your original investment.

**Structural mitigations.** The Company's target exit horizon is 3–5 years via trade sale or growth equity round. The later-life services sector is experiencing active M&A, with insurance groups, financial services conglomerates and private equity firms acquiring technology-led platforms in adjacent verticals. FutureGuard's multi-brand ecosystem creates strategic value to potential acquirers beyond standalone brand economics. Pre-emptive rights allow existing investors to participate pro-rata in future equity rounds.

## 3. Dilution

The Company intends to raise further capital in the future. Each subsequent funding round will issue new shares, diluting the percentage ownership of existing shareholders. While pre-emptive rights are offered to existing investors, there is no guarantee that you will be able or willing to participate in future rounds. Your percentage holding may reduce significantly over time.

**Structural mitigations.** All investors receive pro-rata pre-emptive rights in future rounds. The 10% EMI option pool has been carved entirely from founding shareholders' holdings, not from investor equity, ensuring that management incentivisation does not further dilute investor positions. The illustrative dilution tables in the Investment Memorandum (Section 8.3) show investor ownership at each projected funding stage.

## 4. EIS Qualification Risk

The Company intends to apply for HMRC Advance Assurance under the Enterprise Investment Scheme (EIS). **No guarantee is made that EIS relief will be available.** Advance Assurance may not be obtained, or may be withdrawn. The Company may cease to meet the qualifying conditions after shares are issued. Individual investors may not meet the qualifying conditions. If relief is not available or is withdrawn, the economic returns on your investment will be significantly worse than the illustrative calculations in the Investment Memorandum.

EIS relief requires a **minimum 3-year holding period**. If you dispose of your shares within 3 years of issue, any relief claimed will be clawed back by HMRC.

**The ASA investment route is EIS-qualifying on conversion.** Investors subscribing via ASA will receive shares qualifying for EIS relief when the ASA converts into equity at the qualifying funding round. The CLN route does **not** qualify for EIS or any other tax relief.

**Structural mitigations.** FutureGuard has been structured from inception as a qualifying technology trade. All regulated activities are delivered by independently authorised third-party partners, and the Company earns revenue through software subscriptions, platform fees, SaaS licensing and referral commissions — none of which constitutes an excluded activity under ITA 2007. The ASA's 6-month long-stop date is specifically designed to ensure shares are issued within the timeframe required by HMRC guidance. SeedLegals has been appointed as EIS platform and compliance adviser. The Company undertakes to apply for Advance Assurance and to notify investors promptly of any event that could affect EIS qualification.

## 5. ASA-Specific Risks

The Advance Subscription Agreement (ASA) is **not a loan**. You have no right to repayment. The ASA converts into shares on the occurrence of a qualifying funding round or at the 6-month long-stop date. If the Company fails before conversion, you will lose your entire investment with no debt protection.

The valuation cap of **£12,500,000 pre-money** and conversion discount of **50%** to the qualifying round price provide pricing protection, but do not guarantee any minimum return. The conversion price is determined by the terms of the next qualifying funding round, which are not yet fixed.

**Structural mitigations.** While the ASA carries no right to repayment, the combination of the £12.5M valuation cap and 50% conversion discount means ASA investors acquire equity at a substantial discount to the anticipated EIS round price (£25M pre-money target). The 6-month long-stop date guarantees that shares are issued regardless of whether a qualifying round occurs, converting the investor's position from an unsecured advance into equity with EIS tax protections. If the investment fails entirely, EIS loss relief limits the effective downside to approximately 38.5p per £1 invested for a 45% taxpayer.

## 6. CLN-Specific Risks

The Convertible Loan Note (CLN) is **unsecured debt**. It ranks behind any secured creditors. If the Company enters insolvency, you may receive nothing. While interest (coupon) of **10% per annum** is payable, the Company may be unable to meet interest payments if cash flow is insufficient.

The CLN has a **12-month maturity** and a **£12,500,000 valuation cap** with a **50% conversion discount** to the next qualifying round. The CLN **does not qualify for EIS or any other tax relief**. At maturity, if no qualifying round has occurred, the Noteholder elects whether to receive repayment in cash or convert into shares at the cap-implied price. If conversion is elected, you bear equity risk from that point.

**Maturity election risk.** At the expiry of the 12-month maturity period, the Noteholder — not the Company — has the right to elect whether to receive cash repayment or to convert the outstanding principal and accrued interest into ordinary shares at the

Valuation Cap price. The Noteholder controls this election. If the Noteholder elects conversion, they will receive ordinary shares rather than cash, and those shares will be illiquid with no guaranteed secondary market. If the Noteholder elects cash repayment but the Company has insufficient funds, the Noteholder's recourse is as an unsecured creditor. This is a meaningful economic risk and investors should consider whether they are prepared to accept either outcome.

**Structural mitigations.** The CLN provides multiple layers of protection not available to equity investors. The 10% annual coupon delivers a guaranteed cash return while the Company is operational, payable quarterly in arrears. CLN holders rank ahead of all ordinary shareholders in a winding-up. The 50% conversion discount and £12.5M valuation cap ensure that if conversion occurs, the Noteholder receives equity at a significant discount to the anticipated next-round price. Critically, the maturity election sits with the Noteholder, not the Company — the investor retains control over whether to take cash or equity at the 12-month point. The Company's projected cash flow turns positive in Year 2, and the modest total raise size (£2M) keeps debt service obligations manageable.

## 7. Business and Market Risks

### 7.1 Pre-revenue status

The Company has not yet generated revenue at commercial scale. Seven of nine platform MVPs are built, but none has been commercially launched or validated with paying customers at scale.

**Structural mitigations.** Unlike a typical pre-revenue company, FutureGuard has contracted income from day one. SettleWise holds a contracted revenue arrangement with WAY Trustees for trust deed drafting — 300–360 trusts per year at approximately £150,000–£200,000 per annum — providing a revenue floor independent of consumer adoption timelines. Seven of nine platform MVPs are already live and demonstrable, reducing the technology execution risk that typically characterises pre-revenue businesses.

### 7.2 Market adoption

There is no guarantee that consumers will adopt digital later-life planning tools. The market may develop more slowly than projected, competitors may emerge, or consumer preferences may differ from assumptions.

**Structural mitigations.** The 9-brand architecture provides diversified entry points across multiple customer segments and acquisition channels. If consumer adoption of one brand is slower than projected, other brands with different customer profiles and distribution channels may compensate. The Company's B2B channels (white-label AI IFA Platform, SettleWise/WAY Trustees contract) generate revenue independently of direct consumer adoption. The underlying market demand is demographically guaranteed: 600,000+ deaths per year, rising to 700,000+ by 2040, each generating administrative and financial planning needs that are not discretionary.

### 7.3 Regulatory risk

The Company operates in a heavily regulated environment. Changes to IHT rules, FCA requirements, SRA regulations, EIS legislation, or data protection law could materially affect the business model, revenue projections, or the Company's ability to operate.

**Structural mitigations.** FutureGuard's partnership model deliberately insulates the Company from direct regulatory burden. All regulated activities — financial advice, legal services, trust administration and funeral plan provision — are delivered by independently authorised third-party partners who carry their own regulatory obligations. FutureGuard operates as a technology platform, not a regulated entity. This means regulatory changes affecting any single sector (e.g. FCA rule changes) affect the partner, not FutureGuard directly, and alternative partners can be engaged if necessary.

### 7.4 Execution complexity

The Company is building 9 interconnected brands simultaneously. This is inherently complex. Delays, cost overruns, technical failures, or strategic misjudgements in any brand could affect the group.

**Structural mitigations.** Each brand is architecturally independent with its own market, customer base, revenue model and standalone unit economics. Failure of any single brand does not collapse the others — a customer can use WillWise without AfterLife, and an IFA can license the AI IFA Platform without any connection to the consumer brands. Seven of nine MVPs are already built, reducing remaining development risk. The phased rollout allows capital to be allocated progressively based on real traction data rather than committing to all nine launches simultaneously.

### 7.5 Partner dependency

The Company relies on independently regulated third-party partners for financial advice (FCA), legal services (SRA), trust administration (TCSP) and funeral plan provision (FCA). Loss of any key partner — including WAY Trustees for SettleWise contracted revenue — or a partner's regulatory failure, could disrupt the Company's operations.

**Structural mitigations.** The partnership model is a deliberate strategic choice, not a dependency born of necessity. It means FutureGuard does not bear the cost, time or risk of obtaining its own FCA or SRA authorisations — a process that can take 12–18 months and cost £200,000+. Partners are engaged under arm's-length commercial agreements and can be replaced. The Non-Executive Chairman's 45+ year track record in financial services and trust administration provides deep relationships across multiple potential partner firms, reducing concentration risk.

### 7.6 Competition

The later-life market may attract large, well-funded competitors including insurance companies, financial services groups, or technology platforms with greater resources. Existing single-vertical competitors may expand into adjacent verticals.

**Structural mitigations.** No existing competitor connects more than two of the nine verticals FutureGuard addresses. Building a comparable integrated ecosystem from

scratch would require years of development, multiple regulatory partnerships, and the cross-referral data architecture that FutureGuard is building from day one. The ecosystem breadth — combined with the shared Financial DNA data layer and cross-referral engine — creates a structural moat that single-vertical competitors cannot replicate without fundamental strategic transformation.

## 7.7 Key person risk

The Company's success depends on its leadership team. Loss of any member of the executive team could materially affect execution, partner relationships, or strategic direction.

**Structural mitigations.** The 10% EMI option pool incentivises retention of key personnel through 4-year vesting with a 1-year cliff. The board structure provides operational continuity independent of any single individual. Platform architecture, partner agreements and operational processes are documented and systematised, reducing the dependence on tacit knowledge held by any one team member.

## 7.8 Technology risk

The Company's platforms handle sensitive personal, financial and legal data. A data breach, platform failure, or AI error could damage reputation, create legal liability, and destroy customer trust. AI technology is evolving rapidly and the Company's approach may become outdated.

**Structural mitigations.** The Company targets ISO 27001 certification in Year 2 and SOC 2 compliance in Year 3. The platform architecture specifies AES-256 encryption, multi-factor authentication, quarterly penetration testing, UK data residency and full GDPR compliance. AI outputs in regulated contexts (financial advice, legal services) are reviewed by qualified human professionals before delivery to clients, providing a critical safety layer against AI errors.

## 8. Risks Specific to the 9-Brand Structure

FutureGuard operates **9 specialist brands**: WillWise, AI IFA Platform, Digital Safe, Ingenious Trust Services, AfterLife, ToInfinity, SettleWise, The Only, and CareWise. While this diversification reduces dependence on any single brand, it also means:

- **Development capital** must be allocated across multiple platforms, and any brand may require more funding than projected
- **Cross-referral economics** depend on customers using multiple brands — if uptake is lower than projected, the ecosystem value may not be realised
- **Regulatory complexity** spans multiple frameworks (FCA, SRA, TCSP, GDPR) and is managed primarily through partnership arrangements; any change in the regulatory environment could affect one or more brands disproportionately

**Structural mitigations.** The 9-brand structure is itself the primary risk mitigant. Each brand serves a distinct market segment, operates independently with standalone unit economics, and can generate revenue without the cross-referral engine. The Investment Memorandum's sensitivity analysis (Section 7.2) demonstrates that even at 50% of

projected revenue — assuming significant execution delays and no cross-referral uplift until Year 3 — the business reaches profitability by Year 3. The diversified model means an investor's capital is not dependent on any single product achieving market fit: partial success across multiple brands can deliver meaningful returns even if some brands underperform.

## 9. Forward-Looking Statements

The Investment Memorandum and supporting documents contain forward-looking statements including financial projections, market estimates, and business plans. These are based on current expectations and assumptions that may prove to be incorrect.

**Forward-looking statements are not guarantees of future performance.** You should not rely on them as the basis for your investment decision. Actual results may differ materially from any projections.

**Context.** The Investment Memorandum includes a three-scenario sensitivity analysis (bear case at 50% of base, base case, and bull case at 130% of base) to help investors assess the range of potential outcomes under different assumption sets. Investors are encouraged to review these scenarios and form their own view of realistic performance.

## 10. No Advice

Neither the Company, its directors, nor any of its advisers is providing investment advice, financial advice, tax advice, or legal advice to you in connection with this investment. **You must seek your own independent professional advice.** The Company cannot assess whether this investment is suitable for you.

## 11. Past Performance

The Company is pre-revenue with no trading history. Any references to financial performance relate to projections, not actual results. **Past performance of any related or predecessor business is not indicative of future results.**

## 12. Acknowledgement

By proceeding with an investment in FutureGuard Ltd, you confirm that:

- (a) you have read and understood this Risk Warnings document in full;
- (b) you have read the Investment Memorandum and the relevant subscription agreement;
- (c) you have taken or have had the opportunity to take independent financial, legal and tax advice;
- (d) you understand that you may lose the entire amount invested;
- (e) you understand there is no public market for the shares and your investment will be illiquid;
- (f) you understand that EIS relief is not guaranteed (and that the CLN does not qualify for EIS relief); and

(g) you can afford the loss of the entire amount invested without it affecting your standard of living.

### **Investor Acknowledgement**

I confirm I have read and understood this Risk Warnings document.

<b>Signature:</b>	
Print name:	
Date:	

*FutureGuard Ltd • Company No. 17077565 • 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ*