<u>Information for Loan Noteholders of the</u>

<u>High Street Group of Companies</u>

<u>(in Administration)</u>

This is important information for Loan Noteholders.

Background and Summary

The High Street Group ("HSG") undertook property developments in English cities.

HSG funded itself, in part, by issuing Loan Notes.

Loan Notes are a common way for companies to raise finance for developments. Castle acted as Security Trustee on those Loan Notes and was paid by HSG to provide that service. Every Loan Noteholder also became a party to the key legal document, which was the Security Trust Deed. As Security Trustee, Castle held right of title to some of the assets of HSG – in part to help secure the investment of Loan Noteholders.

Unfortunately, like many such companies, HSG fell into administration around the time of Covid-19.

Since then, Castle has been working away in the background in the interests of Loan Note holders with the aim of having as much of their money returned as possible. This is only right given our position, and Castle has been and remains keen to give you as much information as possible about this process – and of course assist in any way we can to help you get your money back. We have helped many Loan Noteholders already so please feel free to continue to contact us at: info@castletrustgroup.com

For the avoidance of doubt, Castle's role has never been to guarantee or otherwise underwrite the Loan Notes, as some have wrongly sought to make out on websites or via podcasts. Nor were Castle ever instructed by a sufficient number of Loan Noteholders to conduct an immediate liquidation of the security.

But in seeking to fulfil our role as Security Trustee of the Loan Notes, to increase Loan Note holder's security overall, Castle ensured that additional security was provided by the parent company (called High Street GRP Limited) in the second half of 2021. As we have said before, we felt (in the absence of being instructed by a majority of Loan Noteholders) that maximising value was best achieved by Castle encouraging completion of the actual developments. The alternative, it was felt, of holding a fire sale of the security (which were basically after first charges on very partially completed projects) would likely have been a far worse outcome. That has not stopped claims by some without full knowledge of all the relevant information to claim an alternative to build out provides more benefit to loan noteholders as a whole. As the Administrators point out such preferential claims and attempts are illegal. Blatant scams to misrepresent the Administrators and extract further money from Loan Noteholders are also of great concern. In their report the Administrators emphasise that realisations will be paid direct to Loan Noteholders without any deductions to third parties.

Importantly, as also highlighted in the Administrators' report, they are assisting certain authorities with their enquiries.

Where we stand now

Thus, when the time came and to further protect the best interests of Loan Noteholders, it was Castle who petitioned the relevant court to appoint wholly independent Administrators. The Administrators were duly appointed on 16 December 2021. The process we helped to bring in, to provide additional security, can be reversed by the Administrator in the normal way if they decide that we were wrong to do so. This is specifically referred to in the most recent Administrator's Report of December 2022, a copy of which we have provided for you to read below. It would not have been possible to obtain this increased security if individual development security had been immediately sold off.

It is now over 15 months since the Court appointed the Administrators. Enquiries regarding future realisations should be addressed to them. It will take some time for the developments to be sufficiently completed and funds realised, of course. But the assets have not gone away – they are being developed to sell on at the best available price. Castle has co-operated fully with the Administrators: we have attended meetings in London and assisted in the arrangement of funding to enable the developments to be finished. In fact, as a result of the prudent actions taken by Castle, and the work of the Administrators, it is now anticipated that a strong recovery of funds will occur, backed by a legally binding agreement from the development company authorised by the Administrators to complete a number of sites. Commercially sensitive negotiations continue in this regard, as you will read in the Administrator's report.

Effectively then, the role Castle played has now been taken over by the Administrators. Whilst we continue to assist wherever possible it is now their professional responsibility to realise the assets for the Loan Noteholders. Castle has every confidence that they will do a good job.

Possible Recovery from Financial Services Compensation Scheme (FSCS)

In ending this update, we want to highlight that Castle has already made several applications directly to the FSCS – indeed we have been successful in recovering funds up to the maximum of £80,000 per case for Loan Noteholders. If you are a Loan Noteholder who sought investment advice from an IFA as part of a due diligence process, Castle will as always be happy to assist you in making your application. Please contact: info@castletrustgroup.com

We understand that the amount recovered overall from the FSCS is in the region of £30 million. We also understand that the profits that will be released from the property developments now under the control of the Administrators could result in total gross recoveries from all sources to be in excess of £100 million.