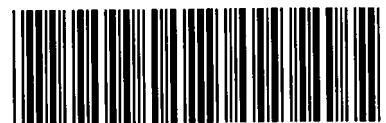


HLT Owned Mezz V-C Limited

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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for the year ended 31 December 2019

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COMPANY INFORMATION
for the year ended 31 December 2019

DIRECTORS:

Hilton Corporate Director LLC
Mr B Wilson
Mr J O Percival
Mr S R Vincent
Ms K J Coari

SECRETARY:

HLT Secretary Limited

REGISTERED OFFICE:

Maple Court
Central Park
Reeds Crescent
Watford
Hertfordshire
WD24 4QQ

REGISTERED NUMBER:

06400448 (England and Wales)

ACCOUNTANTS:

Hilton Worldwide
Maple Court
Reeds Crescent
Watford
Hertfordshire
WD24 4QQ

STRATEGIC REPORT
for the year ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

The principal activity of the company in the year under review was that of an investment holding company.

REVIEW OF BUSINESS

The company has not traded during the year and accordingly it has made neither a profit or a loss (2018: R-). It is anticipated that the company will continue to operate as an investment holding company in the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal activities are those of an investment holding company. As such the principal risks and uncertainties facing the company relate solely to the recoverability of the value of those investments.

The company monitors the fair value of all underlying assets to determine whether there are indicators that the carrying values of investments are not recoverable.

COVID-19

As part of ongoing monitoring, management have identified the COVID-19 outbreak as a risk that could cause significant disruption to the wider Hilton Worldwide Holdings Inc. group. Whilst it is expected that this unprecedented situation will be temporary, there could be a long period of business interruption during which the revenues, profitability and cash flows of the group are expected to be negatively impacted. The company holds investments in subsidiaries that hold intercompany loan agreements, with undertakings that operate in countries affected by the pandemic which are currently being impacted both through restrictions on their own operations and the restriction of movement of their customers. While as of the date of this report, certain global regions have begun to see recovery in operations after the pandemic, due to the complexity of the situation and its rapid evolution, it is not practicable as of the date of approval of these financial statements to make a reliable quantified estimate of its potential impact on the company and specifically the impact on the carrying value of the investments held by the company. In order to mitigate any risk to the company, a letter of support has been obtained from the ultimate parent company but should there be any impact this will be reflected in the financial statements for the year ending 31 December 2020.

FUTURE DEVELOPMENTS

The company will continue to operate as an investment holding company in the future.

ON BEHALF OF THE BOARD:



Hilton Corporate Director LLC - Director

24 November 2020

REPORT OF THE DIRECTORS
for the year ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

Hilton Corporate Director LLC
Mr B Wilson
Mr J O Percival
Mr S R Vincent

Other changes in directors holding office are as follows:

Ms K J Coari - appointed 19 December 2019

GOING CONCERN

The company's activities, together with the factors likely to affect its future development, its competitive, economic and interest rate risks are set out in the 'Review of Business' and 'Principal Risks and Uncertainties' section in the Strategic Report. The financial statements have been prepared under the going concern basis because the company has net assets. Management believe that the company can meet its liabilities as they fall due for a period of at least 12 months from the date on which these financial statements are approved. Notwithstanding this, the company has obtained a letter of support from its ultimate parent company Hilton Worldwide Holdings Inc ("the group") and the directors are satisfied that despite the impact of COVID-19 on the parent company it has sufficient cash and liquidity to provide this support should it be required.

Stress testing has been performed on the group's forecast cash flows which indicate that there is no material risk that the group will be unable to provide financial support within a period of at least 12 months from the date of approval of the financial statements. As disclosed in the Hilton Worldwide Holdings Inc form 10Q as of September 30 2020, it had total cash and cash equivalents of \$3.5 billion. This cash position will be adequate to meet anticipated requirements for operating and other expenditures, including corporate expenses, payroll and related benefits, taxes and compliance costs and other commitments for an estimated period of at least 24 months, even if current levels of very low occupancy were to persist.

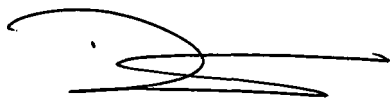
The letter of support from the ultimate parent company expresses the intention to provide financial support on a non-binding basis and reserves the right to inform the company if circumstances change such that the group may no longer be able or willing to provide such financial support. The directors consider that the reliance on the letter of support with such limitations results in a material uncertainty which may cast significant doubt upon the company's ability to continue as a going concern noting however that the group is well positioned to withstand the impact of COVID-19 as outlined above. Accordingly, the directors have concluded that it is appropriate for the financial statements to be prepared on a going concern basis. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on basis other than going concern.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year Hilton Worldwide Holdings Inc. purchased and maintained on behalf of the company liability insurance for its directors and officers.

REPORT OF THE DIRECTORS
for the year ended 31 December 2019

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a large, stylized 'H' followed by a horizontal line and a small flourish.

Hilton Corporate Director LLC - Director

24 November 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2019

	Notes	2019 R	2018 R
TURNOVER		<u>-</u>	<u>-</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	5	-	-
Tax on profit	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		-	-
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>-</u>	<u>-</u>

The notes form part of these financial statements

BALANCE SHEET

31 December 2019

	Notes	2019 R	2018 R
FIXED ASSETS			
Investments	7	<u>444,518,575</u>	<u>444,518,575</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>444,518,575</u>	<u>444,518,575</u>
CAPITAL AND RESERVES			
Called up share capital	8	1,363	1,363
Share premium	9	<u>444,517,212</u>	<u>444,517,212</u>
SHAREHOLDER FUNDS		<u>444,518,575</u>	<u>444,518,575</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

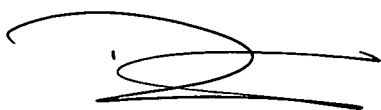
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 24 November 2020 and were signed on its behalf by:



Hilton Corporate Director LLC - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2019

	Called up share capital R	Retained earnings R	Share premium R	Total equity R
Balance at 1 January 2018	1,363	-	444,517,212	444,518,575
Changes in equity				
Balance at 31 December 2018	<u>1,363</u>	<u>-</u>	<u>444,517,212</u>	<u>444,518,575</u>
Changes in equity				
Balance at 31 December 2019	<u><u>1,363</u></u>	<u><u>-</u></u>	<u><u>444,517,212</u></u>	<u><u>444,518,575</u></u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

1. FUNDAMENTAL ACCOUNTING CONCEPT

HLT Owned Mezz V-C Limited is incorporated and domiciled in England and Wales.

The financial statements have been prepared under the going concern basis because the company has net assets. Management believe that the company can meet its liabilities as they fall due for a period of at least 12 months from the date on which these financial statements are approved. Notwithstanding this, the company has obtained a letter of support from its ultimate parent company Hilton Worldwide Holdings Inc ("the group") and the directors are satisfied that despite the impact of COVID-19 on the parent company it has sufficient cash and liquidity to provide this support should it be required.

Stress testing has been performed on the group's forecast cash flows which indicate that there is no material risk that the group will be unable to provide financial support within a period of at least 12 months from the date of approval of the financial statements. As disclosed in the Hilton Worldwide Holdings Inc form 10Q as of September 30 2020, it had total cash and cash equivalents of \$3.5 billion. This cash position will be adequate to meet anticipated requirements for operating and other expenditures, including corporate expenses, payroll and related benefits, taxes and compliance costs and other commitments for an estimated period of at least 24 months, even if current levels of very low occupancy were to persist.

The letter of support from the ultimate parent company expresses the intention to provide financial support on a non-binding basis and reserves the right to inform the company if circumstances change such that the group may no longer be able or willing to provide such financial support. The directors consider that the reliance on the letter of support with such limitations results in a material uncertainty which may cast significant doubt upon the company's ability to continue as a going concern noting however that the group is well positioned to withstand the impact of COVID-19 as outlined above. Accordingly, the directors have concluded that it is appropriate for the financial statements to be prepared on a going concern basis. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on basis other than going concern.

2. STATUTORY INFORMATION

HLT Owned Mezz V-C Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company's financial statements are presented in ZAR, which is the company's functional currency. Amounts have been rounded to the nearest R.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

3. ACCOUNTING POLICIES - continued

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraphs 10(d), 16 and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 130(f), 134(d to f) and 135(c to e) of IAS 36 Impairments of Assets.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

3. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Foreign currency

An entity's functional currency is determined (not chosen). IAS 21 (The Effects of Changes in Foreign Exchange Rates) provide factors, often referred to as indicators, that are considered when identifying the functional currency. In some cases, the indicators will clearly identify a particular currency as the functional currency. In other cases they will not. When the factors provide a varied result and the functional currency is not obvious, management must use judgement based on the entity's individual facts and circumstances to determine its functional currency in a way that gives a fair presentation (ie faithfully represents the economic effects of transactions, events and conditions). As HLT Owned Mezz V-C Limited's cash flows are denominated in ZAR and the immediate parent reporting currency is ZAR, management has used their judgement and determined a change in the functional currency of the company from GBP to ZAR, this change has been applied fully retrospectively to the underlying records which are in ZAR, in accordance with the required Accounting Standards.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial year.

Impairment of investments

Determining whether a subsidiary is impaired requires an estimation of the value in use of it's subsidiary. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the subsidiary and a suitable discount rate in order to calculate present value. Each investment in subsidiary is an individual cash generating unit.

Details of any impairment losses are disclosed in 'Investments' note.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Fixed asset investments

Investments in subsidiary undertakings are stated at cost. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

4. EMPLOYEES AND DIRECTORS

All operations of the company during the year ended 31 December 2019 have been undertaken by employees of other companies within Hilton Worldwide Holdings Inc.. A charge of R- has been included in cost of sales in respect of their services (2018:R-).

All the directors of the company are also directors of other group companies. The directors received total remuneration for the year of £1.9m (2018: £1.8m) all of which was paid by other companies within the group. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the other group companies.

5. PROFIT BEFORE TAXATION

This company does not incur audit fees.

6. TAXATION

Although the company is registered in the UK, it is not resident in the UK for tax purposes as it is managed and controlled in Switzerland, which country has the taxing right by virtue of the UK and Switzerland Double Taxation Convention.

The company made neither a profit nor a loss during the period and as such there is no tax charge for the period or any tax balances to report.

7. INVESTMENTS

	Shares in group undertakings R
COST	
At 1 January 2019	
and 31 December 2019	<u>444,518,575</u>
NET BOOK VALUE	
At 31 December 2019	<u>444,518,575</u>
At 31 December 2018	<u>444,518,575</u>

Details of the investments in which the company holds nominal value of any class of share capital are as follows:

	Country of registration and operation	Principal activity	Proportion of voting rights and shares held
HLT Owned Mezz V-B Limited	England	Investment holding company	100%
HLT Owned Mezz V-A Limited	England	Investment holding company	100%
HLT Owned V-A Holding Limited	England	Investment holding company	100%

Consolidated financial statements have not been prepared as the company is consolidated into the financial statements of a larger group, for which the consolidated financial statements are publicly available, as disclosed in the below note "Parent undertaking, controlling party and consolidating entity".

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019 R	2018 R
Number:	Class:			
100	Ordinary shares	1	<u>1,363</u>	<u>1,363</u>

9. RESERVES

	Retained earnings R	Share premium R	Totals R
At 1 January 2019	-	444,517,212	444,517,212
Profit for the year	-	-	-
At 31 December 2019	<u>-</u>	<u>444,517,212</u>	<u>444,517,212</u>

10. EVENTS AFTER THE REPORTING PERIOD

On 11 March 2020, the World Health Organization raised the public health emergency situation caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomic environment and the operation of business. The company has investments in subsidiaries that hold intercompany loan agreements with entities that operate in countries affected by the pandemic which are currently being impacted both through restrictions on their own operations and the restriction of movement of their customers. Whilst as of the date of this report, certain global regions have begun to see recovery in operations after the pandemic, COVID-19 will have a detrimental impact on entities in the wider groups revenues, profits and net assets. Given the complexity of the pandemic and its rapid evolution, it is not practicable as of the date of approval of these financial statements to make a reliable quantified estimate of its potential impact on the company. In order to mitigate any risk to the company, a letter of support has been obtained from the ultimate parent company but should there be any impact this will be reflected in the financial statements for the year ending 31 December 2020.

11. PARENT UNDERTAKING, CONTROLLING PARTY AND CONSOLIDATING ENTITY

The company's immediate parent undertaking is HLT Owned Mezz V-D Limited, an investment holding company registered in England.

The ultimate parent the only undertaking for which group financial statements were prepared and into which the company is consolidated for 31 December 2019, was Hilton Worldwide Holdings Inc., a Delaware company incorporated in the United States of America. These group financial statements are available from the company secretary, Hilton Worldwide Holdings Inc., 7930 Jones Branch Drive, McLean, Fairfax County, Virginia VA 22102-3302, United States of America.