

REGISTERED NUMBER: 10513497 (England and Wales)

Hilton International IP Holding 2 Ltd

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**



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for the year ended 31 December 2022

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Hilton International IP Holding 2 Ltd

COMPANY INFORMATION
for the year ended 31 December 2022

DIRECTORS:

Mr S Beasley
Mr B Wilson
Mr J O Percival
Mr R Beeston
Mr G C Ogle
Mrs M Momdjian
Mr S Cassidy
Ms K J Coari

SECRETARY:

HLT Secretary Limited

REGISTERED OFFICE:

Maple Court
Reeds Crescent
Watford
United Kingdom
WD24 4QQ

REGISTERED NUMBER:

10513497 (England and Wales)

AUDITORS:

Ernst & Young LLP
Statutory Auditor
1 More London Place
London
SE1 2AF

Hilton International IP Holding 2 Ltd

STRATEGIC REPORT for the year ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

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

Hilton International IP Holding 2 Ltd is an indirect subsidiary of Hilton Worldwide Holdings Inc. and is based in the United Kingdom (UK). Hilton Worldwide Holdings Inc. and its worldwide subsidiaries are collectively known as "the group" or "the Hilton group". Further details are contained in the note "Parent Undertaking, Controlling Party and Consolidating Entity".

REVIEW OF BUSINESS

The company's key financial indicators of performance during the year are considered to be:

| | 2022 | 2021 |
|-------------------------------|---------------|---------------|
| | \$ | \$ |
| Loss after taxation | (8,952,389) | (3,326,022) |
| Carrying value of investments | 3,317,436,078 | 3,317,436,078 |

The decline in profitability was primarily due to higher interest rates on amounts payable to group undertakings.

PRINCIPAL RISKS AND UNCERTAINTIES

Interest rate risk

This company is subject to interest rate risk on intercompany loans where the interest rate is linked to applicable market index rates such as the Sterling Overnight Index Average (SONIA) or the Euro Short Term Rate (ESTR). The group's treasury department monitors interest rates.

Exchange rate risk

This company is subject to exchange rate risk on its investments in overseas subsidiaries and joint venture undertakings. On 31 January 2020, the United Kingdom (UK) left the European Union (EU) with a transition period that ended on 31 December 2020 ("Brexit"). Brexit continues to create global economic uncertainty, but to date, Brexit is not considered to have had a material impact on Hilton's UK business although it may impact our customers' behaviours in the future, particularly with respect to closely monitoring their costs and reducing their spending on travel and corporate events. There may also be exchange rate volatility. There continues to be uncertainty therefore over how it will ultimately impact the company, but the company's treasury department monitors exchange rates.

Impairment Risk

One of the company's activities is that of an investment holding company. As such a risk and uncertainty facing the company relates to the recoverability of the value of its 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

The COVID-19 pandemic significantly affected the global economy and strained the hospitality industry due to travel restrictions and advisories, stay-at-home directives, limitations on public gatherings and modified work arrangements, all of which resulted in cancellations and reduced travel around the world, as well as complete and partial suspensions of certain hotel operations. Although distribution of approved vaccines for COVID-19 continued throughout 2022, access to and acceptance of vaccines has varied across regions and within individual countries. In addition, new strains of the virus have had increased transmissibility, complicating treatment and vaccination programs. As such, the COVID-19 pandemic had an adverse impact for the year ended 31 December 2022 on the results of the businesses operated by the company's subsidiaries and COVID-19 or outbreaks of other contagious diseases or other adverse public health developments may continue to negatively affect future results. The long-term effects of the pandemic on our business and the travel industry at large remain uncertain and will depend on future developments, including, but not limited to the availability and public acceptance of vaccinations and other treatments to combat COVID-19 and the length of time it takes for demand to stabilize and normal economic and operating conditions to fully resume. The current and uncertain future impact of the COVID-19 pandemic, including its effect on the ability or desire of people to travel and use our hotel properties for lodging, food and beverage and other services, may negatively affect the results of our subsidiaries which could have an impact on the carrying value of the investments held by the company.

**STRATEGIC REPORT
for the year ended 31 December 2022**

SECTION 172(1) STATEMENT

Information required under section 172(1) of the Companies Act 2006 which is not documented below is shown within the strategic report and under the headings "Review of Business" and "Principal Risks and Uncertainties".

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires directors to have regard to, amongst other matters, the:

- a) likely consequences of any decisions in the long-term;
- b) interests of the company's employees;
- c) need to foster the company's business relationships with suppliers, customers and others;
- d) impact of the company's operations on the community and environment;
- e) desirability of the company maintaining a reputation for high standards of business conduct; and
- f) need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the matters set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made.

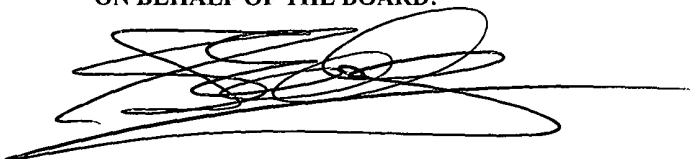
We set out below examples of how we have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duties:

The directors act in a way that they consider to be most likely to promote the success of the company for the benefits of all stakeholders, fostering both high standards of business conduct, the need to act fairly for all members of the company as well as considering carefully the impact of their decisions on the medium and long term outlook for the business. The directors consider that as a holding company the key stakeholder is its parent company within the Hilton Worldwide Holdings Inc. group. The company does not have any external customers and all supplier arrangements are performed by other companies in the wider Hilton Worldwide Holdings Inc. group and therefore this company does not include customers or suppliers as a stakeholder.

FUTURE DEVELOPMENTS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'S Beasley', with a long horizontal line extending to the right.

Mr S Beasley - Director

3 August 2023

REPORT OF THE DIRECTORS
for the year ended 31 December 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Mr S Beasley
Mr B Wilson
Mr J O Percival
Mr R Beeston
Mr G C Ogle
Mrs M Momdjian
Mr S Cassidy
Ms K J Coari

BUSINESS RELATIONSHIPS

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018 there is a requirement to disclose how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others. This disclosure is included within the strategic report under the heading Section 172(1) statement.

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" sections in the Strategic Report.

As of 31 December 2022, the company has net assets and net current liabilities, all of which arise from transactions with affiliates of the group. A going concern basis of preparation has been adopted in the financial statements reflecting the support that has been pledged by the company's ultimate parent undertaking, Hilton Worldwide Holdings Inc.. The company obtained a letter of comfort from Hilton Worldwide Holdings Inc. that the group will provide both financial support to facilitate repayment of intercompany payable debt due on demand should this be called but only to the extent that money is not otherwise available to meet such liabilities and will provide financial support to enable the company to recover any intercompany receivable balances due to the company from other group companies but only to the extent that the counter party is not able to settle the balance without such financial support for a period from the date of approval of the financial statements to the 3 August 2024 ("the going concern assessment period"). The directors are satisfied, given the group's recovery from the impact of the COVID-19 pandemic and the proactive measures put in place during the height of the pandemic, that the group can continue to withstand the impacts along with current macroeconomic factors and that the ultimate parent company has sufficient cash and liquidity to provide this support should it be required. As disclosed in the group's Form 10-Q for the quarter ended 31 March 2023 the group had total cash and cash equivalents of \$1.0 billion and undrawn facilities of \$1.9 billion and stress testing performed on the severe but plausible cash flow forecasts indicate that there is no material risk the group will not be able to provide financial support throughout the going concern assessment period.

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, in respect of proceedings brought by third parties, as permitted by section 236 of the Companies Act 2006.

REPORT OF THE DIRECTORS
for the year ended 31 December 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

In accordance with section 485 of the Companies Act 2006, a resolution is proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'S Beasley', with a long horizontal line extending to the right.

Mr S Beasley - Director

3 August 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HILTON INTERNATIONAL IP HOLDING 2 LTD

Opinion

We have audited the financial statements of Hilton International IP Holding 2 Ltd (the 'company') for the year ended 31 December 2022 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months to 3 August 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HILTON INTERNATIONAL IP HOLDING 2 LTD**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HILTON INTERNATIONAL IP HOLDING 2 LTD

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those that relate to the reporting framework; FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006, the relevant tax compliance regulations in the jurisdictions in which Hilton International IP Holding 2 Ltd operates, Health and Safety Regulations, Modern Slavery Act, Employment Law, Bribery Act, Proceeds of Crime Act 2002, Money Laundering Regulations 2003 and the General Data Protection Regulation (GDPR).

- We understood how Hilton International IP Holding 2 Ltd is complying with those frameworks through enquiry with management, by identifying the company's policies and procedures regarding compliance with laws and regulations, and through the review of minutes of meetings held by those charged with governance for any instances of non-compliance with laws and regulations.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by enquiring with management to understand their interactions throughout the year with Internal Audit and the General Counsel's office to assess the risks of material misstatement due to fraud. As part of our procedures we reviewed the annual risk assessment process conducted by Internal Audit. This procedure evaluates the risk of material misstatement due to fraud by considering the nature and complexity of the company's reporting structure, and most notably considering the likelihood of material misstatements. Based on the results of the risk assessment process no material instances of frauds were identified.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:

- Enquiry of members of senior management, and when appropriate those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
- Reading minutes of meetings of those charged with governance.
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC where applicable.
- Journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding the business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HILTON INTERNATIONAL IP HOLDING 2 LTD**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Peter McIver (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
1 More London Place
London
SE1 2AF

3 August 2023

Hilton International IP Holding 2 Ltd**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
for the year ended 31 December 2022

| | Notes | 2022 \$ | 2021 \$ |
|--|-------|-------------|-------------|
| TURNOVER | | - | - |
| OPERATING PROFIT | | - | - |
| Interest payable and similar expenses | 5 | (8,952,389) | (3,326,022) |
| LOSS BEFORE TAXATION | 6 | (8,952,389) | (3,326,022) |
| Tax on loss | 7 | - | - |
| LOSS FOR THE FINANCIAL YEAR | | (8,952,389) | (3,326,022) |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | (8,952,389) | (3,326,022) |

The notes form part of these financial statements

Hilton International IP Holding 2 Ltd (Registered number: 10513497)

BALANCE SHEET
31 December 2022

| | Notes | 2022 \$ | 2021 \$ |
|--|-------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Investments | 8 | 3,317,436,078 | 3,317,436,078 |
| CREDITORS | | | |
| Amounts falling due within one year | 9 | (338,696,485) | (329,744,096) |
| NET CURRENT LIABILITIES | | <u>(338,696,485)</u> | <u>(329,744,096)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,978,739,593</u> | <u>2,987,691,982</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | 129 | 129 |
| Retained earnings | | <u>2,978,739,464</u> | <u>2,987,691,853</u> |
| SHAREHOLDER FUNDS | | <u>2,978,739,593</u> | <u>2,987,691,982</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 3 August 2023 and were signed on its behalf by:



Mr S Beasley - Director

The notes form part of these financial statements

Hilton International IP Holding 2 Ltd

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

| | Called up share capital \$ | Retained earnings \$ | Total equity \$ |
|------------------------------------|-------------------------------------|----------------------------|-----------------------|
| Balance at 1 January 2021 | 129 | 2,991,017,875 | 2,991,018,004 |
| Changes in equity | | | |
| Total comprehensive loss | - | (3,326,022) | (3,326,022) |
| Balance at 31 December 2021 | 129 | 2,987,691,853 | 2,987,691,982 |
| Changes in equity | | | |
| Total comprehensive loss | - | (8,952,389) | (8,952,389) |
| Balance at 31 December 2022 | 129 | 2,978,739,464 | 2,978,739,593 |

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

1. FUNDAMENTAL ACCOUNTING CONCEPT

As of 31 December 2022, the company has net assets and net current liabilities, all of which arise from transactions with affiliates of the group. A going concern basis of preparation has been adopted in the financial statements reflecting the support that has been pledged by the company's ultimate parent undertaking, Hilton Worldwide Holdings Inc.. The company obtained a letter of comfort from Hilton Worldwide Holdings Inc. that the group will provide both financial support to facilitate repayment of intercompany payable debt due on demand should this be called but only to the extent that money is not otherwise available to meet such liabilities and will provide financial support to enable the company to recover any intercompany receivable balances due to the company from other group companies but only to the extent that the counter party is not able to settle the balance without such financial support for a period from the date of approval of the financial statements to the 3 August 2024 ("the going concern assessment period"). The directors are satisfied, given the group's recovery from the impact of the COVID-19 pandemic and the proactive measures put in place during the height of the pandemic, that the group can continue to withstand the impacts along with current macroeconomic factors and that the ultimate parent company has sufficient cash and liquidity to provide this support should it be required. As disclosed in the group's Form 10-Q for the quarter ended 31 March 2023 the group had total cash and cash equivalents of \$1.0 billion and undrawn facilities of \$1.9 billion and stress testing performed on the severe but plausible cash flow forecasts indicate that there is no material risk the group will not be able to provide financial support throughout the going concern assessment period.

2. STATUTORY INFORMATION

Hilton International IP Holding 2 Ltd 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 US Dollar (USD), which is the company's functional currency. Amounts have been rounded to the nearest \$.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

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 Hilton International IP Holding 2 Ltd has an array of differing cash flows, economic environments, and lack of autonomy, management has used their judgement in determining the functional currency to be USD.

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 an investment is impaired requires an estimation of the value in use of the investment in its subsidiaries. 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 subsidiary is an individual cash generating unit.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through the Statement of Profit or Loss and Other Comprehensive Income. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of Profit or Loss and Other Comprehensive Income, transaction costs.

Subsequent measurement

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Impairment of financial assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through the Statement of Profit or Loss and Other Comprehensive Income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables and some intercompany loans, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix, that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the Statement of Profit or Loss and Other Comprehensive Income, loans and borrowings, or payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement - Intercompany loans

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit or Loss and Other Comprehensive Income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which:
 - (i) is not a business combination; and
 - (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in profit or loss.

Foreign currencies

Assets and liabilities in foreign currencies are translated into USD at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into USD at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

Group reorganisation

In accounting for a group reorganisation as a business combination under common control, the following principles have been adopted:

- Where investments were acquired in exchange for the issue of shares the company has chosen to account for these transactions using the previous parent's book value with the difference between the value of the investments received and the nominal value of the shares issued being recognised within other reserves in equity.

4. EMPLOYEES AND DIRECTORS

All operations of the company during the year ended 31 December 2022 have been undertaken by employees of other companies within Hilton Worldwide Holdings Inc.. A charge of \$- (2021: \$-) has been included in cost of sales in respect of their services.

The directors of the company are also directors of other group companies. The directors received total remuneration for the year of £2.5m (2021: £2.1m) 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

5. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2022 | 2021 |
|---|------------------|------------------|
| | \$ | \$ |
| Interest payable to fellow group undertakings | <u>8,952,389</u> | <u>3,326,022</u> |

6. LOSS BEFORE TAXATION

The remuneration of the auditors of £25,853 (2021: £22,605) is borne entirely by Hilton Worldwide Limited.

7. TAXATION

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2022 | 2021 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Loss before income tax | <u>(8,952,389)</u> | <u>(3,326,022)</u> |
| Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%) | (1,700,954) | (631,944) |
| Effects of: | | |
| Group relief surrendered to/(from) fellow subsidiaries free of charge | <u>1,700,954</u> | <u>631,944</u> |
| Tax expense | <u>-</u> | <u>-</u> |

The Finance Act 2021, which received Royal Assent on 10 June 2021, confirmed that the rate of corporation tax would rise to 25% from 1 April 2023. This change does not have a material effect on these financial statements.

The group's and therefore the company's future tax charge could be affected by numerous factors including, but not limited to, any future consequences of the UK leaving the European Union and any tax reforms adopted from the Organisation for Economic Co-operation and Development (OECD's) Base Erosion and Profit Shifting (BEPS) actions such as those in relation to the deductibility of interest, anti-avoidance or transfer pricing. No quantification of these changes is currently possible due to uncertainty around when any currently proposed rules will be enacted or effective.

Hilton International IP Holding 2 Ltd

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

8. INVESTMENTS

| | Shares in group undertakings \$ |
|---|--|
| COST | |
| At 1 January 2022 and 31 December 2022 | <u>3,317,436,078</u> |
| NET BOOK VALUE | |
| At 31 December 2022 | <u>3,317,436,078</u> |
| At 31 December 2021 | <u><u>3,317,436,078</u></u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

8. INVESTMENTS - continued

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

Investments in directly held subsidiary undertakings are denoted below with an asterisk; all other investments in subsidiary undertakings are indirectly held.

| | Country of registration and operation | Principal activities | Proportion of voting rights and shares held |
|---|---|----------------------------|--|
| Hilton International IP Holding Limited* | United Kingdom | Investment holding company | 100% |
| Hilton International (UK) Limited | United Kingdom | Hotel operator | 100% |
| Hilton Worldwide Manage Limited | United Kingdom | Hotel manager | 100% |
| Mayaguez Hilton LLC | Puerto Rico | Dormant | 100% |
| Hilton Tobago Unlimited | Trinidad and Tobago | Hotel operator | 100% |
| Hilton International Manage (Argentina) SRL | Argentina | Hotel manager | 100% |
| Hilton International Barbados Limited | Barbados | Hotel manager | 100% |
| Conrad International (Thailand) Limited | Thailand | Hotel manager | 100% |
| Conrad International Hotels (HK) Limited | Hong Kong | Hotel manager | 100% |
| Conrad International (Egypt) LLC | United States | Hotel manager | 100% |
| Hilton Hotel Management Services Private Limited | India | Hotel manager | 100% |
| Hilton Argentina SRL | Argentina | Dormant | 100% |
| HIRO Verwaltungs GmbH | Germany | Dormant | 100% |
| HIRO Hotel GmbH & Co KG | Germany | Dormant | 100% |
| HIRO Grundstücks GmbH & Co KG | Germany | Dormant | 100% |
| Hilton Hotel Management (Shanghai) Co. Ltd. | China | Hotel manager | 100% |
| Hilton Enterprise Management (Shanghai) Co. Ltd. | China | Hotel manager | 100% |
| HLT German Manage GmbH | Germany | Investment holding company | 100% |
| HLT German Services GmbH | Germany | Investment holding company | 100% |
| Grand Hotel Imperial DD (JV) | Croatia | Hotel Owner | 17.54% |
| Hilton Worldwide Services Limited | United Kingdom | Hotel service provider | 100% |
| Hilton International (Thailand) Limited | Thailand | Hotel operator | 100% |
| Nagoya Hilton Co Limited (JV) | Japan | Hotel operator | 24% |
| Osaka Hilton Co Limited (JV) | Japan | Hotel operator | 70.36% |
| Tokyo Bay Hilton Co Limited (JV) | Japan | Hotel operator | 24% |
| Addis Ababa Hilton Private Limited Company | Ethiopia | Hotel operator | 100% |
| African American Investment Corporation (PTY) Limited | South Africa | Dormant | 100% |
| Madagascar Hilton SARL | Madagascar | Hotel operator | 100% |
| International Hotels (Kenya) Limited (JV) | Kenya | Hotel owner | 59.42% |
| Societe Tunis Hilton SARL | Tunisia | Dormant | 100% |
| Hilton (Hellas) Monoprosopi EPE | Greece | Hotel operator | 100% |
| Hilton International (Germany) GmbH | Germany | Hotel operator | 100% |
| Hilton Cyprus Limited | Cyprus | Hotel manager | 100% |

Hilton International IP Holding 2 Ltd

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

8. INVESTMENTS - continued

| | | | |
|--|----------------|----------------------------|------|
| Hilton Enternasyonal Otelcilik AS | Turkiye | Hotel operator | 100% |
| Hilton International (Switzerland) GmbH | Switzerland | Hotel operator | 100% |
| Hotelbetriebsgesellschaft Hochstrasse GmbH | Germany | Hotel operator | 100% |
| Grundstücksgesellschaft Belvederer Allee Weimar GmbH | Germany | Dormant | 100% |
| Hilton Malta Limited | Malta | Hotel operator and manager | 100% |
| Hilton International (Bulgaria) EAD | Bulgaria | Hotel operator | 100% |
| Hilton Enternasyonal Otelcilik AS | Turkiye | Hotel manager | 100% |
| Hilton International Holdings LLC | United States | Investment holding company | 100% |
| Comfort Inns BV | Netherlands | Investment holding company | 100% |
| HIC Roissy Netherlands BV | Netherlands | Investment holding company | 100% |
| World Hotels BV | Netherlands | Investment holding company | 100% |
| Hilton Worldwide Franchising LP | United Kingdom | Franchisor entity | 100% |
| Hilton Worldwide Manage Branchco Limited | United Kingdom | Hotel manager | 100% |
| Hilton Worldwide Holding 1 Limited | United Kingdom | Investment holding company | 100% |
| Hilton Worldwide International Myanmar Company Limited | Myanmar | Hotel manager | 100% |
| Hilton Copenhagen ApS | Denmark | Hotel manager | 100% |
| HLT Owned Mezz V-A Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz V-B Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz V-C Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz V-D Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz V-E Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz V-F Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz V-G Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz V-H Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz V-I Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz V-J Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz V-K Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz IX-A Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz IX-B Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz IX-C Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz IX-D Limited | United Kingdom | Investment holding company | 100% |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

8. INVESTMENTS - continued

| | | | |
|----------------------------------|----------------|----------------------------|------|
| HLT Owned Mezz IX-E Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz IX-F Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz IX-G Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz IX-H Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz IX-I Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz IX-J Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned Mezz IX-K Limited | United Kingdom | Investment holding company | 100% |
| HLT Managed Mezz XI-A GmbH | Germany | Investment holding company | 100% |
| HLT Managed Mezz XI-B GmbH | Germany | Investment holding company | 100% |
| HLT Managed Mezz XI-C GmbH | Germany | Investment holding company | 100% |
| HLT Managed Mezz XI-D GmbH | Germany | Investment holding company | 100% |
| HLT Managed Mezz XI-E GmbH | Germany | Investment holding company | 100% |
| HLT Managed Mezz XI-F GmbH | Germany | Investment holding company | 100% |
| HLT Managed Mezz XI-G GmbH | Germany | Investment holding company | 100% |
| HLT Managed Mezz XI-H GmbH | Germany | Investment holding company | 100% |
| HLT Managed Mezz XI-I GmbH | Germany | Investment holding company | 100% |
| HLT Managed Mezz XI-J GmbH | Germany | Investment holding company | 100% |
| HLT Managed Mezz XI-K GmbH | Germany | Investment holding company | 100% |
| HLT Operating Mezz VII-A Limited | United Kingdom | Investment holding company | 100% |
| HLT Operating Mezz VII-B Limited | United Kingdom | Investment holding company | 100% |
| HLT Operating Mezz VII-C Limited | United Kingdom | Investment holding company | 100% |
| HLT Operating Mezz VII-D Limited | United Kingdom | Investment holding company | 100% |
| HLT Operating Mezz VII-E Limited | United Kingdom | Investment holding company | 100% |
| HLT Operating Mezz VII-F Limited | United Kingdom | Investment holding company | 100% |
| HLT Operating Mezz VII-G Limited | United Kingdom | Investment holding company | 100% |
| HLT Operating Mezz VII-H Limited | United Kingdom | Investment holding company | 100% |
| HLT Operating Mezz VII-I Limited | United Kingdom | Investment holding company | 100% |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

8. INVESTMENTS - continued

| | | | |
|---|----------------|----------------------------|--------|
| HLT Operating Mezz VII-J Limited | United Kingdom | Investment holding company | 100% |
| HLT Operating Mezz VII-K Limited | United Kingdom | Investment holding company | 100% |
| HLT Operating VII-A Borrower GmbH | Germany | Investment holding company | 100% |
| HLT Managed XI-A Borrower GmbH | Germany | Investment holding company | 100% |
| HLT Owned V Holding Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned V-A Holding Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned IX Holding Limited | United Kingdom | Investment holding company | 100% |
| HLT Owned IX-A Holding Limited | United Kingdom | Investment holding company | 100% |
| Hilton International Canada CRA ULC (HC ULC) | Canada | Dormant | 100% |
| Hapeville Investors LLC | United States | Dormant | 100% |
| Servicios y Recursos Administrativos Hoteleros S. de R.L. de C.V. | Mexico | Hotel manager | 100% |
| Operadora de Hoteles Loreto, S. de R.L. de C.V | Mexico | Hotel manager | 100% |
| HLT Mexico LLC | United States | Investment holding company | 100% |
| HLT Managed XII-A Holding LLC | United States | Investment holding company | 100% |
| Hilton International Manage LLC | United States | Investment holding company | 100% |
| HLT Waldorf Astoria International Manage LLC | United States | Investment holding company | 100% |
| Hilton Internacional de Venezuela CA | Venezuela | Hotel manager | 100% |
| Hilton Russia LLC | United States | Hotel manager | 100% |
| Hilton International Malaysia Sdn Bhd | Malaysia | Hotel manager | 100% |
| HLT International Manage LLC | United States | Hotel manager | 100% |
| PT Hilton International Manage Indonesia | Indonesia | Hotel manager | 100% |
| Nippon Hilton Co Limited (JV) | Japan | Hotel operator | 68.76% |
| Ankara International Otelcilik AS | Turkiye | Hotel operator | 10.30% |
| Izmir Hilton Enternasyonal Otelcilik AS | Turkiye | Hotel operator | 100% |
| Mersin Hilton Enternasyonal Otelcilik AS | Turkiye | Hotel operator | 100% |
| Istanbul Park Hilton Enternasyonal Otelcilik Limited Sirketi | Turkiye | Hotel operator | 100% |
| Hilton Hotel Service Co Limited | Japan | Hotel manager | 70% |
| Hilton Munich Airport Hotel Manage GmbH | Germany | Catering operator | 100% |
| Societe de Developpement Hotel Pointe des Blagueurs B.V. (JV) | Netherlands | Dormant | 25% |
| ATM Hotels Pty Limited | Australia | Hotel business name owner | 100% |
| Morning Light Co Limited (JV) | Mauritius | Hotel manager | 19.48% |
| HI Investment (Colombia) EU | Colombia | Hotel manager | 100% |
| Vista Real Estate Management Company (JV) | Egypt | Dormant | 55% |
| Hilton International Jamaica Limited | Jamaica | Hotel operator | 100% |
| Hilton International Management LLC | United States | Investment holding company | 100% |
| Doubletree International Franchise LLC | United States | Franchisor entity | 100% |
| Hilton International LLC | United States | Investment holding company | 100% |

Hilton International IP Holding 2 Ltd

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

8. INVESTMENTS - continued

| | | | |
|---|-------------------|-------------------|-------|
| Hilmex Holdings S.de.R.L. de CV | Mexico | Non trading | 100% |
| Hilton Worldwide International Puerto Rico LLC | Puerto Rico | Hotel operator | 100% |
| Hilton International Manage (Maldives) PVT Ltd | Maldives | Hotel manager | 100% |
| Hilton International Franchisor LLC | United States | Franchisor entity | 100% |
| Hilton Worldwide International do Brasil Ltda | Brasil | Hotel manager | 100% |
| Hilton Worldwide International Japan Godo-Kaisha | Japan | Hotel operator | 100% |
| HLT International Existing Franchise Holding LLC | United States | Franchisor entity | 100% |
| Hilton Worldwide International Singapore Pte. Ltd | Singapore | Hotel manager | 100% |
| Hilton Hotels Management India Private Limited | India | Hotel manager | 100% |
| Izmir Enternasyonel Otelcilik Anonim Sirketi | Turkiye United | Hotel operator | 1.26% |
| Hilton Worldwide FS Treasury Limited | Kingdom | Finance company | 100% |
| Hilton International New Zealand Limited | New Zealand | Non trading | 100% |
| Hilton International (Gaborone) (Proprietary) Limited | Botswana | Hotel Manager | 100% |
| Hilton Worldwide Manage Ghana Limited | Ghana | Hotel operator | 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".

In the opinion of the directors the aggregate value of the investment in subsidiary and joint venture undertakings is not less than the amounts at which they are stated in these financial statements.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|------------------------------------|-------------|-------------|
| | \$ | \$ |
| Amounts owed to group undertakings | 338,696,485 | 329,744,096 |

Amounts owed to group undertakings are included in amounts due within one year where there are no specified repayment terms and there is no fixed repayment schedule in place. While amounts owed to group undertakings are technically repayable on demand, and hence are included in amounts due within one year, the directors are of the opinion (as a result of their group role in relation to the group undertakings amounts are owed to) that in the ordinary course of business, repayment within such a timescale would not be required. The loans bear interest at SONIA, or another applicable market rate, plus a margin.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2022 | 2021 |
|---------|----------|----------------|------|------|
| | | | \$ | \$ |
| 101 | Ordinary | £1 | 129 | 129 |

The number of shares authorised and issued at the period end was 100 shares of £1 recorded at \$1.27 each and 1 share of £1 recorded at \$1.28 each.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

11. CONTINGENT LIABILITIES

The company had jointly and severally guaranteed the value added tax liability of other companies within the same UK VAT group, which amounted to approximately £7.2m/\$8.7m (2021: £2.6m/\$3.5m) at 31 December 2022.

12. CAPITAL COMMITMENTS

The company has not entered into any capital commitments contracted for but not provided in the financial statements at period end.

13. PARENT UNDERTAKING, CONTROLLING PARTY AND CONSOLIDATING ENTITY

The company's immediate parent undertaking is Hilton Worldwide Holdings LLP, 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 2022, was Hilton Worldwide Holdings Inc., a company incorporated in Delaware 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.