

Registration number: 04060767

Rolls-Royce Overseas Investments Limited

Unaudited Annual Report and Financial Statements

for the Year Ended 31 December 2025

Rolls-Royce Overseas Investments Limited

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Rolls-Royce Overseas Investments Limited

Company Information

Directors Tiziana Iacolino
Oliver Whiddett

Registered number 04060767

Registered office Moor Lane
Derby
Derbyshire
DE24 8BJ

Rolls-Royce Overseas Investments Limited

Strategic Report

For the year ended 31 December 2025

The Directors present their Strategic Report on Rolls-Royce Overseas Investments Limited (the Company), together with the Directors' Report and the unaudited Financial Statements for the year ended 31 December 2025.

Principal activities

The principal activity of the Company during the year was that of a holding company. The Company principally holds investments in subsidiaries within the Rolls-Royce Holdings plc group (the Group).

Business review

The profit for the year after taxation amounted to \$641,746,000 (2024: \$64,838,000). The increase in profit was driven primarily by substantially higher dividend receipts from Group companies.

During the year, the Company received dividends of \$1,073,563,000 (2024: \$23,768,000) from its subsidiary undertakings, of which \$608,916,000 (2024: \$23,768,000) was treated as a return on capital and recognised within dividend income and \$464,647,000 (2024: nil) was treated as a return of capital and was recognised as a reduction in the carrying value of the investment.

The dividend receipts comprised of \$14,925,000 (2024: \$23,768,000) from Rolls-Royce Saudi Arabia Limited, \$550,000,000 (2024: nil) from Rolls-Royce North America (USA) Holdings Co. and \$12,250,000 (2024: nil) from Hong Kong Aero Engine Services Ltd, all of which were recognised as dividend income and \$496,388,000 (2024: nil) from Rolls-Royce Placements Limited of which \$31,741,000 (2024: nil) was recognised within dividend income and \$464,647,000 (2024: nil) as a reduction in the carrying value of the investment.

Key performance indicators

Given the nature of the Company's activities, the Directors believe that there are no key performance indicators which are necessary or appropriate for an understanding of the Company's specific development, performance, or the position of its business.

Principal risks and uncertainties

The Group has an established and structured approach to risk management which is detailed in the Rolls-Royce Holdings plc 2025 Annual Report, which is publicly available from the address in note 13. The Company acts in accordance with this policy to manage and mitigate the risks identified below.

The Directors have determined that the principal risks and uncertainties facing the Company are as follows:

Carrying value of Investments

The Company holds significant investments in subsidiaries of the Group. A decline in the value of one or more subsidiary undertakings could materially impact upon the carrying value of the investments held on the Company's Balance Sheet. The Company undertakes an impairment review of the carrying value of investments if any trigger event is identified. Further details have been disclosed in note 8.

Climate change

The Directors have considered the potential impact of climate change when preparing the Financial Statements and whether climate change should be considered to be a principal risk to the Company. The Company operates as part of the Group, which has set decarbonisation commitments and identified longer-term considerations related to climate change. There is no material impact to the Company from climate change in the short-term or that would materially impact these Financial Statements.

Rolls-Royce Overseas Investments Limited

Strategic Report

For the year ended 31 December 2025 (continued)

Section 172(1) statement

The Directors of the Company have acted, in good faith, in a way they consider most likely to promote the success of the Company for the benefit of its member, having regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

In doing so, the Directors are guided by the Rolls Royce behaviours: put safety first, do the right thing, keep it simple and make a difference. These behaviours underpin the Company's decision making and stakeholder engagement.

The Company is a wholly owned subsidiary of the Group and operates within the Group's strategy, governance framework and policies. The Directors consider the Company's role within the Group and the interests of its immediate parent undertaking when making decisions, supporting a consistent and straightforward approach to keep it simple.

In discharging their duties, the Directors have regard to the long term consequences of decisions, the Company's financial and operational position, and alignment with the wider Group strategy and objectives. Decisions are made using information provided through established governance and reporting processes, enabling the Directors to do the right thing while supporting the resilience and long term success of the Company and the wider Group. Additionally, directors use skills learnt during their director training to consider the impact decisions have on stakeholders and the wider community.

During the year, the Company demonstrated that it acts in its member's interests by paying dividends.

No political donations were made by the Company during the year.

Non-financial and sustainability information statement

The Company is a subsidiary of the Group and therefore the non-financial and sustainability information disclosures required in relation to both Rolls-Royce Holdings plc and the Company have been included in the Rolls-Royce Holdings plc Annual Report on page 38.

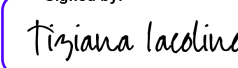
Climate-related corporate reporting

The Company adopts the policies and frameworks set by the Group which include the sustainability measures set out in the Rolls-Royce Holdings plc 2025 Annual Report on pages 38 to 47. The Company is aligned to the objectives of the Group. The Directors fully recognise their responsibility to have regard to the impact of the Company's operations on the community and environment.

Streamlined Energy & Carbon Reporting (SECR)

The Company is a subsidiary of the Group and therefore the SECR disclosures required in relation to both Rolls-Royce Holdings plc and the Company have been included in the Rolls-Royce Holdings plc 2025 Annual Report on page 204. The Rolls-Royce Holdings plc Annual Report has been prepared for the same financial year as the Company.

Approved by the Board on 14 September 2026 and signed on its behalf by:

Signed by:

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Tiziana Iacolino

Director

Rolls-Royce Overseas Investments Limited

Directors' Report

For the year ended 31 December 2025

The Directors present their Directors' Report on the Company, together with the Strategic Report and the unaudited Financial Statements for the year ended 31 December 2025.

Directors

The Directors who held office during the year and up to the date of signing the Annual Report and unaudited Financial Statements were as follows:

Tiziana Iacolino

Janeen Wise (resigned 11 April 2025)

Oliver Whiddett

Qualifying third-party indemnity provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were in place during the year and remain in force at the date of the approval of this unaudited Annual Report and Financial Statements.

Results and dividends

The profit after taxation for the year ended 31 December 2025 amounted to \$641,746,000 (2024: \$64,838,000).

During the year, the Company paid dividends totalling \$1,226,387,000 (prior year: nil). An interim dividend of \$496,387,000 was paid on 6 October 2025, and a further interim dividend of \$730,000,000 was paid on 29 December 2025.

Future developments

The Directors do not expect any change to the Company's principal activities. On 1 January 2026, the Company distributed its loan receivable from Group undertakings of \$962,500,000, to its parent Rolls-Royce Overseas Holdings Limited. As a result, interest income from these balances has ceased and the Company's financial income profile is expected to differ from prior years. Going forward, the Company expects its income to consist primarily of income from subsidiary undertakings. See note 14 for further details.

Going concern

The Financial Statements have been prepared on a going concern basis. The Directors have considered the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these Financial Statements.

The Company is non-trading and distributed its loan receivable and investment in Rolls-Royce North America (USA) Holdings Co. on 1 January 2026 (see note 14), but continues to be a holding Company for a number of Group undertakings. The Company has no expected future cash flows, anticipated obligations or working capital requirements and is expected to remain non-trading for the foreseeable future. As a result, the Directors consider it appropriate to prepare the Financial Statements on a going concern basis.

Engagement with suppliers, customers, and others

As the Company was an immediate holding company and did not trade during the year ended 31 December 2025, consideration of the Directors' engagement with the Company's wider stakeholders is not applicable.

Rolls-Royce Overseas Investments Limited

Directors' Report

For the year ended 31 December 2025 (continued)

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

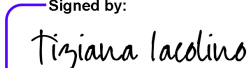
Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Approved by the Board on 14 September 2026 and signed on its behalf by:

Signed by:

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Tiziana Iacolino

Director

Rolls-Royce Overseas Investments Limited
Income Statement
For the year ended 31 December 2025

	Note	2025 \$ 000	2024 \$ 000
Administrative income/(expenses)		–	197
Operating profit/(loss)	8	–	197
Income from subsidiary undertakings	8	608,916	23,768
Profit before finance costs and taxation		608,916	23,965
Finance income	5	85,900	101,584
Finance costs	6	(41,364)	(50,790)
Profit before taxation		653,452	74,759
Income tax expense	7	(11,706)	(9,921)
Profit for the financial year		641,746	64,838

The above results were derived from continuing operations.

The notes on pages 11 to 20 form an integral part of these Financial Statements.

Rolls-Royce Overseas Investments Limited
Statement of Comprehensive Income
For the year ended 31 December 2025

	2025 \$ 000	2024 \$ 000
Profit for the financial year	641,746	64,838
Total comprehensive income for the year	641,746	64,838

The notes on pages 11 to 20 form an integral part of these Financial Statements.

Rolls-Royce Overseas Investments Limited
Statement of Financial Position
As at 31 December 2025
(Registration number: 04060767)

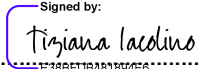
	Note	2025 \$ 000	2024 \$ 000
Non-current assets			
Investments	8	1,773,858	1,964,757
Current assets			
Trade and other receivables	9	982,932	1,103,695
Cash and cash equivalents		910	74
		<u>983,842</u>	<u>1,103,769</u>
Current liabilities			
Trade and other payables	10	(11,180)	(11,112)
Net current assets		<u>972,662</u>	<u>1,092,657</u>
Total assets less current liabilities		<u>2,746,520</u>	<u>3,057,414</u>
Non-current liabilities			
Trade and other payables	10	–	(525,000)
Net assets		<u>2,746,520</u>	<u>2,532,414</u>
Equity			
Called up share capital	11	–	579,444
Share premium		–	534,558
Retained earnings		2,746,520	1,418,412
Total equity		<u>2,746,520</u>	<u>2,532,414</u>

For the year ending 31 December 2025 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 (the Act) relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The Financial Statements were approved and authorised for issue by the Board on 14 September 2026 and signed on its behalf by:

Signed by:

 Tiziana Iacolino

Tiziana Iacolino

Director

The notes on pages 11 to 20 form an integral part of these Financial Statements.

Rolls-Royce Overseas Investments Limited
Statement of Changes in Equity
For the year ended 31 December 2025

	Called up share capital \$ 000	Share premium \$ 000	Capital contribution reserve \$ 000	Retained earnings \$ 000	Total equity \$ 000
At 1 January 2025	579,444	534,558	–	1,418,412	2,532,414
Total comprehensive income	–	–	–	641,746	641,746
Capital contribution	–	–	72,619	–	72,619
Share Issue	–	726,128	–	–	726,128
Bonus Issue	1,491,031	–	(72,619)	(1,418,412)	–
Capital Reduction	(2,070,475)	(1,260,686)	–	3,331,161	–
Equity Dividend	–	–	–	(1,226,387)	(1,226,387)
At 31 December 2025	–	–	–	2,746,520	2,746,520

On 19 September 2025, the Company completed a bonus issue, issuing 1,418,412,000 USD ordinary shares with a nominal value of \$1 each from retained earnings. This resulted in an increase in share capital of \$1,418,412,000.

On 1 October 2025, the Company completed a capital reduction, reducing the nominal value of its GBP ordinary shares from £1.00 per share to £0.00000003253 per share and cancelling 1,418,412,000 USD ordinary shares, which resulted in a reduction in share capital of \$1,997,856,000. The Company also cancelled its existing share premium of \$534,558,000. This increased distributable reserves by \$2,532,414,000.

On 1 October 2025, the Company's direct parent, Rolls-Royce Overseas Holdings Limited, contributed its beneficial interest in the Joint Venture Hong Kong Aero Engine Services Limited to the Company, resulting in the creation of a capital contribution reserve of \$72,619,000.

On 1 October 2025, the Company purchased the entire shareholding in Rolls-Royce Singapore Pte Ltd from its direct parent, Rolls-Royce Overseas Holdings Limited, for total consideration of \$201,128,000, by issuing one GBP ordinary share with a nominal value of £0.00000003253 at an issue price of £149,545,318.01 including share premium.

On 6 October 2025, the Company paid a dividend of \$496,387,000 to its parent, Rolls-Royce Overseas Holdings Limited.

On 16 December 2025, the Company issued one GBP ordinary share to its direct parent, Rolls-Royce Overseas Holdings Limited, at a nominal value of £0.00000003253 for an issue price of \$525,000,000 including share premium, as consideration for the release of the debt then owing to the parent.

On 17 December 2025, the Company completed a bonus issue of one GBP ordinary share with a nominal value of £54,290,802.95 representing its entire capital contribution reserve.

Rolls-Royce Overseas Investments Limited**Statement of Changes in Equity****For the year ended 31 December 2025 (continued)**

On 18 December 2025, the Company completed a capital reduction, reducing the nominal value of the GBP ordinary share issued on 17 December 2025 from £54,290,802.95 to £0.00000003253 and cancelling its share premium of \$726,128,000 created during the year in its entirety.

On 29 December 2025, the Company paid a dividend of \$730,000,000 to its parent, Rolls-Royce Overseas Holdings Limited.

	Called up share capital \$ 000	Share premium \$ 000	Retained earnings \$ 000	Total equity \$ 000
At 1 January 2024	579,444	534,558	1,353,574	2,467,576
Total comprehensive income	–	–	64,838	64,838
At 31 December 2024	579,444	534,558	1,418,412	2,532,414

The notes on pages 11 to 20 form an integral part of these Financial Statements.

Rolls-Royce Overseas Investments Limited

Notes to the Financial Statements

For the year ended 31 December 2025

1 General information

Rolls-Royce Overseas Investments Limited is a private company limited by shares, incorporated and domiciled in England, United Kingdom. The address of its registered office is Moor Lane, Derby, Derbyshire, DE24 8BJ.

The principal activity of the Company is that of a holding company. The Company principally holds investments in subsidiaries within the Group.

2 Significant accounting policies

The significant accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these Financial Statements.

Basis of preparation

The Financial Statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The Financial Statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006.

In these Financial Statements the Company has taken the exemptions available under FRS 101 in respect of the following disclosures:

- The following paragraphs of IAS 1, *Presentation of Financial Statements*:
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 111 (statement of cash flows information); and
 - 134-136 (capital management disclosures) and
- IAS 7, *Statement of cash flows*.

Exemption from preparing group accounts

The Financial Statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of a group parent, Rolls-Royce plc, a company incorporated in the United Kingdom, which are publicly available. The parent company's registered address is set out in note 13.

Going Concern

The Financial Statements have been prepared on a going concern basis. The Directors have considered the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these Financial Statements.

The Company is non-trading and distributed its loan receivable and investment in Rolls-Royce North America (USA) Holdings Co. on 1 January 2026 (see note 14), but continues to be a holding Company for a number of Group undertakings. The Company has no expected future cash flows, anticipated obligations or working capital requirements and is expected to remain non-trading for the foreseeable future. As a result, the Directors consider it appropriate to prepare the Financial Statements on a going concern basis.

Rolls-Royce Overseas Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2025 (continued)

2 Significant accounting policies (continued)

New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, no new standards or IFRIC interpretations that are effective for the year ended 31 December 2025 that have a material impact on the Company's Financial Statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Financial Statements requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies. The Financial Statements are not considered to contain any area involving a higher degree of judgement or estimation in applying the Company's accounting policies and therefore no further consideration is required.

Foreign currency transactions and balances

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Financial Statements are presented in 'US dollars' (\$), which is also the Company's functional currency.

The Company's primary activity is that of a holding company. The investment holdings are primarily denominated in US dollars and cash flows in the form of dividends paid and interest received are denominated in US dollars.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the Company at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date the fair value was determined. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences arising on translation are recorded in net financing in the income statement.

Finance income and costs

Interest receivable/payable is credited/debited to the income statement using the effective interest method.

Income tax expense

The tax expense comprises current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income.

Investments

Investments held as non-current assets are shown at cost less accumulated impairment losses.

Impairment of non-financial assets

Impairment of non-current assets is considered in accordance with IAS 36 *Impairment of Assets*. Intangible assets that are not yet available for use are tested for impairment annually. Other intangible assets and property, plant and equipment are assessed for any indications of impairment annually. If any indication of impairment is identified, an impairment test is performed to estimate the recoverable amount. Where the asset does not generate cash flows that are independent of other assets, impairment is considered for the cash-generating unit to which the asset belongs.

Rolls-Royce Overseas Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2025 (continued)

2 Significant accounting policies (continued)

Impairment of non-financial assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be below the carrying value, the carrying value is reduced to the recoverable amount and the impairment loss recognised as an expense. The recoverable amount is the higher of value in use or fair value less costs to sell if this is readily available. The value in use is the present value of future cash flows using a pre-tax discount rate that reflects the time value of money and the risk specific to the asset.

Financial assets and liabilities

Classification

Financial assets

Financial assets primarily include intercompany loan receivables, and cash and cash equivalents (comprising cash at bank). These financial assets are calculated as follows:

- Intercompany loan receivables are classified as held to collect and measured at amortised cost; and
- Cash and cash equivalents are subject to low market risk. Cash balances are measured at fair value through profit and loss (FVPL).

Financial liabilities

Financial liabilities primarily consist of intercompany loan payables and are classified and measured at amortised cost.

Impairment

IFRS 9 *Financial Instruments* sets out the basis for the accounting of expected credit losses (ECLs) on financial assets. The Company measures the loss allowance at a probability weighted amount that considers reasonable and supportable information about past events, current conditions and forecasts of future economic conditions of customers. These are incorporated in the simplified model adopted by using credit ratings which are publicly available or through internal risk assessments derived using customer's latest available financial information. When assessing the impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. The ECLs are updated at each reporting date to reflect changes in credit risk since initial recognition. ECLs are calculated for all financial assets in scope, regardless of whether or not they are overdue.

The Company makes an estimate of the recoverable value of amounts due from group undertakings. When assessing the impairment of amounts due from group undertakings, management considers factors including the credit rating of the receivables, the ageing profile of receivables and historical experience. The Company applies IFRS 9 to measuring expected credit losses which uses a 12-month expected loss allowance for all amounts due from group undertakings under loan agreements which are recognised as stage 1 loans.

Trade and other receivables

Trade and other receivables consist of loans made to group undertakings. If collection is expected in one year or less, or in the normal operating cycle of the business if longer, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less any expected credit losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand. The company does not hold any short-term deposits or other cash equivalents at the reporting date.

Rolls-Royce Overseas Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2025 (continued)

2 Significant accounting policies (continued)

Trade payables

Trade and other payables represent amounts due to group undertakings. Trade payables are classified as current liabilities if payment is due within one year or less, or in the normal operating cycle of the business if longer. If not, they are presented as non-current liabilities. Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Called up share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Final dividend distributions to the Company's shareholders are recognised as a liability in the Company's Financial Statements in the period in which the dividends are approved by the Company's shareholders.

Interim dividend distributions to the Company's shareholders are recognised as a liability in the Company's Financial Statements in the period in which the dividends are paid by the Company's shareholders.

Rounding of amounts

All amounts in the Financial Statements have been rounded to the nearest thousand US Dollars, unless otherwise stated.

3 Operating profit/(loss)

Arrived at after (crediting)/charging:

	2025 \$ 000	2024 \$ 000
Foreign exchange (gain)/loss	889	(197)

4 Staff and Directors costs

The Company has no employees (2024: nil). The Directors did not receive any remuneration (2024: \$nil) for qualifying services to the Company.

All Directors fees or emoluments were paid by Rolls-Royce plc or Rolls-Royce North America, Inc. as the amount attributable to the qualifying services provided by the Directors to the Company cannot be reliably estimated. No charge has been made in the current or prior year for the services of the Directors.

Rolls-Royce Overseas Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2025 (continued)

5 Finance income

	2025 \$ 000	2024 \$ 000
Interest receivable from group undertakings	85,775	95,881
Loan arrangement fee	-	5,457
Other interest receivable	125	246
	<u>85,900</u>	<u>101,584</u>

6 Finance costs

	2025 \$ 000	2024 \$ 000
Interest payable to group undertakings	40,475	50,790
Foreign exchange loss	889	-
	<u>41,364</u>	<u>50,790</u>

7 Income tax expense

Tax charged in the income statement:

	2025 \$ 000	2024 \$ 000
Current tax		
Group relief payable at 25.0% (2024: 25.0%)	10,960	9,921
Foreign tax on income for the year	746	-
	<u>11,706</u>	<u>9,921</u>

The tax on profit before tax for the year is lower than (2024: lower than) the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%).

The differences are reconciled below:

	2025 \$ 000	2024 \$ 000
Profit before taxation	653,452	74,760
Corporation tax at standard rate of 25.0% (2024: 25.0%)	163,363	18,690
Income not taxable ¹	(152,403)	(8,769)
Unrelieved foreign tax	746	-
Total tax charge	<u>11,706</u>	<u>9,921</u>

¹ Includes (\$152,229,000) (2024: \$(5,942,000)) relating to non-taxable dividends received from subsidiaries and joint ventures, and \$(174,000) (2024: \$(2,827,000)) of other permanent differences.

Rolls-Royce Overseas Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2025 (continued)

7 Income tax expense (continued)

The Company is within the scope of the OECD Pillar Two (Global Minimum Tax) model rules, which came into effect from 1 January 2024. For the period to 31 December 2025, the Company has no related current tax exposure and has continued to apply the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

8 Investments

	Subsidiaries	Joint Venture	Total investments
	\$ 000	\$ 000	\$ 000
Cost			
At 1 January 2025	2,205,788		2,205,788
Additions	201,682	72,066	273,748
Return of investment	(464,647)	–	(464,647)
At 31 December 2025	1,942,823	72,066	2,014,889
Provision for impairment			
At 1 January 2025 and 31 December 2025	(241,031)	–	(241,031)
Carrying amount			
At 31 December 2025	1,701,792	72,066	1,773,858
At 31 December 2024	1,964,757	–	1,964,757

Dividend income received

Dividend income excludes distributions received from investees that have been accounted for as a return of investment and recognised as a reduction in the cost of investments.

	2025	2024
	\$ 000	\$ 000
Rolls-Royce Saudi Arabia Limited	14,925	23,768
Rolls-Royce Placements Limited	31,741	–
Rolls-Royce North-America (USA) Holdings Co.	550,000	–
Hong Kong Aero Engine Services Limited	12,250	–
	608,916	23,768

On 1 October 2025, the Company purchased the entire shareholding in Rolls-Royce Singapore Pte Ltd from its direct parent Rolls-Royce Overseas Holdings Limited, for total consideration of \$201,128,000 by issuing one ordinary share at a premium.

Rolls-Royce Overseas Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2025 (continued)

8 Investments (continued)

In accordance with the requirements of IAS 36 *Impairment of Assets*, the carrying value of the Company's investments have been reviewed for indicators of impairment on an annual basis which has considered factors such as business outlook, net debt, foreign exchange and climate change impact. At 31 December 2025, no (2024: no) indicators of impairment have been identified. The Directors determined that no reasonable change in the assumptions used for the value in use calculation would result in an impairment charge being required.

As at 31 December 2025, the companies listed below and on the following pages were subsidiary undertakings/participating interests of the Company. The financial year end of each company listed below is 31 December unless otherwise indicated.

Subsidiaries

Company name	Address	Class of shares	% of class held
PT Rolls-Royce	Secure Building Blok B, Jl. Raya Protokol Halim, Perdanakusuma, Jakarta, 13610, Indonesia	Ordinary	99
Rolls-Royce Australia Pty Limited	Suite 14.03, Level 14, 130 Pitt St, Sydney NSW 2000, Australia	Ordinary	100
Rolls-Royce Chile SpA	Rosario Norte #407 Depto. #1601, Comuna Las Condes, Ciudad Santiago, Chile	Ordinary	100
Rolls-Royce Corporation	Wilmington ¹	Common Stock	100
Rolls-Royce Crosspointe LLC	Wilmington ¹	Partnership (no equity held)	100
Rolls-Royce Defense Products and Solutions Inc.	Wilmington ¹	Common Stock	100
Rolls-Royce Defense Services Inc.	Wilmington ¹	Common Stock	100
Rolls-Royce Energy Systems Inc. ²	Wilmington ¹	Common Stock	100
Rolls-Royce Engine Services Holdings Co.	Wilmington ¹	Common Stock	100
Rolls-Royce Finance Company Limited ³	Kings Place, 90 York Way, London, United Kingdom, N1 9FX	Deferred, Ordinary	100
Rolls-Royce Finance Holdings Co.	Wilmington ¹	Common Stock	100
Rolls-Royce High Temperature Composites Inc.	Corporation Service Company, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833, United States	Ordinary	100
Rolls-Royce New Zealand Limited	C/- Deloitte, 1 Queen Street, Auckland Central, Auckland, 1010, New Zealand	Ordinary	100
Rolls-Royce North America Holdings Inc.	Wilmington ¹	Common Stock	100
Rolls-Royce North America (USA) Holdings Co.	Wilmington ¹	Common Stock	100
Rolls-Royce North America Inc.	Wilmington ¹	Common Stock	100
Rolls-Royce North America Ventures Inc.	Wilmington ¹	Common Stock	100
Rolls-Royce North American Technologies Inc.	Wilmington ¹	Common Stock	100
Rolls-Royce Placements Limited ³	Kings Place, 90 York Way, London, United Kingdom, N1 9FX	Ordinary	100
Rolls-Royce Saudi Arabia Limited	3010 – Al Arid, Unit No 1, Riyadh 13332 – 7663, Saudi Arabia	Cash Shares	95
Rolls-Royce Technical Support Sarl	Site Motoristes Vendor-Village, 46 avenue Jean Monnet, 31770, Colomiers, France	Ordinary	100
Vessel Lifter Inc. ²	Corporation Service Company, 1201 Hays Street, Tallahassee, Florida 32301, United States	Common Stock	100

¹ Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19809, United States

² Dormant

³ In liquidation

Rolls-Royce Overseas Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2025 (continued)

8 Investments (continued)

Joint Ventures and Associates

Company name	Address	Class of shares	of class held	Total interest held
Alpha Leasing (US) (No.2) LLC	Wilmington ¹	Partnership (no equity held)	-	50
Alpha Leasing (US) (No.4) LLC	Wilmington ¹	Partnership (no equity held)	-	50
Alpha Leasing (US) (No.5) LLC	Wilmington ¹	Partnership (no equity held)	-	50
Alpha Leasing (US) (No.6) LLC	Wilmington ¹	Partnership (no equity held)	-	50
Alpha Leasing (US) (No.7) LLC	Wilmington ¹	Partnership (no equity held)	-	50
Alpha Leasing (US) (No.8) LLC	Wilmington ¹	Partnership (no equity held)	-	50
Alpha Leasing (US) LLC	Wilmington ¹	Partnership (no equity held)	-	50
Light Helicopter Turbine Engine Company	Suite 119, 9238 Madison Boulevard, Madison, Alabama 35758, United States	Partnership (no equity held)	-	50
Rolls-Royce & Partners Finance (US) (No.2) LLC	Wilmington ¹	Partnership (no equity held)	-	50
Rolls-Royce & Partners Finance (US) LLC	Wilmington ¹	Partnership (no equity held)	-	50

¹ Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19809, United States

² Dormant

³ Kings Place, 90 York Way, London, United Kingdom, N1 9FX

9 Trade and other receivables

	Current		Non-current		Total	
	2025	2024	2025	2024	2025	2024
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Amounts due from group undertakings	982,932	142,779	-	962,500	982,932	1,105,279
Provision for expected credit loss	-	-	-	(1,584)	-	(1,584)
Total	982,932	142,779	-	960,916	982,932	1,103,695

On 19 December 2022, a loan facility with value of \$1,100,000,000 repayable in instalments was agreed at an interest rate of 7.58% with an expiration date of 31 December 2032. At 31 December 2025, the available facility was fully drawn down with an outstanding principal balance of \$962,500,000 (2024: \$1,100,000,000). Interest accrued and receivable within one year is \$2,432,000 (2024: \$2,779,000). On 1 January 2026, the Company distributed the principal loan receivable of \$962,500,000 to its parent, Rolls-Royce Overseas Holdings Limited (see note 14 for further details).

At 31 December 2025, the Company had \$18,000,000 (2024: \$2,500,000) of cash placed on deposit with its indirect parent, Rolls-Royce plc. Cash placed on deposit is repayable on demand and accrues interest at a rate based on the US Federal reserve base interest rate. This was repaid in full on 2 January 2026.

Rolls-Royce Overseas Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2025 (continued)

10 Trade and other payables

	Current		Non-current		Total	
	2025	2024	2025	2024	2025	2024
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Amounts due to group undertakings	-	1,388	-	525,000	-	526,388
Group relief payable	11,180	9,724	-	-	11,180	9,724
Total	11,180	11,112	-	525,000	11,180	536,112

On 19 December 2022, the Company agreed a loan facility of \$643,500,000, bearing interest at the US Federal Reserve rate plus 3.18%. On 16 December 2025, the Company issued one share to its direct parent, Rolls-Royce Overseas Holdings Limited, for a subscription price of \$525,000,000, as consideration for the release of the debt then owing to the parent. At 31 December 2025, the outstanding principal was nil (2024: \$525,000,000). During the year, the Company accrued interest of \$40,476,000 (2024: \$50,793,000) and repaid interest of \$41,864,000 (2024: \$51,078,000). At 31 December 2025, there was no outstanding interest accrued (2024: \$1,388,000).

Other amounts due to group undertakings in respect of group relief payable are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

11 Called up share capital

Allotted and fully paid shares

	2025		2024	
	No. 000	\$ 000	No. 000	\$ 000
Ordinary shares	307,414	-	307,414	579,444

On 19 September 2025, the Company completed a bonus issue, issuing 1,418,412,000 USD ordinary shares with a nominal value of \$1 each from retained earnings. This resulted in an increase in share capital of \$1,418,412,000.

On 1 October 2025, the Company completed a capital reduction, reducing the nominal value of its GBP ordinary shares from £1.00 per share to £0.00000003253 per share and cancelling 1,418,412 USD ordinary shares. This resulted in a reduction in share capital of \$1,997,856,000.

On 1 October 2025, the Company purchased the entire shareholding in Rolls-Royce Singapore Pte Ltd from its direct parent, Rolls-Royce Overseas Holdings Limited, for total consideration of \$201,128,000 by issuing one GBP ordinary share with a nominal value of £0.00000003253 at an issue price of £149,545,318.01 including share premium.

On 16 December 2025, the Company issued one GBP ordinary share to its direct parent, Rolls-Royce Overseas Holdings Limited, at a nominal value of £0.00000003253 for an issue price of \$525,000,000 including share premium, as consideration for the release of the debt then owing to the parent.

On 17 December 2025, the Company completed a bonus issue of one GBP ordinary share with a nominal value of £54,290,802.95 representing its entire capital contribution reserve.

On 18 December 2025, the Company completed a capital reduction, reducing the nominal value of the GBP ordinary share issued on 17 December 2025 from £54,290,802.95 to £0.00000003253.

Rolls-Royce Overseas Investments Limited
Notes to the Financial Statements
For the year ended 31 December 2025 (continued)

11 Called up share capital (continued)

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Any proxy appointed by a member will be entitled to vote on a show of hands or a poll, with each member entitled to one vote. The Company may declare dividends by ordinary resolution, but no dividend should exceed the amount recommended by the Directors.

12 Contingent liabilities

Certain authorities are investigating members of the Company for matters relating to misconduct in relation to historical matters. The Company is responding appropriately. Action may be taken by further authorities against the Company or individuals. In addition, the Company could still be affected by actions from customers, customers' financiers and the Group's current and former investors, including certain potential claims in respect of the Group's historical ethics and compliance disclosures which have been notified to the Group. The Directors are not currently aware of any matters that are likely to lead to a material financial loss over and above the penalties imposed to date but cannot anticipate all the possible actions that may be taken or their potential consequences.

13 Parent and ultimate parent undertaking

Ultimate parent undertaking

At 31 December 2025, the Company's immediate parent undertaking was Rolls-Royce Overseas Holdings Limited. The ultimate parent undertaking and controlling party is Rolls-Royce Holdings plc, which is the parent undertaking of the largest and smallest group to consolidate these Financial Statements.

The consolidated Financial Statements of the Group are available upon request from Kings Place, 90 York Way, London, N1 9FX, United Kingdom.

14 Post balance sheet event

On 1 January 2026 the Company distributed its investment in Rolls-Royce North America (USA) Holdings Co., which was carried at \$1,500,010,000, and its loan receivable from Group undertakings, carried at \$962,500,000 to its direct parent at the time, Rolls-Royce Overseas Holdings Limited.

On 1 January 2026, the Company's direct parent, Rolls-Royce Overseas Holdings Limited distributed its shareholding in the Company to its parent, Rolls-Royce plc. As a result, Rolls-Royce Overseas Holdings Limited ceased to be the direct parent of the Company. There was no change to the Company's ultimate parent undertaking or ultimate controlling party.

On 1 July 2026, Vinters International Limited distributed its 100% investment in Rolls-Royce Japan Co. Limited to Vinters Engineering Limited. The investment, comprising the entire issued share capital of Rolls-Royce Japan Co. Limited, was subsequently distributed to Vinters Limited and Rolls-Royce plc, before being contributed to the Company on the same day. The investment had a carrying value of £nil at the balance sheet date.

On 1 July 2026, the Company's immediate parent undertaking changed from Rolls-Royce plc to Rolls-Royce Holdings plc. There was no change to the Company's ultimate parent undertaking or ultimate controlling party.