LINDE PLC

HALF-YEAR FINANCIAL REPORT
1 JANUARY - 30 JUNE
2021

FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar expressions. They are based on management's reasonable expectations and assumptions as of the date the statements are made but involve risks and uncertainties. These risks and uncertainties include, without limitation: the performance of stock markets generally; developments in worldwide and national economies and other international events and circumstances, including trade conflicts and tariffs; changes in foreign currencies and in interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events including natural disasters, epidemics, pandemics such as COVID-19 and acts of war and terrorism; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of changes in pension plan liabilities; the impact of tax, environmental, healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of investigations, litigation and regulatory proceedings; the impact of potential unusual or non-recurring items; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; future financial and operating performance of major customers and industries served; the impact of information technology system failures, network disruptions and breaches in data security; and the effectiveness and speed of integrating new acquisitions into the business. These risks and uncertainties may cause actual future results or circumstances to differ materially from accounting standards generally accepted in the United States, International Financial Reporting Standards or adjusted projections, estimates or other forward-looking statements.

Linde plc assumes no obligation to update or provide revisions to any forward-looking statement in response to changing circumstances. The above listed risks and uncertainties are further described in the Principal Risks and Uncertainties section of the Linde plc 2020 Directors' Report and Financial Statements, which should be reviewed carefully. Please consider Linde plc's forward-looking statements in light of those risks.

BUSINESS PERFORMANCE OVERVIEW

CONSOLIDATED RESULTS OF OPERATIONS

The following table provides summary results of operations of Linde for the six months ended 30 June 2021 and 2020:

(Millions of dollars) Six Months Ended 30 June	2021	2020	Variance	
Revenue	$15,051	$13,323	$ 1,728	13 %
Cost of sales (includes depreciation)	10,219	9,487	732	8 %
Marketing and selling expenses, administrative expenses, research and development costs, and impairment losses on receivables and contract assets (includes depreciation and amortization)	2,410	2,483	(73)	(3)%
Other operating income and (expenses) - net	1	16	(15)	(94)%
Operating profit from continuing operations	**2,423**	**1,369**	**1,054**	77 %
Operating margin	*16.1 %*	*10.3 %*		
Financial expenses - net	3	87	(84)	(97)%
Share of profit and loss from associates and joint ventures (at equity)	47	31	16	52 %
Income tax expense	649	370	279	75 %
PROFIT FROM CONTINUING OPERATIONS	**$ 1,818**	**$ 943**	**$ 875**	93 %
attributable to Linde plc shareholders	$ 1,728	$ 869	$ 859	99 %
attributable to noncontrolling interests	$ 90	$ 74	$ 16	22 %
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS - LINDE PLC SHAREHOLDERS	$ 3.29	$ 1.63	$ 1.66	102 %

Results of Operations, For the Six Months Ended 30 June 2021 Compared With 2020

Revenue increased $1,728 million, or 13%, from $13,323 million to $15,051 million for the six months ended 30 June 2020 and 2021, respectively. Volume growth across all end markets and project start-ups increased revenues by 9%. Higher pricing across all geographic segments contributed 2% to revenues. Currency translation increased revenues by 5%, largely in EMEA and APAC, driven by the strengthening of the Euro, British pound, Australian dollar and Chinese yuan against the U.S. dollar. Cost pass-through increased revenues by 2% in the period with minimal impact on operating profit. The deconsolidation of a subsidiary with operations in APAC decreased sales by 3% while lower Engineering segment sales, primarily driven by project timing, decreased sales by 2%.

Cost of sales increased $732 million, or 8%, from $9,487 million to $10,219 million for the six months ended 30 June 2020 and 2021, respectively. This increase was primarily due to higher volumes and currency impacts, partially offset by productivity initiatives. Cost of sales for the period ended 30 June 2021 was 67.9% of sales, compared to 71.2% of sales in 2020. The decrease as a percentage of sales in the period was due primarily to productivity initiatives.

Marketing and selling expenses, administrative expenses, research and development costs, and impairment losses on receivables and contract assets ("SG&A/R&D") decreased $73 million, or 3%, from $2,483 million to $2,410 million for the six months ended 30 June 2020 and 2021, respectively. SG&A/R&D was 16.0% of sales in 2021, compared to 18.6% of sales in the respective 2020 period.

Other operating income and (expenses) - net decreased $15 million, or 94%, from a net benefit of $16 million to $1 million for the six months ended 30 June 2020 and 2021, respectively.

Operating profit from continuing operations increased $1,054 million, or 77%, from $1,369 million to $2,423 million for the six months ended 30 June 2020 and 2021, respectively. This increase was primarily due to higher volumes and price, partially offset by the deconsolidation of a subsidiary with operations in APAC. Operating profit from continuing operations in 2021 includes cost reduction programs and other charges of $196 million, compared to $380 million in the respective 2020 period. A discussion of operating profit by segment is included in the segment discussion that follows.

Financial expense – net in 2021 decreased $84 million, or 97%, from $87 million to $3 million for the six months ended 30 June 2020 and 2021, respectively. This decrease was primarily driven by a benefit in 2021 related to favorable currency revaluation on unhedged intercompany loans that are not able to be designated as net investment hedges under International Accounting Standards (see Note 7 to the condensed consolidated financial statements).

The share of profit and loss from associates and joint ventures (at equity) increased $16 million, or 52%, from $31 million to $47 million for the six months ended 30 June 2020 and 2021, respectively. The increase is primarily driven by the deconsolidation of a subsidiary with operations in APAC which is reflected in share of profit and loss from associates and joint ventures (at equity) effective 1 January 2021.

The reported effective tax rate ("ETR") for 2021 was 26.3% versus 28.2% in 2020. The net decrease is primarily due to a year over year decrease in uncertain tax positions and a non-taxable benefit related to foreign currency revaluation on unhedged intercompany loans partially offset by a deferred income tax charge due to an income tax rate increase in the United Kingdom.

Profit from continuing operations increased $875 million, or 93%, from $943 million to $1,818 million for the six months ended 30 June 2020 and 2021, respectively. This increase was primarily driven by higher operating profit versus the respective 2020 period.

Diluted earnings per share from continuing operations - Linde plc shareholders ("EPS") increased $1.66, or 102%, from $1.63 to $3.29 for the six months ended 30 June 2020 and 2021, respectively. This increase was primarily due to higher income from continuing operations and lower diluted shares outstanding.

SEGMENT DISCUSSION

Linde assesses the performance of the operating segments determined in accordance with U.S. GAAP. Accordingly, the analysis of key performance indicators and the associated segment discussion that follows are based on U.S. GAAP results. A reconciliation from U.S. GAAP results to those determined under EU-International Financial Reporting Standards ("IFRS") for the six months ended 30 June 2021 and 2020 is also provided. The following summary of U.S. GAAP sales and operating profit by segment provides a basis for the discussion that follows. Linde evaluates the performance of its operating segments based on operating profit, excluding the items not indicative of ongoing business trends ("Segment operating profit").

(Millions of dollars) Six Months Ended 30 June	2021	2020	Variance	
Sales				
Americas	$ 5,860	$ 5,094	766	15 %
EMEA	3,674	3,081	593	19 %
APAC	2,980	2,631	349	13 %
Engineering	1,320	1,418	(98)	(7)%
Other	993	892	101	11 %
Total U.S. GAAP Sales	14,827	13,116	1,711	13 %
GAAP adjustments [1]	224	207	17	8 %
Total IFRS Consolidated Sales	$ 15,051	$ 13,323	$ 1,728	13 %
Operating Profit				
Americas	$ 1,666	$ 1,283	$ 383	30 %
EMEA	938	658	280	43 %
APAC	740	575	165	29 %
Engineering	217	229	(12)	(5)%
Other	(36)	(76)	40	53 %
U.S. GAAP segment operating profit	3,525	2,669	856	32 %
Reconciliation to Consolidated Operating Profit:				
Cost reduction programs and other charges [2]	(196)	(380)	184	(48)%
Purchase accounting impacts - Linde AG [3]	(974)	(965)	(9)	(1)%
U.S. GAAP Consolidated Operating Profit	2,355	1,324	1,031	78 %
GAAP adjustments [1]	68	45	23	51 %
IFRS Consolidated Operating Profit	$ 2,423	$ 1,369	$ 1,054	77 %

(1) Primarily related to consolidation of certain entities under IFRS versus equity method accounting for US GAAP.

(2) Related to cost reduction programs, largely severance costs, see Note 8 to the condensed consolidated financial statements.
(3) Impacts of the required purchase accounting related to the merger transaction, primarily the increased depreciation and amortization of assets recorded at fair value.

Americas

The Americas segment includes Linde's industrial gases operations in approximately 20 countries including the United States, Canada, Mexico and Brazil.

Sales
Sales for the Americas segment increased by $766 million, or 15%, for the six months ended 30 June 2021 versus the respective 2020 period. Higher pricing contributed 3% to sales. Higher volumes increased sales by 10% led by higher demand across all end markets, with cyclical end markets being the strongest. Cost pass-through increased sales by 2% with minimal impact on operating profit.

Operating profit
Operating profit in the Americas segment increased by $383 million, or 30%, for the six months ended 30 June 2021 versus the respective 2020 period due primarily to higher pricing and volumes and continued productivity initiatives.

EMEA

The EMEA segment includes Linde's industrial gases operations in approximately 45 European, Middle Eastern and African countries including Germany, France, Sweden, the Republic of South Africa, and the United Kingdom.

Sales
EMEA segment sales increased by $593 million, or 19%, for the six months ended 30 June 2021 as compared to the respective 2020 period. Volumes increased 6% driven by increased demand across all end markets, led by the cyclical end markets. Higher price increased sales by 3% in the period. Currency translation increased sales by 9% due to the strengthening of the Euro, British pound and Swedish krona against the U.S. Dollar. Sales decreased 2% in the period related to the divestiture of a non-core business in Scandinavia. Cost pass-through contributed 3% to sales in the period with minimal impact on operating profit.

Operating profit
Operating profit for the EMEA segment increased by $280 million, or 43%, for the six months ended 30 June 2021 as compared to the respective 2020 period driven primarily by higher price and volumes and continued productivity initiatives.

APAC

The APAC segment includes Linde's industrial gases operations in approximately 20 Asian and South Pacific countries including China, Australia, India and South Korea.

Sales
Sales for the APAC segment increased by $349 million, or 13%, for the six months ended 30 June 2021 versus the respective 2020 period. Volumes increased 14% in the period driven by increased demand across all end markets, led by the cyclical end markets, and electronics and project start-ups. Higher price contributed 2% for the period. Currency translation increased sales by 7%, driven primarily by the strengthening of the Chinese yuan, Australian dollar and Korean won against the U.S. Dollar. Cost pass-through contributed 2% to sales in the period with minimal impact on operating profit. Sales decreased $296 million, or 12% in the first half of 2021 due to the deconsolidation of a subsidiary with operations in Taiwan (see Note 9 to the condensed consolidated financial statements).

Operating profit
Operating profit in the APAC segment increased by $165 million, or 29%, for the six months ended 30 June 2021 versus the respective 2020 period. Higher volumes and price and productivity initiatives were partially offset by a $56 million reduction due to the deconsolidation of a subsidiary with operations in Taiwan.

Engineering

Sales
Engineering segment sales decreased by $98 million, or 7%, for the six months ended 30 June 2021 as compared to the respective 2020 period. Sales decreased by 15% driven primarily by project timing, partially offset by favorable currency impacts of 8%.

Operating profit
Engineering segment operating profit decreased by $12 million, or 5%, for the six months ended 30 June 2021 as compared to the respective 2020 period driven primarily by sales and project timing.

Other

Other consists of corporate costs and a few smaller businesses including: Surface Technologies, GIST, global helium wholesale, and Electronic Materials; which individually do not meet the quantitative thresholds for separate presentation.

Sales
Sales for Other increased by $101 million, or 11%, for the six months ended 30 June 2021, versus the respective 2020 period. Currency translation increased sales by 5%. Higher volumes and price increased sales by 5% across all businesses. Cost pass-through increased sales by 1%.

Operating profit
Operating profit in Other increased by $40 million, or 53%, for the six months ended 30 June 2021 versus the respective 2020 period due primarily to volume growth, higher price and continued cost reduction and productivity initiatives.

CONSOLIDATED FINANCIAL POSITION

The following table provides a summary of the consolidated financial positions of Linde as of 30 June 2021 and 31 December 2020:

(Millions of dollars)	**30/06/2021**	**31/12/2020**	**Variance**	
Goodwill	$ 27,762	28,334	$ (572)	(2) %
Other intangible assets - net	15,123	16,850	(1,727)	(10) %
Tangible assets - net	27,600	29,402	(1,802)	(6) %
Other assets	11,218	10,403	815	8 %
Non-current assets classified as held for sale	25	27	(2)	(7) %
Cash and cash equivalents	3,235	3,845	(610)	(16) %
TOTAL ASSETS	**$ 84,963**	**$ 88,861**	**$ (3,898)**	**(4)%**
Equity	48,278	50,058	(1,780)	(4) %
Pension obligations and other provisions	4,100	4,535	(435)	(10) %
Financial debt	15,481	16,146	(665)	(4) %
Other liabilities	17,091	18,109	(1,018)	(6) %
Liabilities in connection with non-current assets classified as held for sale	13	13	—	— %
TOTAL EQUITY AND LIABILITIES	**$ 84,963**	**$ 88,861**	**$ (3,898)**	**(4)%**

Goodwill decreased by $572 million from $28,334 million as of 31 December 2020 to $27,762 million as of 30 June 2021. This decrease is primarily related to the impact of negative currency translation and the deconsolidation of a subsidiary with operations in APAC during the six months ended 30 June 2021 (see Note 4 to the condensed consolidated financial statements).

Other intangible assets – net decreased by $1,727 million from $16,850 million as of 31 December 2020 to $15,123 million as of 30 June 2021. This decrease is primarily related to the amortization of finite lived intangible assets, the impact of negative currency translation and the deconsolidation of a subsidiary in APAC (see Note 4 to the condensed consolidated financial statements).

Tangible assets (property, plant and equipment – net) decreased by $1,802 million from $29,402 million as of 31 December 2020 to $27,600 million as of 30 June 2021. This decrease is primarily related to the depreciation of the tangible assets, negative impact of currency translation and the deconsolidation of a subsidiary in APAC, partially offset by capital expenditures during the six months ended 30 June 2021 (see Note 4 to the condensed consolidated financial statements).

Other assets increased by $815 million from $10,403 million as of 31 December 2020 to $11,218 million as of 30 June 2021. This increase is primarily related to the deconsolidation of a subsidiary in APAC which is now reflected as a joint venture at equity, partially offset by negative currency translation impacts during the six months ended 30 June 2021.

Non-current assets classified as held for sale, net of liabilities in connection with non-current assets classified as held for sale were $12 million at 30 June 2021 compared to $14 million at 31 December 2020.

Cash and cash equivalents decreased $610 million from $3,845 million as of 31 December 2020 to $3,235 million as of 30 June 2021. Cash provided by operating activities of $4,173 million was more than offset by cash outflows for investing and financing activities of $1,490 million and $3,306 million, respectively. See the "Liquidity and Capital Resources" discussion below for further detail. The cash is available for corporate uses, including among others, capital expenditures and share repurchases.

Equity decreased by $1,780 million from $50,058 million as of 31 December 2020 to $48,278 million as of 30 June 2021. This decrease was primarily driven by net share repurchases of $2,050 million, $1,102 million of dividend payments to Linde plc shareholders, an $852 million reduction in non-controlling interests related to the deconsolidation of a subsidiary in APAC, and adverse currency impacts of $353 million. The decrease was partially offset by net income of $1,819 million and a $700 million benefit from interim pension remeasurements (see the condensed statement of changes in consolidated equity and Note 5 to the condensed consolidated financial statements).

Pension obligations and other provisions decreased by $435 million from $4,535 million as of 31 December 2020 to $4,100 million as of 30 June 2021. This decrease is primarily related to the interim remeasurement of pension obligations, which was favorably impacted by both increased discount rates and asset performance, most significantly in EMEA and the Americas.

Financial debt decreased by $665 million from $16,146 million as of 31 December 2020 to $15,481 million as of 30 June 2021, driven primarily by the deconsolidation of a subsidiary in APAC (see the "Liquidity and Capital Resources" discussion below and Note 6 to the condensed consolidated financial statements).

Other liabilities decreased by $1,018 million from $18,109 million as of 31 December 2020 to $17,091 million as of 30 June 2021. This decrease was driven primarily by the impact of negative currency translation and timing of payments related to incentives and taxes.

LIQUIDITY AND CAPITAL RESOURCES

The following is a summary of the consolidated statement of cash flows:

(Millions of dollars)

Six Months Ended 30 June	**2021**	**2020**	**Variance**
Cash flow from operating activities	$ 4,173	$ 3,326	$ 847
Cash flow (for)/from investing activities	(1,490)	(1,233)	(257)
Cash flow (for)/from financing activities	(3,306)	353	(3,659)
Other cash activity	13	(180)	193
Change in cash and cash equivalents	(610)	2,266	(2,876)
Cash and cash equivalents, beginning -of-period	3,845	2,790	1,055
Cash and cash equivalents, end-of-period	$ 3,235	$ 5,056	$ (1,821)

Cash flow from operating activities

Cash flow from operations was $4,173 million for the six months ended 30 June 2021, an increase of $847 million, or 25% when compared with $3,326 million for the six months ended 30 June 2020. The increase was driven by higher profit from continuing operations, partially offset by higher working capital requirements, primarily due to higher cash taxes.

Cash flow (for)/from investing activities

Net cash used for investing activities increased by $257 million from $1,233 million to $1,490 million for the six months ended 30 June 2020 and 2021, respectively. The increase was primarily driven by the proceeds from divestitures in 2020, partially offset by lower capital expenditures.

Capital expenditures for the six months ended 30 June 2021 were $1,537 million, $61 million lower than the prior year.

Acquisition spend for the six months ended 30 June 2021 was $31 million and primarily related to acquisitions in the Americas and EMEA. Acquisition expenditures for the same period in 2020 were $4 million and relate primarily to acquisitions in the Americas.

Divestitures and asset sales for the six months ended 30 June 2021 and 2020 were $78 million and $369 million, respectively. The 2020 period includes net proceeds from merger-related divestitures of $98 million from the sale of selected assets of Linde China and proceeds of approximately $130 million related to the divestiture of a non-core business in Scandinavia.

Cash flow (for)/from financing activities

Net cash used for financing activities was $3,306 million for the six months ended 30 June 2021 as compared to cash provided from financing activities of $353 million for the six months ended 30 June 2020. Cash provided by debt was $316 million and $3,503 million for the six months ended 30 June 2021 and 2020, respectively. The decrease is primarily due to the issuance of €1.5 billion bonds and increased commercial paper borrowings in 2020 and debt repayments of $821 million in 2021.

Cash dividends paid to Linde plc shareholders increased by $85 million from $1,017 million to $1,102 million driven primarily by a 10% increase in quarterly dividends from 96.3 cents per share to 106 cents per share.

Net purchases of ordinary shares were $2,050 million for the six month ended 30 June 2021 compared to $1,803 million for the same period in 2020. Cash outflows due to changes of noncontrolling interests were $293 million in 2021 versus $102 million in 2020, primarily due to the settlement of the buyout of minority interests in the Republic of South Africa in January of 2021.

The company continues to believe it has sufficient operating flexibility, cash, and funding sources to meet its business needs around the world. The company had $3.2 billion of cash as of 30 June 2021, and has a $5 billion unsecured and undrawn revolving credit agreement with no associated financial covenants. No borrowings were outstanding under the credit agreement as of 30 June 2021. The company does not anticipate any limitations on its ability to access the debt capital markets and/or other external funding sources and remains committed to its strong ratings from Moody’s and Standard & Poor’s.

Other cash activity

Other cash activity primarily includes the effects of currency translation on cash.

PRINCIPAL RISKS AND UNCERTAINTIES

Due to the size and geographic reach of the company’s operations, a wide range of factors, many of which are outside of the company’s control, could materially affect the company’s future operations and financial performance. Management believes the risks that may significantly impact the company have not changed since 31 December 2020. Refer to the Principal Risks and Uncertainties section of the Linde plc 2020 Directors' Report and Financial Statements for further information.

DIRECTORS' RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the condensed set of interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU; and
- the interim business performance overview includes a fair review of the information required by: - Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and - Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Approved by the Board of Directors and signed on its behalf on 17 September 2021 by:

/S/ Stephen F. Angel	*/S/ Prof.Dr. Clemens Börsig*
Stephen F. Angel	Prof. Dr. Clemens Börsig
Chief Executive Officer and Director	*Director*

Independent review report to Linde plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Linde plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Financial Report of Linde plc for the six month period ended 30 June 2021. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007, as amended and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019, as issued under the 2014 Act (the "IMC Rules").

What we have reviewed

The interim financial statements, comprise:

- the condensed consolidated statement of financial position as at 30 June 2021;
- the condensed consolidated statement of profit and loss and condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated statement of cash flows for the period then ended;
- the condensed statement of changes in consolidated equity for the period then ended; and
- the explanatory notes to the condensed consolidated half-year financial statements.

The interim financial statements included in the half-year financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007, as amended and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019, as issued under the 2014 Act (the "IMC Rules").

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-year financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-year financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, as amended and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019, as issued under the 2014 Act (the "IMC Rules").

Our responsibility is to express a conclusion on the interim financial statements in the half-year financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Transparency (Directive 2004/109/EC) Regulations 2007, as amended and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019, as issued under the 2014 Act (the "IMC Rules") and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom and Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers
Chartered Accountants
17 September 2021
Dublin

(a) The maintenance and integrity of the Linde plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Condensed Consolidated Half Year Financial Statements (Unaudited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS (UNAUDITED)

For The Six Months Ended 30 June *(Millions of dollars)*	*Note*	**2021**	**2020**
Revenue	[2]	$ 15,051	$ 13,323
Cost of sales		10,219	9,487
GROSS PROFIT		**$ 4,832**	**$ 3,836**
Marketing and selling expenses		1,098	1,040
Research and development costs		125	115
Administration expenses		1,116	1,232
Impairment losses on receivables and contract assets		71	96
Other operating income		165	141
Other operating expenses		164	125
OPERATING PROFIT FROM CONTINUING OPERATIONS		**$ 2,423**	**$ 1,369**
Financial income		15	31
Financial expenses		18	118
Share of profit and loss from associates and joint ventures (at equity)		47	31
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**$ 2,467**	**$ 1,313**
Income tax expense		649	370
PROFIT FROM CONTINUING OPERATIONS		**$ 1,818**	**$ 943**
PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAX		**1**	**4**
PROFIT		**$ 1,819**	**$ 947**
attributable to Linde plc shareholders		1,729	873
attributable to noncontrolling interests of continuing operations		90	74
attributable to noncontrolling interests of discontinued operations		—	—
PROFIT - LINDE PLC SHAREHOLDERS			
Income from continuing operations		$ 1,728	$ 869
Income from discontinued operations		$ 1	$ 4
EARNINGS PER SHARE – CONTINUING OPERATIONS LINDE PLC SHAREHOLDERS	[3]		
Earnings per share in USD – undiluted		$ 3.32	$ 1.64
Earnings per share in USD – diluted		$ 3.29	$ 1.63
EARNINGS PER SHARE - LINDE PLC SHAREHOLDERS	[3]		
Earnings per share in USD – undiluted		$ 3.32	$ 1.65
Earnings per share in USD – diluted		$ 3.29	$ 1.64

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the Six Months Ended 30 June *(Millions of dollars)*	2021	2020
PROFIT	$ 1,819	$ 947
OTHER COMPREHENSIVE INCOME (LOSS)		
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS		
Currency translation adjustments		
Foreign currency translation adjustments	(278)	(2,006)
Reclassifications to net income (Note 9)	(52)	—
Income taxes	(8)	24
Currency translation adjustments	(338)	(1,982)
Derivative instruments		
Current period unrealized gain (loss)	40	(45)
Reclassifications to net income	(5)	50
Income taxes	(8)	1
Derivative instruments	27	6
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS		
Funded status - retirement obligation remeasurement	860	(285)
Income taxes	(160)	44
Funded status - retirement obligations	700	(241)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	$ 389	$ (2,217)
COMPREHENSIVE INCOME (LOSS)(INCLUDING NONCONTROLLING INTERESTS)	$ 2,208	$ (1,270)
Less: noncontrolling interests	(105)	25
COMPREHENSIVE INCOME (LOSS) - LINDE PLC	$ 2,103	$ (1,245)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(Millions of dollars)	*Note*	**30/06/2021**	**31/12/2020**
Assets			
Goodwill	[4]	$ 27,762	$ 28,334
Other intangible assets - net	[4]	15,123	16,850
Tangible assets - net	[4]	27,600	29,402
Right of use assets		1,034	1,117
Investments in associates and joint ventures (at equity)	[9]	1,673	1,057
Other financial assets		84	117
Receivables from finance leases		33	38
Miscellaneous other receivables and other assets		785	593
Deferred tax assets		253	271
NON-CURRENT ASSETS		**74,347**	**77,779**
Inventories		1,708	1,744
Receivables from finance leases		13	18
Trade receivables		4,260	4,107
Contract assets	[2]	162	162
Miscellaneous other receivables and other assets		1,102	1,064
Income tax receivables		111	115
Cash and cash equivalents		3,235	3,845
Non-current assets classified as held for sale		25	27
CURRENT ASSETS		**10,616**	**11,082**
TOTAL ASSETS		**$ 84,963**	**$ 88,861**

(Millions of dollars)	*Note*	30/06/2021	31/12/2020
EQUITY AND LIABILITIES			
Called-up share capital presented as equity		$ 1	$ 1
Retained earnings	[5]	53,208	51,881
Treasury shares	[5]	(7,336)	(5,374)
Other reserves		572	901
TOTAL EQUITY ATTRIBUTABLE TO LINDE PLC SHAREHOLDERS		**$ 46,445**	**$ 47,409**
Noncontrolling interests	[5]	1,833	2,649
TOTAL EQUITY		**$ 48,278**	**$ 50,058**
Long-term pensions and similar obligations		2,302	2,962
Other non-current provisions		868	732
Deferred tax liabilities		6,501	6,825
Financial liabilities	[6,7]	10,035	12,195
Liabilities from leases		759	818
Contract liabilities	[2]	700	542
Income tax liabilities		136	204
Other non-current liabilities		300	357
NON-CURRENT LIABILITIES		**$ 21,601**	**$ 24,635**
Current pensions and similar obligations		35	35
Current provisions		895	806
Financial liabilities	[6,7]	5,446	3,951
Liabilities from leases		272	287
Trade payables		4,329	4,342
Contract liabilities	[2]	1,795	1,762
Other current liabilities		1,471	1,984
Income tax liabilities		828	988
Liabilities in connection with non-current assets classified as held for sale		13	13
CURRENT LIABILITIES		**$ 15,084**	**$ 14,168**
TOTAL EQUITY AND LIABILITIES		**$ 84,963**	**$ 88,861**

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (UNAUDITED)

(Millions of dollars)	Called-up share capital	Retained earnings (including remeasurement of defined benefit plans)	Other reserves: Currency translation differences	Other reserves: Hedging instruments	Other reserves: Other	Treasury shares	Total equity attributable to Linde plc shareholders	Non-controlling interests	Total equity
AS AT 01/01/2020	**$ 1**	**$ 52,249**	**$ 73**	**$ (27)**	**$ 59**	**$ (3,156)**	**$ 49,199**	**$ 2,942**	**$ 52,141**
Profit	–	873	—	—		—	873	74	947
Other comprehensive income (net of tax)	–	(241)	(1,883)	6		—	(2,118)	(99)	(2,217)
TOTAL COMPREHENSIVE INCOME	**—**	**632**	**(1,883)**	**6**		**—**	**(1,245)**	**(25)**	**(1,270)**
Dividend payments	–	(1,017)	—	—		—	(1,017)	(61)	(1,078)
Changes as a result of share option schemes and stock purchase plans	–	—	—	—	(43)	(1,680)	(1,723)	—	(1,723)
DISTRIBUTIONS TO OWNERS OF THE COMPANY	**—**	**(1,017)**	**—**	**—**	**(43)**	**(1,680)**	**(2,740)**	**(61)**	**(2,801)**
Changes in ownership interests in subsidiaries	—	—	—	—	—	—	—	(82)	(82)
AT 30/06/2020	**$ 1**	**$ 51,864**	**$ (1,810)**	**$ (21)**	**$ 16**	**$ (4,836)**	**$ 45,214**	**$ 2,774**	**$ 47,988**
AS AT 01/01/2021	**$ 1**	**$ 51,881**	**$ 971**	**$ 4**	**$ (74)**	**$ (5,374)**	**$ 47,409**	**$ 2,649**	**$ 50,058**
Profit	–	1,729	—	—	—	—	1,729	90	1,819
Other comprehensive income (net of tax)	–	700	(353)	27	—	—	374	15	389
TOTAL COMPREHENSIVE INCOME	**—**	**2,429**	**(353)**	**27**	**—**	**—**	**2,103**	**105**	**2,208**
Dividend payments	–	(1,102)	—	—	—	—	(1,102)	(69)	(1,171)
Changes as a result of share option schemes and stock purchase plans	–	—	—	—	(3)	(1,962)	(1,965)	—	(1,965)
DISTRIBUTIONS TO OWNERS OF THE COMPANY	**—**	**(1,102)**	**—**	**—**	**(3)**	**(1,962)**	**(3,067)**	**(69)**	**(3,136)**
Changes in ownership interests in subsidiaries	—	—	—	—	—	—	—	(852)	(852)
AT 30/06/2021	**$ 1**	**$ 53,208**	**$ 618**	**$ 31**	**$ (77)**	**$ (7,336)**	**$ 46,445**	**$ 1,833**	**$ 48,278**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For The Six Months Ended 30 June *(Millions of dollars)*	*Note*	2021	2020
Profit attributable to Linde plc shareholders		$ 1,729	$ 873
Less: Profit from discontinued operations		(1)	(4)
Add: Profit from continuing operations attributable to noncontrolling interests		90	73
Profit from continuing operations		1,818	942
Adjustments to profit after tax to calculate cash flow from operating activities – continuing operations			
Cost reduction programs and other charges, net of payments		95	239
Amortization of intangible assets/depreciation of tangible assets	[4]	2,556	2,476
Deferred income taxes		(85)	(204)
Share based compensation		63	75
Changes in assets and liabilities			
Change in trade receivables		(373)	(118)
Change in contract assets & liabilities		59	70
Change in inventories		(42)	(83)
Change in prepaid and other current assets		(47)	(43)
Change in payables, provisions and accruals		25	(28)
Pension contributions		(28)	(34)
Long-term assets, liabilities and other		132	34
CASH FLOW FROM OPERATING ACTIVITIES		**$ 4,173**	**$ 3,326**
Capital expenditures		$ (1,537)	$ (1,598)
Acquisitions / Payments for investments in consolidated companies		(31)	(4)
Proceeds on disposal of tangible and intangible assets, and receivables from leases		78	369
CASH FLOW (FOR)/FROM INVESTING ACTIVITIES		**$ (1,490)**	**$ (1,233)**

(Millions of dollars)	Note	2021	2020
Dividend payments to Linde plc shareholders	[5]	$ (1,102)	$ (1,017)
Cash outflows due to changes of noncontrolling interests		(293)	(102)
Issuance of common stock		32	25
Purchases of common stock		(2,082)	(1,828)
Short-term debt borrowings (repayments) - net		1,073	1,913
Long-term debt borrowings		64	1,656
Long-term debt repayments		(821)	(66)
Cash outflows for the repayment of liabilities from finance leases		(170)	(168)
Other cash flows		(7)	(60)
CASH (FOR)/FROM FINANCING ACTIVITIES		**$ (3,306)**	**$ 353**
Discontinued Operations			
Cash provided by operating activities		—	4
Cash used for investing activities		—	(2)
Cash used for financing activities		—	(14)
CASH FLOW (FOR)/FROM DISCONTINUED OPERATIONS		**—**	**(12)**
CHANGE IN CASH AND CASH EQUIVALENTS		**(623)**	**2,434**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		**$ 3,845**	**$ 2,790**
Effects of currency translation		13	(180)
Cash and cash equivalents reported as non-current assets classified as held for sale and disposal groups		—	12
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		**$ 3,235**	**$ 5,056**

Notes to the Condensed Consolidated Financial Statements

[1] Business Overview And Basis Of Preparation

Business Overview

Linde plc (Registration number 602527) ("Linde" or "the company") is an incorporated public limited company formed under the laws of Ireland. Linde's registered office is located at Ten Earlsfort Terrace, Dublin 2, D02 T380 Ireland. Linde's principal executive offices are located at The Priestley Centre, 10 Priestley Road, Surrey Research Park, Guildford, Surrey GU2 7XY, United Kingdom and 10 Riverview Dr. Danbury, CT United States 06810. Linde trades on the New York Stock Exchange and on the Frankfurt Stock Exchange under the symbol LIN.

Basis of Preparation

These condensed consolidated financial statements of Linde for the six months ended 30 June 2021 have been prepared in accordance with Accounting Standard IAS 34, *Interim Financial Reporting* as adopted by the European Union.

The condensed interim financial statements should be read in conjunction with the 2020 consolidated financial statements, which have been prepared in accordance with IFRS as adopted by the European Union. The 2020 consolidated financial statements were authorized for issue by the Board of Directors on 27 April 2021 and are available on the company's website.

The condensed consolidated financial statements have been prepared using the same accounting policies as those used in the preparation of the consolidated financial statements for the year ended 31 December 2020. In August 2020 the IASB issued Interest Rate Benchmark Reform – Phase 2 amendments relating to IFRS 9, IFRS 7, IFRS 4 and IFRS 16. These amendments address the issues associated with hedging relationships and contractual cash flows of certain financial instruments affected by the change in reference rates. The amendments are effective for annual periods beginning 1 January 2021 with early adoption permitted. The application of this guidance did not materially impact the company's condensed consolidated financial statements. No other changes to IFRS that became effective in 2021 had a significant effect on the condensed consolidated financial information included in this report.

The Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing these condensed consolidated financial statements. The company believes that it has sufficient operating flexibility, cash reserves, and funding sources to maintain adequate amounts of liquidity to meet its business needs around the world. The company has a $5 billion unsecured and undrawn revolving credit agreement with no associated financial covenants. No borrowings were outstanding under the credit agreement as of 30 June 2021. The company does not anticipate any limitations on its ability to access the debt capital markets and/or other external funding sources and remains committed to its strong ratings.

The condensed consolidated financial statements presented do not constitute full statutory financial statements for the company. The full statutory financial statements for the company for the year ended 31 December 2020 are filed with the Companies Registration Office in line with the company's annual return date. The audit report on those statutory financial statements was unqualified.

[2] Revenue

Contracts with Customers

Linde serves a diverse group of industries including healthcare, energy, manufacturing, food, beverage carbonation, fiber-optics, steel making, aerospace, chemicals and water treatment.

Industrial Gases

Within each of the company's geographic segments for industrial gases, there are three basic distribution methods: (i) on-site or tonnage; (ii) merchant or bulk liquid; and (iii) packaged or cylinder gases. The distribution method used by Linde to supply a customer is determined by many factors, including the customer's volume requirements and location. The distribution method generally determines the contract terms with the customer and, accordingly, the revenue recognition accounting practices. Linde's primary products in its industrial gases business are atmospheric gases (oxygen, nitrogen, argon, rare gases) and process gases (carbon dioxide, helium, hydrogen, electronic gases, specialty gases, acetylene). These products are generally sold through one of the three distribution methods.

Following is a description of each of the three industrial gases distribution methods and the respective revenue recognition policies:

On-site. Customers that require the largest volumes of product and that have a relatively constant demand pattern are supplied by cryogenic and process gas on-site plants. Linde constructs plants on or adjacent to these customers' sites and supplies the product directly to customers by pipeline. Where there are large concentrations of customers, a single pipeline may be connected to several plants and customers. On-site product supply contracts generally are total requirement contracts with terms typically ranging from 10-20 years and contain minimum purchase requirements and price escalation provisions. Many of the cryogenic on-site plants also produce liquid products for the merchant market. Therefore, plants are typically not dedicated to a single customer. Additionally, Linde is responsible for the design, construction, operations and maintenance of the plants and our customers typically have no involvement in these activities. Advanced air separation processes also allow on-site delivery to customers with smaller volume requirements.

The company's performance obligations related to on-site customers are satisfied over time as customers receive and obtain control of the product. Linde has elected to apply the practical expedient for measuring progress towards the completion of a performance obligation and recognizes revenue as the company has the right to invoice each customer, which generally corresponds with product delivery. Accordingly, revenue is recognized when product is delivered to the customer and the company has the right to invoice the customer in accordance with the contract terms. Consideration in these contracts is generally based on pricing which fluctuates with various price indices. Variable components of consideration exist within on-site contracts but are considered constrained.

Merchant. Merchant deliveries generally are made from Linde's plants by tanker trucks to storage containers at the customer's site. Due to the relatively high distribution cost, merchant oxygen and nitrogen generally have a relatively small distribution radius from the plants at which they are produced. Merchant argon, hydrogen and helium can be shipped much longer distances. The customer agreements used in the merchant business are usually three to seven year supply agreements based on the requirements of the customer. These contracts generally do not contain minimum purchase requirements or volume commitments.

The company's performance obligations related to merchant customers are generally satisfied at a point in time as the customers receive and obtain control of the product. Revenue is recognized when product is delivered to the customer and the company has the right to invoice the customer in accordance with the contract terms. Any variable components of consideration within merchant contracts are constrained however this consideration is not significant.

Packaged Gases. Customers requiring small volumes are supplied products in containers called cylinders, under medium to high pressure. Linde distributes merchant gases from its production plants to company-owned cylinder filling plants where cylinders are then filled for distribution to customers. Cylinders may be delivered to the customer's site or picked up by the customer at a packaging facility or retail store. Linde invoices the customer for the industrial gases and the use of the cylinder container(s). The company also sells hardgoods and welding equipment purchased from independent manufacturers. Packaged gases are generally sold under one to three-year supply contracts and purchase orders and do not contain minimum purchase requirements or volume commitments.

The company's performance obligations related to packaged gases are satisfied at a point in time. Accordingly, revenue is recognized when product is delivered to the customer or when the customer picks up product from a packaged gas facility or retail store, and the company has the right to payment from the customer in accordance with the contract terms. Any variable consideration is constrained and will be recognized when the uncertainty related to the consideration is resolved.

Linde Engineering

The company designs and manufactures equipment for air separation and other industrial gas applications manufactured specifically for end customers. Sale of equipment contracts are generally comprised of a single performance obligation. Revenue from sale of equipment is generally recognized over time as Linde has an enforceable right to payment for performance completed to date and performance does not create an asset with alternative use. For contracts recognized over time, revenue is recognized primarily using a cost incurred input method. Costs incurred to date relative to total estimated costs at completion are used to measure progress toward satisfying performance obligations. Costs incurred include material, labor, and overhead costs and represent work contributing and proportionate to the transfer of control to the customer. Contract modifications are typically accounted for as part of the existing contract and are recognized as a cumulative adjustment for the inception-to-date effect of such change.

Contract Assets and Liabilities

Contract assets and liabilities result from differences in timing of revenue recognition and customer invoicing. Contract assets primarily relate to sale of equipment contracts for which revenue is recognized over time. The balance represents unbilled revenue which occurs when revenue recognized under the measure of progress exceeds amounts invoiced to customers. Customer invoices may be based on the passage of time, the achievement of certain contractual milestones or a combination of both criteria. Contract liabilities include advance payments or right to consideration prior to performance under the contract. Contract liabilities are recognized as revenue as performance obligations are satisfied under contract terms. Linde has contract assets of $162 million at 30 June 2021 and 31 December 2020. Total contract liabilities are $2,495 million at 30 June 2021 (current contract liabilities of $1,795 million and non-current contract liabilities of $700 million in the consolidated statement of financial position). Total contract liabilities were $2,304 million at 31 December 2020 (current contract liabilities of $1,762 million and non-current of $542 million in the consolidated statement of financial position). Revenue recognized for the six months ended 30 June 2021 that was included in the contract liability at 31 December 2020 was $778 million. Contract assets and liabilities primarily relate to the Linde Engineering business.

Payment Terms and Other

Linde generally receives payment after performance obligations are satisfied, and customer prepayments are not typical for the industrial gases business. Payment terms vary based on the country where sales originate and local customary payment practices. Linde does not offer extended financing outside of customary payment terms. Amounts billed for sales and use taxes, value-added taxes, and certain excise and other specific transactional taxes imposed on revenue producing transactions are presented on a net basis and are not included in sales within the consolidated statement of profit and loss. Additionally, sales returns and allowances are not a normal practice in the industry and are not significant.

Disaggregated Revenue Information

As described above the company manages its industrial gases business on a geographic basis, while the Engineering and Other businesses are generally managed on a global basis. Furthermore, the company believes that reporting sales by distribution method by reportable geographic segment best illustrates the nature, timing, type of customer, and contract terms for its revenues, including terms and pricing.

The following tables show sales by distribution method at the consolidated level and for each reportable segment and Other for the six months ended 30 June 2021 and 2020.

(Millions of dollars)	Six months ended 30 June 2021						
Sales	**Americas**	**EMEA**	**APAC**	**Engineering**	**Other**	**Total**	**%**
Merchant	$ 1,592	$ 1,088	$ 1,043	$ —	$ 95	$ 3,818	25 %
On-Site	1,463	816	1,346	—	—	3,625	24 %
Packaged Gas	2,701	1,772	753	—	12	5,238	35 %
Other	104	26	57	1,295	888	2,370	16 %
	$ 5,860	$ 3,702	$ 3,199	$ 1,295	$ 995	$ 15,051	100 %

(Millions of dollars)	Six months ended 30 June 2020						
Sales	**Americas**	**EMEA**	**APAC**	**Engineering**	**Other**	**Total**	**%**
Merchant	$ 1,360	$ 886	$ 923	$ —	$ 76	$ 3,245	24 %
On-Site	1,209	674	1,136	—	—	3,019	23 %
Packaged Gas	2,485	1,530	722	—	11	4,748	36 %
Other	40	19	33	1,418	801	2,311	17 %
	$ 5,094	$ 3,109	$ 2,814	$ 1,418	$ 888	$ 13,323	100 %

Remaining Performance Obligations

As described above, Linde's contracts with on-site customers are under long-term supply arrangements which generally require the customer to purchase their requirements from Linde and also have minimum purchase requirements. The company estimates the consideration related to minimum purchase requirements is approximately $47 billion and $49 billion for six months ended 30 June 2021 and 31 December 2020, respectively. This amount excludes all sales above minimum purchase requirements, which can be significant depending on customer needs. In the future, actual amounts will be different due to impacts from several factors, many of which are beyond the company’s control including, but not limited to, timing of newly signed, terminated and renewed contracts, inflationary price escalations, currency exchange rates, and pass-through costs related to natural gas and electricity. The actual duration of long-term supply contracts ranges up to twenty years. The company estimates that approximately half of the revenue related to minimum purchase requirements are estimated to be earned in the next five years and the remaining thereafter.

[3] Earnings Per Share

	Six Months Ended 30 June	
	2021	2020
Numerator *(Millions of dollars)*		
Income from continuing operations - Linde plc shareholders	$ 1,728	$ 869
Income from discontinued operations - Linde plc shareholders	1	4
Profit – Linde plc shareholders	$ 1,729	$ 873
Denominator *(Thousands of shares)*		
Weighted average shares outstanding	520,314	528,118
Shares earned and issuable under compensation plans	377	267
Weighted average shares used in basic earnings per share	520,691	528,385
Effect of dilutive securities		
Stock options and awards	4,689	3,727
Weighted average shares used in diluted earnings per share	525,380	532,112
Basic earnings per share from continuing operations	$ 3.32	$ 1.64
Basic earnings per share from discontinued operations	—	0.01
Basic Earnings Per Common Share	$ 3.32	$ 1.65
Diluted earnings per share from continuing operations	$ 3.29	$ 1.63
Diluted earnings per share from discontinued operations	—	0.01
Diluted Earnings Per Common Share	$ 3.29	$ 1.64

[4] Goodwill, Other Intangible And Tangible Assets

The decrease in goodwill in the condensed consolidated statement of financial position of $572 million was primarily driven by the negative impact of currency translation and the deconsolidation of a subsidiary in APAC (see Note 9).

The decrease in other intangible and tangible assets of $1,727 million and $1,802 million, respectively, was primarily due to depreciation and amortization, negative impact of currency translation and the deconsolidation of a subsidiary in APAC, partially offset by capital expenditures during the six month period ended 30 June 2021 (see Note 9).

[5] Equity

Other Linde plc Ordinary Share and Treasury Shares Transactions

Linde may issue new ordinary shares or those held in treasury for dividend reinvestment, stock purchase plans and employee savings and incentive plans. No new Linde ordinary shares were issued during the six months ended 30 June 2021 and 2020.

On 25 January 2021, the Linde board of directors authorized a new share repurchase program for up to $5.0 billion of its ordinary shares expiring on 31 July 2023. As of 30 June 2021, the company had repurchased $1.96 billion of its ordinary shares pursuant to the 2021 program, leaving an additional $3 billion authorized.

On 25 January 2021, the Linde board of directors declared a quarterly dividend of $1.06 per share for the first quarter of 2021 (the "Q1 Dividend"). The Q1 Dividend was paid on 22 March 2021 to shareholders of record on 5 March 2021. On 26 April 2021, the Linde board of directors declared a quarterly dividend of $1.06 per share for the second quarter of 2021 (the "Q2 Dividend"). The Q2 Dividend was paid on 17 June 2021 to shareholders of record on 3 June 2021. Total dividends paid to shareholders during the six months ended 30 June 2021 was $1,102 million. On 26 July 2021, the Linde board of directors declared a quarterly dividend of $1.06 per share for the third quarter of 2021 (the "Q3 Dividend", see Note 10).

Noncontrolling interests as of 30 June 2021 includes an $852 million reduction from the deconsolidation of a subsidiary in APAC (see Note 9).

[6] Debt

The decrease in financial debt as of 30 June 2021 was primarily due to the €600 million repayment of a 3.875% note that became due in June 2021 and the deconsolidation of a subsidiary in APAC, partially offset by increased current borrowings.

The company maintains a $5 billion unsecured revolving credit agreement with a syndicate of banking institutions that expires on 26 March 2024. There are no financial maintenance covenants contained within the credit agreement. No borrowings were outstanding under the credit agreement as of 30 June 2021.

[7] Financial Instruments

Accounting standard IFRS 9, *Financial Instruments* sets out the rules on the classification and measurement of financial assets and contains rules on impairment losses on financial instruments as well as on hedge accounting. In the financial assets and financial liabilities tables below, carrying value approximates fair value unless otherwise noted.

Financial Assets

	Carrying amount	
(Millions of dollars)	**30/06/2021**	**31/12/2020**
At fair value in other comprehensive income (debt instruments) ("FVtOCI")		
Investments and securities	$ 2	$ 4
At fair value through profit and loss ("FVtPL")		
Freestanding derivatives	68	113
Derivatives designated as hedging instruments	74	87
Investments and securities	63	64
At amortized cost		
Cash and cash equivalents	3,235	3,845
Trade receivables	4,260	4,108
Other receivables and assets	1,723	1,656
Investments and securities	3	11
Total	**$ 9,428**	**$ 9,888**

Financial Liabilities

(Millions of dollars)	Carrying amount 30/06/2021	31/12/2020
Financial liabilities at amortized cost		
Financial liabilities (1)	$ 15,481	$ 16,146
Trade payables	4,329	4,346
Miscellaneous liabilities	1,732	2,337
Derivatives with negative fair values		
Freestanding derivatives	35	67
Derivatives designated as hedging instruments	4	14
Liabilities from finance leases	1,031	1,105
Total	**$ 22,612**	**$ 24,015**

(1) The fair value of financial liabilities at 30 June 2021 and 31 December 2020 was $15,830 and $16,854, respectively.

The fair value of cash and cash equivalents, short-term debt, accounts receivables-net, and accounts payable approximate carrying value because of the short-term maturities of these instruments.

The fair value of financial instruments is generally determined using stock exchange prices. If stock exchange prices are not available, the fair value is determined using measurement methods customary in the market, based on market parameters specific to the instrument.

The fair value of derivative financial instruments are measured by discounting expected future cash flows using the net present value method. As far as possible, the entry parameters used in these models are relevant observable market prices and interest rates at the reporting date.

The following table shows the financial instruments in Linde which are measured at fair value. Linde uses the following hierarchy to determine and disclose fair values based on the method used to ascertain their fair values:

- Level 1: quoted prices in active markets for identical assets and liabilities.
- Level 2: quoted prices for similar assets and liabilities in active markets or inputs that are observable.
- Level 3: inputs that are unobservable (for example cash flow modeling inputs based on assumptions).

Financial Assets And Liabilities Measured At Fair Value

	Level 1		Level 2		Level 3	
(Millions of dollars)	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020
Investments and securities	$ 19	$ 21	$ —	$ —	$ 46	$ 47
Thereof debt instruments at FVtOCI	2	4	—	—	—	—
Thereof at FVtPL	17	17	—	—	46	47
Freestanding derivatives with positive fair values	—	—	68	113	—	—
Derivatives designated as hedging instruments with positive fair values	—	—	74	87	—	—
Freestanding derivatives with negative fair values	—	—	35	67	—	—
Derivatives designated as hedging instruments with negative fair values	—	—	4	14	—	—
Cash and cash equivalents	—	—	—	—	—	—

There were no transfers between Levels 1, 2 and 3 of the fair value hierarchy as of 30 June 2021 and 31 December 2020.

The fair value of financial instruments in the “financial assets at amortized cost”, and “financial liabilities at amortized cost” categories is determined by discounting the expected cash flows. The interest rates applied are the same as those that would apply to new financial instruments with a similar risk structure, currency and maturity. Fair value is determined using the discounted cash flow method, taking into account individual credit ratings and other market circumstances in the form of credit and liquidity spreads generally applied in the market (Level 2). The exception to this is bonds issued by Linde traded in the capital market (Level 1 or Level 2) depending on the trading volume of the issues and whether or not they are actively quoted in the market as opposed to traded through over-the-counter transactions. The fair value of these instruments is determined using the current bond price in the market. In cases involving short-term financial instruments in the "financial assets at amortized cost", and "financial liabilities at amortized cost" categories, it is assumed that the fair value corresponds to the carrying amount.

Level 3 investments and securities contain a venture fund. For the valuation, Linde uses the net asset value received as part of the fund's quarterly reporting, which for the most part is not based on quoted prices in active markets. In order to reflect current market conditions, Linde proportionally adjusts these by observable market data (stock exchange prices) or current transaction prices.

Changes in level 3 investments and securities were immaterial.

Counterparty risk

Counterparties to Linde's derivatives are major banking institutions with credit ratings of investment grade or better. Linde has existing Credit Support Annexes ("CSAs") in place with their principal counterparties to minimize potential default risk and to mitigate counterparty risk. Under the CSAs, the fair values of derivatives for the purpose of interest rate and currency management are collateralized with cash on a regular basis. As of 30 June 2021, the impact of such collateral posting arrangements on the fair value of derivatives was insignificant. Some contracts are subject to offsetting or netting processes. Management believes the risk of incurring losses on derivative contracts related to credit risk is remote and any resulting losses would be immaterial.

Unhedged exposures

As of 30 June 2021, unhedged exposures relating to intercompany loan facilities of €2.7 billion ($3.2 billion) that do not qualify for net investment hedge treatment under International Accounting Standards resulted in a gain of $58 million recorded in the Consolidated Statement of Profit and Loss.

[8] Segment Information

The Chief Operating Decision Maker assesses the performance of the operating segments determined in accordance with U.S. GAAP. Accordingly, the segment discussion below is based on U.S. GAAP results. A reconciliation to IFRS as adopted by the European Union is disclosed below. For a description of Linde's operating segments, refer to Note 25 to Linde's 2020 Directors' Report and Financial Statements.

The table below presents sales and operating profit information about reportable segments and Other for the six months ended 30 June 2021 and 2020.

	Six Months Ended 30 June	
(Millions of dollars)	2021	2020
SALES[(a)]		
Americas	$ 5,860	$ 5,094
EMEA	3,674	3,081
APAC	2,980	2,631
Engineering	1,320	1,418
Other	993	892
Total U.S. GAAP sales	14,827	13,116
GAAP adjustments [1]	224	207
Total IFRS sales	$ 15,051	$ 13,323

(a) Sales reflect external sales only. Intersegment sales, primarily from Engineering to the industrial gases segments, were not material. There is no significant concentration of sales with any single customer.

(Millions of dollars)	Six Months Ended 30 June 2021	2020
SEGMENT OPERATING PROFIT		
Americas	$ 1,666	$ 1,283
EMEA	938	658
APAC	740	575
Engineering	217	229
Other	(36)	(76)
U.S. GAAP segment operating profit	3,525	2,669
Cost reduction programs and other charges [2]	(196)	(380)
Purchase accounting impacts - Linde AG [3]	(974)	(965)
U.S. GAAP operating profit from continuing operations	2,355	1,324
GAAP adjustments [1]	68	45
IFRS operating profit from continuing operations	$ 2,423	$ 1,369

(1) Primarily related to consolidation of certain entities under IFRS versus equity method accounting for US GAAP.

(2) Primarily related to the cost reduction programs which are not included in management's view of segment profitability. Total cost reduction program related charges were $196 million and $380 million for the six months ended 30 June 2021 and 2020, respectively. Severance costs were $208 million for the six months ended 30 June 2021. Approximately half of the actions have been taken as of 30 June 2021, with remaining actions planned to be completed by the first quarter of 2022. Other cost reduction charges of $40 million for the six months ended 30 June 2021, were primarily related to actions taken to execute the company's synergistic actions including location consolidations and business rationalization, process harmonization, and associated non-recurring costs. Linde incurred merger-related costs and other charges for the six months ended 30 June 2021 that included a benefit of $52 million. The pre-tax benefit was primarily due to a $52 million gain triggered by a subsidiary deconsolidation in the APAC segment in the first quarter of the year (see Note 9).

(3) Impacts of the required purchase accounting related to the merger transaction, primarily the increased depreciation and amortization of assets recorded at fair value.

[9] Divestitures

Effective 1 January 2021, Linde deconsolidated a subsidiary with operations in APAC, due to the expiration of certain contractual rights that the parties mutually agreed not to renew. From the effective date, the joint venture is reflected at equity on Linde's consolidated statement of financial position with the corresponding results reflected in share of profit and loss from associates and joint ventures (at equity) on the consolidated statement of profit and loss.

The fair value of the joint venture at 1 January 2021 was determined using a discounted cash flow model and approximated the carrying amount of its net assets. The net carrying value of $852 million was mainly comprised of assets of approximately $1.9 billion (primarily Other intangible assets and Tangible assets - net), net of liabilities of approximately $1.0 billion. Upon deconsolidation, a joint venture at equity was recorded representing Linde's share of the joint venture's net assets. The deconsolidation resulted in a gain of $52 million recorded within administration expenses related to the release of the currency translation adjustment balance recorded within other comprehensive income. The company did not receive any consideration, cash or otherwise, as part of the deconsolidation.

The subsidiary contributed sales of approximately $600 million in 2020. Future earnings per share will not be affected as the ownership percent remains the same.

[10] Subsequent Events

Dividend Declaration

On 26 July 2021 Linde announced its Board of Directors declared a quarterly dividend of $1.06 per share. The dividend was paid on 17 September 2021 to shareholders of record on 03 September 2021.

Approved by the Board of Directors and signed on its behalf on 17 September 2021 by:

/S/ Stephen F. Angel	*/S/ Prof.Dr. Clemens Börsig*
Stephen F. Angel	Prof. Dr. Clemens Börsig
Chief Executive Officer and Director	*Director*