LINDE PLC

HALF-YEAR FINANCIAL REPORT
1 JANUARY - 30 JUNE
2022

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 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 2021 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 2022 and 2021:

(Millions of dollars) **Six Months Ended 30 June**	**2022**	**2021**	**Variance**	
Revenue	$16,955	$15,051	$ 1,904	13 %
Cost of revenue (includes depreciation)	11,720	10,219	1,501	15 %
Marketing and selling expenses, Administrative expenses, Research and development costs, and Impairment losses on receivables and contract assets (includes depreciation and amortization)	2,080	2,410	(330)	(14)%
Other operating income and (expenses) - net	(979)	1	(980)	N/A
Operating profit from continuing operations	**2,176**	**2,423**	**(247)**	(10)%
Operating margin	*12.8 %*	*16.1 %*		
Financial (income) and expenses - net	(213)	3	(216)	N/A
Share of profit and loss from associates and joint ventures (at equity)	45	47	(2)	(4)%
Income tax expense	652	649	3	— %
PROFIT FROM CONTINUING OPERATIONS	**$ 1,782**	**$ 1,818**	**$ (36)**	(2)%
attributable to Linde plc shareholders	$ 1,690	$ 1,728	$ (38)	(2)%
attributable to noncontrolling interests	$ 92	$ 90	$ 2	2 %
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS - LINDE PLC SHAREHOLDERS	$ 3.32	$ 3.29	$ 0.03	1 %

Results of Operations, For the Six Months Ended 30 June 2022 Compared With 2021

Revenue increased $1,904 million, or 13%, from $15,051 million to $16,955 million for the six months ended 30 June 2021 and 2022, respectively. Volume growth in all end markets except healthcare and project startups increased revenue by 2%. Higher pricing across all geographic segments contributed 6% to revenue. Currency translation decreased revenue by 4%, largely in EMEA and APAC, driven by the weakening of the Euro, Australian dollar and British pound against the U.S. dollar. Cost pass-through increased revenue by 7% in the period with minimal impact on operating profit.

Cost of sales increased $1,501 million, or 15%, from $10,219 million to $11,720 million for the six months ended 30 June 2021 and 2022, respectively. This increase was primarily due to inflation and higher volumes, partially offset by productivity initiatives, currency impacts and lower depreciation. Cost of sales for the period ended 30 June 2022 was 69% of sales, compared to 68% of sales in 2021. The increase as a percentage of revenue in the period was due primarily to higher cost pass-through.

Marketing and selling expenses, Administrative expenses, Research and development costs, and Impairment losses on receivables and contract assets ("SG&A/R&D") decreased $330 million, or 14%, from $2,410 million to $2,080 million for the six months ended 30 June 2021 and 2022, respectively. The decrease is related primarily to lower amortization of intangible assets acquired in the merger and currency impacts. In addition, 2021 included $196 million of charges relating to cost reduction program and other charges, primarily severance. SG&A/R&D was 12% of revenue in 2022, compared to 16% of revenue in the respective 2021 period.

Other operating income and (expenses) - net decreased $980 million, from a net benefit of $1 million to expense of $979 million for the six months ended 30 June 2021 and 2022, respectively. 2022 charges relate primarily to impairment charges of Russian subsidiaries resulting from the ongoing war in Ukraine and related sanctions (see Note 9 - Russia-Ukraine and other charges).

Operating profit from continuing operations decreased $247 million, or 10%, from $2,423 million to $2,176 million for the six months ended 30 June 2021 and 2022, respectively. The decrease was primarily due to Russia-Ukraine conflict and other charges, which more than offset growth from higher pricing and productivity initiatives and lower depreciation and amortization driven by merger related intangible assets. Operating profit from continuing operations in 2022 includes Russia-Ukraine conflict and other charges of $949 million, compared to $196 million in the respective 2021 period. A discussion of operating profit by segment is included in the segment discussion that follows.

Financial (income) and expense – net in 2022 was income of $213 million versus expense of $3 million for the six months ended 30 June 2021. This change was primarily driven by a $241 million benefit in 2022 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) decreased $2 million, or 4%, from $47 million to $45 million for the six months ended 30 June 2021 and 2022, respectively.

The reported effective tax rate ("ETR") for 2022 was 26.8% versus 26.3% in 2021.

Profit from continuing operations decreased $36 million, or 2%, from $1,818 million to $1,782 million for the six months ended 30 June 2021 and 2022, respectively. This decrease was primarily driven by lower operating profit, largely offset by a net benefit in Financial (income) and expense - net versus the respective 2021 period.

Diluted earnings per share from continuing operations - Linde plc shareholders ("EPS") increased $0.03, or 1%, from $3.29 to $3.32 for the six months ended 30 June 2021 and 2022, respectively. The increase was primarily due to lower diluted shares outstanding which more than offset lower income from continuing operations.

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 2022 and 2021 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	2022	2021	Variance	
Sales				
Americas	$ 6,759	$ 5,860	899	15 %
EMEA	4,292	3,674	618	17 %
APAC	3,253	2,980	273	9 %
Engineering	1,372	1,320	52	4 %
Other	992	993	(1)	— %
Total U.S. GAAP Sales	16,668	14,827	1,841	12 %
GAAP adjustments [1]	287	224	63	28 %
Total IFRS Consolidated Sales	$ 16,955	$ 15,051	$ 1,904	13 %
Operating Profit				
Americas	$ 1,814	$ 1,666	$ 148	9 %
EMEA	1,039	938	101	11 %
APAC	825	740	85	11 %
Engineering	248	217	31	14 %
Other	(33)	(36)	3	8 %
U.S. GAAP segment operating profit	3,893	3,525	368	10 %
Reconciliation to Consolidated Operating Profit:				
Russia-Ukraine conflict and other charges [2]	(989)	(196)	(793)	405 %
Purchase accounting impacts - Linde AG [3]	(835)	(974)	139	14 %
U.S. GAAP Consolidated Operating Profit	2,069	2,355	(286)	(12)%
GAAP adjustments [1]	107	68	39	57 %
IFRS Consolidated Operating Profit	$ 2,176	$ 2,423	$ (247)	(10)%

(1) Primarily related to consolidation of certain entities under IFRS versus equity method accounting for US GAAP.
(2) 2022 charges relate primarily to charges associated with the impairment of Russian subsidiaries resulting from the ongoing war in Ukraine and related sanctions. 2021 charges relate to cost reduction program and other charges, primarily severance. See Note 8 and Note 9 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 $899 million, or 15%, for the six months ended 30 June 2022 versus the respective 2021 period. Higher pricing contributed 5% to sales. Higher volumes increased sales by 4% driven by higher demand across all end markets except healthcare, led by chemicals and energy and manufacturing. Cost pass-through increased sales by 6% with minimal impact on operating profit. The impact of currency translation in the period was not significant.

Operating profit
Operating profit in the Americas segment increased by $148 million, or 9%, for the six months ended 30 June 2022 versus the respective 2021 period due primarily to higher pricing and continued productivity initiatives which more than offset inflation during the year-to-date period.

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 $618 million, or 17%, for the six months ended 30 June 2022 as compared to the respective 2021 period. Cost pass-through contributed 15% to sales in the period with minimal impact on operating profit, while higher price attainment increased sales by 11% in the period. Volumes decreased 1% in the period. Currency translation decreased sales by 8% due largely to the weakening of the Euro and British pound against the U.S. Dollar.

Linde has impaired its Russian gas business as of 30 June 2022 which contributed $128 million to sales in the six months ended 30 June 2022 (see Note 9 to the condensed consolidated financial statements). Sales in Ukraine are immaterial.

Operating profit
Operating profit for the EMEA segment increased by $101 million, or 11%, for the six months ended 30 June 2022 as compared to the respective 2021 period driven primarily largely by higher pricing and continued productivity initiatives which more than offset inflation during the period.

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 $273 million, or 9%, for the six months ended 30 June 2022 versus the respective 2021 period. Volumes increased 5% in the period driven by project start-ups in the electronics and chemicals and energy end markets. Higher price contributed 4% for the period. Cost pass-through contributed 4% to sales in the period with minimal impact on operating profit. Currency translation decreased sales by 4%, driven primarily by the weakening of the Australian dollar, Korean won and Chinese Yuan against the U.S. Dollar.

Operating profit
Operating profit in the APAC segment increased by $85 million, or 11%, for the six months ended 30 June 2022 versus the respective 2021 period. Higher volumes and pricing and productivity initiatives which more than offset the impact of inflation during the period.

Engineering

Sales
Engineering segment sales increased by $52 million, or 4%, for the six months ended 30 June 2022 as compared to the respective 2021 period. Sales increased by 11% driven primarily by project timing, offset by currency impacts which decreased sales by 7%.

Projects for Russia that are currently sanctioned represent approximately $650 million of the Engineering segment sales during the six months ended 30 June 2022.

Operating profit
Engineering segment operating profit increased by $31 million, or 14%, for the six months ended 30 June 2022 as compared to the respective 2021 period driven primarily by project timing.

Other

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

Sales
Sales for Other decreased by $1 million for the six months ended 30 June 2022, versus the respective 2021 period. Currency translation decreased sales by 4%. Underlying sales increased 3% for the six months ended 30 June 2022 driven by higher aviation and electronic sales in the coatings business. Cost pass-through increased sales by 1%.

Operating profit
Operating profit in Other increased by $3 million, or 8%, for the six months ended 30 June 2022 versus the respective 2021 period due primarily to lower corporate costs which were largely offset by higher sourcing costs in the global helium business in the period.

CONSOLIDATED FINANCIAL POSITION

The following table provides a summary of the consolidated financial positions of Linde as of 30 June 2022 and 31 December 2021:

(Millions of dollars)	**30/06/2022**	**31/12/2021**	**Variance**	
Goodwill	$ 25,828	27,184	$ (1,356)	(5) %
Other intangible assets - net	13,203	14,421	(1,218)	(8) %
Tangible assets - net	24,515	26,682	(2,167)	(8) %
Other assets	11,140	11,015	125	1 %
Cash and cash equivalents	3,778	2,935	843	29 %
TOTAL ASSETS	**$ 78,464**	**$ 82,237**	**$ (3,773)**	**(5)%**
Equity	41,964	46,074	(4,110)	(9) %
Pension obligations and other provisions	2,382	3,413	(1,031)	(30) %
Financial debt	16,048	14,216	1,832	13 %
Other liabilities	18,070	18,534	(464)	(3) %
TOTAL EQUITY AND LIABILITIES	**$ 78,464**	**$ 82,237**	**$ (3,773)**	**(5)%**

Goodwill decreased by $1,356 million from $27,184 million as of 31 December 2021 to $25,828 million as of 30 June 2022. This decrease is primarily related to the impact of negative currency translation during the six months ended 30 June 2022 (see Note 4 to the condensed consolidated financial statements).

Other intangible assets – net decreased by $1,218 million from $14,421 million as of 31 December 2021 to $13,203 million as of 30 June 2022. This decrease is primarily related to the amortization of finite lived intangible assets, the impact of negative currency translation and the impairment of assets relating to Russian subsidiaries as a result of the ongoing war in Ukraine and related sanctions (see Note 9 to the condensed consolidated financial statements).

Tangible assets (property, plant and equipment – net) decreased by $2,167 million from $26,682 million as of 31 December 2021 to $24,515 million as of 30 June 2022. This decrease is primarily related to the depreciation of the tangible assets, negative impact of currency translation and the impairment of assets relating to Russian subsidiaries as a result of the ongoing war in Ukraine and related sanctions, partially offset by capital expenditures during the six months ended 30 June 2022 (see Note 4 to the condensed consolidated financial statements).

Other assets increased by $125 million from $11,015 million as of 31 December 2021 to $11,140 million as of 30 June 2022.

Cash and cash equivalents increased $843 million from $2,935 million as of 31 December 2021 to $3,778 million as of 30 June 2022. Cash provided by operating activities of $4,358 million was partially offset by cash outflows for investing and financing activities of $1,517 million and $1,961 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 $4,110 million from $46,074 million as of 31 December 2021 to $41,964 million as of 30 June 2022. This decrease was primarily driven by net share repurchases of $3,307 million, $1,177 million of dividend payments to Linde plc shareholders and adverse currency impacts of $1,852 million. The decrease was partially offset by net income of $1,782 million and a $670 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 $1,031 million from $3,413 million as of 31 December 2021 to $2,382 million as of 30 June 2022. This decrease is primarily related to the interim remeasurement of pension obligations, which was favorably impacted by increased discount rates.

Financial debt increased by $1,832 million from $14,216 million as of 31 December 2021 to $16,048 million as of 30 June 2022, driven primarily by higher commercial paper borrowings and debt issuances, partially offset by repayments (see the "Liquidity and Capital Resources" discussion below and Note 6 to the condensed consolidated financial statements).

Other liabilities decreased by $464 million from $18,534 million as of 31 December 2021 to $18,070 million as of 30 June 2022. 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	**2022**	**2021**	**Variance**
Cash flow from operating activities	$ 4,358	$ 4,173	$ 185
Cash flow (for)/from investing activities	(1,517)	(1,490)	(27)
Cash flow (for)/from financing activities	(1,961)	(3,306)	1,345
Other cash activity	(37)	13	(50)
Change in cash and cash equivalents	843	(610)	1,453
Cash and cash equivalents, beginning -of-period	2,935	3,845	(910)
Cash and cash equivalents, end-of-period	$ 3,778	$ 3,235	$ 543

Cash flow from operating activities

Cash flow from operations was $4,358 million for the six months ended 30 June 2022, an increase of $185 million, or 4% when compared with $4,173 million for the six months ended 30 June 2021. The increase was driven primarily by higher net income adjusted for non-cash charges, partially offset by higher working capital requirements.

As of 30 June 2022, Linde has approximately $1.9 billion recorded in contract liabilities within the condensed consolidated balance sheet related to engineering projects in Russia. Any obligation to satisfy the related residual contract liabilities may have an adverse effect on Linde’s cash flows.

Cash flow (for)/from investing activities

Net cash used for investing activities increased by $27 million from $1,490 million to $1,517 million for the six months ended 30 June 2021 and 2022, respectively. The increase was primarily driven by higher acquisition spend and lower proceeds from asset disposals and divestitures which were largely offset by lower capital expenditures.

Capital expenditures for the six months ended 30 June 2022 were $1,485 million, $52 million lower than the prior year.

At 30 June 2022, Linde's sale of gas backlog of large projects under construction was approximately $3.6 billion. This represents the total estimated capital cost of large plants under construction.

Acquisition spend for the six months ended 30 June 2022 and 2021 were $49 million and $31 million, respectively, and related primarily to acquisitions in EMEA.

Divestitures and asset sales for the six months ended 30 June 2022 and 2021 were $17 million and $78 million, respectively.

Cash flow (for)/from financing activities

Net cash used for financing activities was $1,961 million for the six months ended 30 June 2022 as compared to $3,306 million for the six months ended 30 June 2021. Cash provided by debt was $2,764 million and $316 million for the six months ended 30 June 2022 and 2021, respectively. The change was driven by higher commercial paper borrowings and debt issuances in 2022. In January 2022, Linde repaid €1.0 billion of 0.250% notes that became due. In March 2022, Linde issued €500 million of 1.000% notes due 2027, €750 million of 1.375% notes due 2031, and €800 million of 1.625% notes due 2035. In May 2022, Linde repaid $500 million of 2.20% notes due in August 2022.

Cash dividends paid to Linde plc shareholders increased by $75 million from $1,102 million to $1,177 million driven primarily by a 10% increase in quarterly dividends from 106 cents per share to 117 cents per share, partially offset by lower shares outstanding .

Net purchases of ordinary shares were $3,307 million for the six month ended 30 June 2022 compared to $2,050 million for the same period in 2021. Cash outflows due to changes of noncontrolling interests were $53 million in 2022 versus $293 million in 2021. 2021 primarily relates to the settlement of the buyout of minority interests in the Republic of South Africa.

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 $3.8 billion of cash as of 30 June 2022, 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 2022. 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 2021. Refer to the Principal Risks and Uncertainties section of the Linde plc 2021 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 2022 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 16 September 2022 by:

/S/ Sanjiv Lamba
Sanjiv Lamba
Chief Executive Officer and Director

/S/ Prof. Dr. Martin H. Richenhagen
Prof. Dr. Martin H. Richenhagen
Director

Independent review report to Linde plc

Report on the condensed consolidated half-year financial statements

Our conclusion

We have reviewed Linde plc's condensed consolidated half-year financial statements (the "interim financial statements") in the Half Year Financial Report of Linde plc for the six month period ended 30 June 2022 (the "period"). 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 and the Central Bank (Investment Market Conduct) Rules 2019.

The interim financial statements, comprise:

- the condensed consolidated statement of financial position as at 30 June 2022;
- 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 interim 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 and the Central Bank (Investment Market Conduct) Rules 2019.

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.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' ("ISRE (Ireland) 2410") issued for use in 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.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (Ireland) 2410. However future events or conditions may cause the group to cease to continue as a going concern.

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 and the Central Bank (Investment Market Conduct) Rules 2019. In preparing the half-year financial report including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the half-year financial report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. 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 and the Central Bank (Investment Market Conduct) Rules 2019 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.

PricewaterhouseCoopers
Chartered Accountants
16 September 2022
Dublin

- 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.

- 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*	**2022**	**2021**
Revenue	[2]	$ 16,955	$ 15,051
Cost of sales		11,720	10,219
GROSS PROFIT		**$ 5,235**	**$ 4,832**
Marketing and selling expenses		980	1,098
Research and development costs		106	125
Administration expenses		927	1,116
Impairment losses on receivables and contract assets		67	71
Other operating income		211	165
Other operating expenses	[9]	1,190	164
OPERATING PROFIT FROM CONTINUING OPERATIONS		**$ 2,176**	**$ 2,423**
Financial income		19	15
Financial expenses		(194)	18
Share of profit and loss from associates and joint ventures (at equity)		45	47
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**$ 2,434**	**$ 2,467**
Income tax expense		652	649
PROFIT FROM CONTINUING OPERATIONS		**$ 1,782**	**$ 1,818**
PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAX		**—**	**1**
PROFIT		**$ 1,782**	**$ 1,819**
attributable to Linde plc shareholders		1,690	1,729
attributable to noncontrolling interests of continuing operations		92	90
PROFIT - LINDE PLC SHAREHOLDERS			
Income from continuing operations		$ 1,690	$ 1,728
Income from discontinued operations		$ —	$ 1
EARNINGS PER SHARE – CONTINUING OPERATIONS LINDE PLC SHAREHOLDERS	[3]		
Earnings per share in USD – undiluted		$ 3.35	$ 3.32
Earnings per share in USD – diluted		$ 3.32	$ 3.29
EARNINGS PER SHARE - LINDE PLC SHAREHOLDERS	[3]		
Earnings per share in USD – undiluted		$ 3.35	$ 3.32
Earnings per share in USD – diluted		$ 3.32	$ 3.29

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the Six Months Ended 30 June *(Millions of dollars)*	*Note*	**2022**	**2021**
PROFIT		$ 1,782	$ 1,819
OTHER COMPREHENSIVE INCOME (LOSS)			
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS			
Currency translation adjustments			
Foreign currency translation adjustments		(1,736)	(278)
Reclassifications to net income		(170)	(52)
Income taxes		(7)	(8)
Currency translation adjustments		(1,913)	(338)
Derivative instruments			
Current period unrealized gain (loss)		110	40
Reclassifications to net income		(20)	(5)
Income taxes		(18)	(8)
Derivative instruments		72	27
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS			
Funded status - retirement obligation remeasurement		902	860
Income taxes		(232)	(160)
Funded status - retirement obligations		670	700
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		$ (1,171)	$ 389
COMPREHENSIVE INCOME (LOSS)(INCLUDING NONCONTROLLING INTERESTS)		$ 611	$ 2,208
Less: noncontrolling interests		(31)	(105)
COMPREHENSIVE INCOME (LOSS) - LINDE PLC		$ 580	$ 2,103

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(Millions of dollars)	*Note*	**30/06/2022**	**31/12/2021**
Assets			
Goodwill	[4]	$ 25,828	$ 27,184
Other intangible assets - net	[4]	13,203	14,421
Tangible assets - net	[4]	24,515	26,682
Right of use assets		941	1,034
Investments in associates and joint ventures (at equity)	[9]	1,537	1,630
Other financial assets		235	132
Receivables from finance leases		25	29
Miscellaneous other receivables and other assets		517	557
Deferred tax assets		222	241
NON-CURRENT ASSETS		**67,023**	**71,910**
Inventories		1,799	1,751
Receivables from finance leases		6	8
Trade receivables		4,759	4,397
Contract assets	[2]	78	130
Miscellaneous other receivables and other assets		934	984
Income tax receivables		87	122
Cash and cash equivalents		3,778	2,935
CURRENT ASSETS		**11,441**	**10,327**
TOTAL ASSETS		**$ 78,464**	**$ 82,237**

(Millions of dollars)	*Note*	30/06/2022	31/12/2021
EQUITY AND LIABILITIES			
Called-up share capital presented as equity		$ 1	$ 1
Retained earnings	[5]	55,615	54,432
Treasury shares	[5]	(12,998)	(9,808)
Other reserves		(2,341)	(320)
TOTAL EQUITY ATTRIBUTABLE TO LINDE PLC SHAREHOLDERS		**$ 40,277**	**$ 44,305**
Noncontrolling interests	[5]	1,687	1,769
TOTAL EQUITY		**$ 41,964**	**$ 46,074**
Long-term pensions and similar obligations		945	1,802
Other non-current provisions		698	820
Deferred tax liabilities		5,936	6,182
Financial liabilities	[6,7]	11,262	11,416
Liabilities from leases		713	768
Contract liabilities	[2]	881	769
Income tax liabilities		164	178
Other non-current liabilities		314	279
NON-CURRENT LIABILITIES		**$ 20,913**	**$ 22,214**
Current pensions and similar obligations		38	38
Current provisions		701	753
Financial liabilities	[6,7]	4,786	2,800
Liabilities from leases		239	274
Trade payables		4,753	4,790
Contract liabilities	[2]	2,946	2,946
Other current liabilities		1,306	1,578
Income tax liabilities		818	770
CURRENT LIABILITIES		**$ 15,587**	**$ 13,949**
TOTAL EQUITY AND LIABILITIES		**$ 78,464**	**$ 82,237**

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (UNAUDITED)

			Other reserves						
(Millions of dollars)	Called-up share capital	Retained earnings (including remeasurement of defined benefit plans)	Currency translation differences	Hedging instruments	Other	Treasury shares	Total equity attributable to Linde plc shareholders	Non-controlling interests	Total equity
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**
AS AT 01/01/2022	**$ 1**	**$ 54,432**	**$ (348)**	**$ 75**	**$ (47)**	**$ (9,808)**	**$ 44,305**	**$ 1,769**	**$ 46,074**
Profit	—	1,690	—	—	—	—	1,690	92	1,782
Other comprehensive income (net of tax)	—	670	(1,852)	72	—	—	(1,110)	(61)	(1,171)
TOTAL COMPREHENSIVE INCOME	**—**	**2,360**	**(1,852)**	**72**	**—**	**—**	**580**	**31**	**611**
Dividend payments	—	(1,177)	—	—	—	—	(1,177)	(58)	(1,235)
Changes as a result of share option schemes and stock purchase plans	—	—	—	—	(241)	(3,190)	(3,431)	—	(3,431)
DISTRIBUTIONS TO OWNERS OF THE COMPANY	**—**	**(1,177)**	**—**	**—**	**(241)**	**(3,190)**	**(4,608)**	**(58)**	**(4,666)**
Changes in ownership interests in subsidiaries	—	—	—	—	—	—	—	(55)	(55)
AT 30/06/2022	**$ 1**	**$ 55,615**	**$ (2,200)**	**$ 147**	**$ (288)**	**$ (12,998)**	**$ 40,277**	**$ 1,687**	**$ 41,964**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For The Six Months Ended 30 June

(Millions of dollars)	*Note*	**2022**	**2021**
Profit attributable to Linde plc shareholders		$ 1,690	$ 1,729
Less: Profit from discontinued operations		—	(1)
Add: Profit from continuing operations attributable to noncontrolling interests		92	90
Profit from continuing operations		1,782	1,818
Adjustments to profit after tax to calculate cash flow from operating activities – continuing operations			
Russia-Ukraine conflict and other charges, net of payments		882	95
Amortization of intangible assets/depreciation of tangible assets	[4]	2,400	2,556
Deferred income taxes		(269)	(85)
Share based compensation		51	63
Changes in assets and liabilities			
Change in trade receivables		(553)	(373)
Change in contract assets & liabilities		244	59
Change in inventories		(144)	(42)
Change in prepaid and other current assets		(105)	(47)
Change in payables, provisions and accruals		75	25
Pension contributions		(19)	(28)
Long-term assets, liabilities and other		14	132
CASH FLOW FROM OPERATING ACTIVITIES		**$ 4,358**	**$ 4,173**
Capital expenditures		$ (1,485)	$ (1,537)
Acquisitions / Payments for investments in consolidated companies		(49)	(31)
Proceeds on disposal of tangible and intangible assets, and receivables from leases		17	78
CASH FLOW (FOR)/FROM INVESTING ACTIVITIES		**$ (1,517)**	**$ (1,490)**

(Millions of dollars)	*Note*	2022	2021
Dividend payments to Linde plc shareholders	[5]	$ (1,177)	$ (1,102)
Cash outflows due to changes of noncontrolling interests		(53)	(293)
Issuance of common stock		22	32
Purchases of common stock		(3,329)	(2,082)
Short-term debt borrowings (repayments) - net		2,170	1,073
Long-term debt borrowings		2,301	64
Long-term debt repayments		(1,707)	(821)
Cash outflows for the repayment of liabilities from finance leases		(170)	(170)
Other cash flows		(18)	(7)
CASH (FOR)/FROM FINANCING ACTIVITIES		**$ (1,961)**	**$ (3,306)**
Discontinued Operations			
CHANGE IN CASH AND CASH EQUIVALENTS		**880**	**(623)**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		**$ 2,935**	**$ 3,845**
Effects of currency translation		(37)	13
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		**$ 3,778**	**$ 3,235**

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 Forge, 43 Church Street West, Woking, Surrey, GU21 6HT, United Kingdom and 10 Riverview Drive, Danbury, Connecticut, United States 06810. Linde trades on the New York Stock Exchange ("NYSE") 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 2022 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 2021 consolidated financial statements, which have been prepared in accordance with IFRS as adopted by the European Union. The 2021 consolidated financial statements were authorized for issue by the Board of Directors on 29 April 2022 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 2021. There are no changes to IFRS standards that became effective in 2022 that 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 2022. 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 2021 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, chemicals and energy, manufacturing, metals and mining, food and beverage, and electronics.

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 $78 million and $130 million at 30 June 2022 and 31 December 2021, respectively. Total contract liabilities are $3,827 million at 30 June 2022 (current contract liabilities of $2,946 million and non-current contract liabilities of $881 million in the consolidated statement of financial position). As of 30 June 2022 Linde has approximately $1.9 billion recorded in contract liabilities related to engineering projects subject to sanctions in Russia. Total contract liabilities were $3,715 million at 31 December 2021 (current contract liabilities of $2,946 million and non-current of $769 million in the consolidated statement of financial position). Revenue recognized for the six months ended 30 June 2022 that was included in the contract liability at 31 December 2021 was $911 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 revenue, 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 2022 and 2021.

(Millions of dollars)	Six months ended 30 June 2022						
Sales	**Americas**	**EMEA**	**APAC**	**Engineering**	**Other**	**Total**	**%**
Merchant	$ 1,815	$ 1,250	$ 1,087	$ —	$ 79	$ 4,231	25 %
On-Site	1,931	1,263	1,536	—	—	4,730	28 %
Packaged Gas	2,906	1,775	750	—	16	5,447	32 %
Other	107	28	136	1,372	904	2,547	15 %
	$ 6,759	$ 4,316	$ 3,509	$ 1,372	$ 999	$ 16,955	100 %

(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 %

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. Additionally, plant sales from Linde Engineering business are primarily contracted on a fixed price basis. The company estimates the consideration related to minimum purchase requirements is approximately $47 billion and $49 billion at 30 June 2022 and 31 December 2021, respectively (excludes Russian projects which are impacted by sanctions). 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	
	2022	2021
Numerator *(Millions of dollars)*		
Income from continuing operations - Linde plc shareholders	$ 1,690	$ 1,728
Income from discontinued operations - Linde plc shareholders	—	1
Profit – Linde plc shareholders	$ 1,690	$ 1,729
Denominator *(Thousands of shares)*		
Weighted average shares outstanding	503,626	520,314
Shares earned and issuable under compensation plans	467	377
Weighted average shares used in basic earnings per share	504,093	520,691
Effect of dilutive securities		
Stock options and awards	4,339	4,689
Weighted average shares used in diluted earnings per share	508,432	525,380
Basic earnings per share from continuing operations	$ 3.35	$ 3.32
Basic Earnings Per Common Share	$ 3.35	$ 3.32
Diluted earnings per share from continuing operations	$ 3.32	$ 3.29
Diluted Earnings Per Common Share	$ 3.32	$ 3.29

[4] Goodwill, Other Intangible And Tangible Assets

The decrease in goodwill in the condensed consolidated statement of financial position of $1,356 million was primarily driven by the negative impact of currency translation.

The decrease in other intangible and tangible assets of $1,218 million and $2,167 million, respectively, was primarily due to the depreciation and amortization, negative impact of currency translation and the write off of assets relating to Russian subsidiaries as a result of the ongoing war in Ukraine and related sanctions, partially offset by capital expenditures during the six months ended 30 June 2022 (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 2022 and 2021.

On 28 February 2022, the Linde board of directors authorized a new share repurchase program for up to $10.0 billion of its ordinary shares expiring on 31 July 2024. As of 30 June 2022, the company had repurchased $2.8 billion of its ordinary shares pursuant to the 2022 program, leaving an additional $7.2 billion authorized.

On 28 February 2022, the directors of Linde plc declared an interim dividend of $1.17 per share for the first quarter of 2022 (the "Q1 Dividend"). The Q1 Dividend was paid on 25 March 2022 to shareholders of record on 11 March 2022. On 26 April 2022, the directors of Linde plc declared an interim dividend of $1.17 per share for the second quarter of 2022 (the "Q2 Dividend"). The Q2 Dividend was paid on 17 June 2022 to shareholders of record on 3 June 2022. Total dividends paid to shareholders during the six months ended 30 June 2022 was $1,177 million. On 25 July 2022, the Linde board of directors declared a quarterly dividend of $1.17 per share for the third quarter of 2022 (the "Q3 Dividend", see Note 10).

[6] Financial Debt

The increase in financial debt as of 30 June 2022 was driven by higher commercial paper borrowings and debt issuances, partially offset by repayments. In January 2022, Linde repaid €1.0 billion of 0.250% notes that became due. In March 2022, Linde issued €500 million of 1.000% notes due 2027, €750 million of 1.375% notes due 2031, and €800 million of 1.625% notes due 2035. In May 2022, Linde repaid $500 million of 2.20% notes due in August 2022.

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 2022.

[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

(Millions of dollars)	Carrying amount 30/06/2022	Carrying amount 31/12/2021
At fair value in other comprehensive income (debt instruments) ("FVtOCI")		
Investments and securities	$ 1	$ 1
At fair value through profit and loss ("FVtPL")		
Freestanding derivatives	23	49
Derivatives designated as hedging instruments	49	87
Investments and securities	40	61
At amortized cost		
Cash and cash equivalents	3,778	2,935
Trade receivables	4,759	4,400
Other receivables and assets	1,396	1,406
Investments and securities	9	15
Total	**$ 10,055**	**$ 8,954**

Financial Liabilities

(Millions of dollars)	Carrying amount 30/06/2022	Carrying amount 31/12/2021
Financial liabilities at amortized cost		
Financial liabilities (1)	$ 16,048	$ 14,216
Trade payables	4,753	4,790
Miscellaneous liabilities	1,541	1,822
Derivatives with negative fair values		
Freestanding derivatives	40	32
Derivatives designated as hedging instruments	39	3
Liabilities from finance leases	952	1,043
Total	**$ 23,373**	**$ 21,906**

(1) The fair value of financial liabilities at 30 June 2022 and 31 December 2021 was $14,565 and $14,392, 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 certain financial instruments are 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

(Millions of dollars)	Level 1		Level 2		Level 3	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Investments and securities	$ 26	$ 42	$ —	$ —	$ 15	$ 20
Thereof debt instruments at FVtOCI	1	1	—	—	—	—
Thereof at FVtPL	25	41	—	—	15	20
Freestanding derivatives with positive fair values	—	—	23	49	—	—
Derivatives designated as hedging instruments with positive fair values	—	—	49	87	—	—
Freestanding derivatives with negative fair values	—	—	40	32	—	—
Derivatives designated as hedging instruments with negative fair values	—	—	39	3	—	—
Cash and cash equivalents	—	—	—	—	—	—

There were no transfers between Levels 1, 2 and 3 of the fair value hierarchy as of 30 June 2022 and 31 December 2021.

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 2022, 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.

Hedges of net investment in a foreign operation

As of 30 June 2022, Linde has €3.70 billion ($3.8 billion) Euro-denominated notes that are designated as hedges of the net investment positions in foreign operations. The deferred gain recorded within cumulative translation adjustment component of AOCI in the consolidated statement of financial position and the consolidated statement of comprehensive income is $294 million (deferred gain of $262 million for the period ended June 30, 2022).

As of 30 June 2022, unhedged exposures relating to intercompany loan facilities of €3.90 billion ($4.1 billion) that do not qualify for net investment hedge treatment under International Accounting Standards resulted in a gain of $241 million recorded in the Consolidated Statement of Profit and Loss.

No amounts were recognised in 2022 or 2021 as a result of ineffectiveness in net investment hedges.

[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 2021 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 2022 and 2021.

	Six Months Ended 30 June	
(Millions of dollars)	2022	2021
SALES[a]		
Americas	$ 6,759	$ 5,860
EMEA	4,292	3,674
APAC	3,253	2,980
Engineering	1,372	1,320
Other	992	993
Total U.S. GAAP sales	16,668	14,827
GAAP adjustments [1]	287	224
Total IFRS sales	$ 16,955	$ 15,051

(a) Sales reflect external sales only. Intersegment sales, primarily from Engineering to the industrial gases segments, were $477 million and $423 million for the six months ended 30 June 2022 and 2021, respectively. There is no significant concentration of sales with any single customer.

	Six Months Ended 30 June	
(Millions of dollars)	2022	2021
SEGMENT OPERATING PROFIT		
Americas	$ 1,814	$ 1,666
EMEA	1,039	938
APAC	825	740
Engineering	248	217
Other	(33)	(36)
U.S. GAAP segment operating profit	3,893	3,525
Russia-Ukraine conflict and other charges [2]	(989)	(196)
Purchase accounting impacts - Linde AG [3]	(835)	(974)
U.S. GAAP operating profit from continuing operations	2,069	2,355
GAAP adjustments [1]	107	68
IFRS operating profit from continuing operations	$ 2,176	$ 2,423

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

(2) The 2022 period primarily related to the Russia-Ukraine conflict and other charges which are not included in management's view of segment profitability (see Note 9). The 2021 period primarily related to cost reduction and other charges and included $208 million of severance costs and other cost reduction charges of $40 million 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. In addition, Linde incurred merger-related costs and other charges included a benefit of $52 million in 2021 . The pre-tax benefit was primarily due to a $52 million gain triggered by a subsidiary deconsolidation in the APAC segment.

(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] Russia-Ukraine Conflict and Other Charges

Russia-Ukraine Conflict

In response to the Russian invasion of Ukraine, multiple jurisdictions, including Europe and the U.S., have imposed several tranches of economic sanctions on Russia. As a result, Linde recorded an impairment charge of $861 million ($773 million after tax) for the six months ended 30 June 2022, which is comprised of impairments of assets, primarily fixed assets, of the company's Russian gases and engineering business entities and impairments of assets which are maintained by international entities in support of the Russian business. The recoverable amount of Linde’s Russian subsidiaries were determined using a probability weighted discounted cash flow model. The impairment charges were $694 million and $167 million for the EMEA and Engineering segments, respectively.

Merger-related and other charges

Merger-related and other charges were $88 million ($74 million after tax) for the six months ended 30 June 2022, primarily related to the impairment of an equity method investment in the EMEA segment.

Classification in the condensed consolidated financial statements

The costs are shown within other operating expenses on the Condensed Consolidated Statement of Profit and Loss. On the Condensed Consolidated Statement of Cash Flows, the impact of these costs, net of cash payments, is shown as an adjustment to reconcile net income to net cash provided by operating activities. In Note 8 Segment Information, Linde excluded these costs from its management definition of segment operating profit; a reconciliation of segment operating profit to consolidated operating profit is shown within the segment operating profit table.

[10] Subsequent Events

Dividend Declaration

On 25 July 2022, Linde announced its Board of Directors declared a quarterly dividend of $1.17 per share. The dividend was paid on 16 September 2022 to shareholders of record on 02 September 2022.

Agreement for Sale of GIST Business

In July 2022, Linde signed an agreement for the sale of its GIST business. Under the terms of the agreement, the agreed sale price is approximately $275 million, plus potential additional earnouts. The divestment of this non-core business is expected to be completed in the second half of 2022, pending regulatory approvals.

Approved by the Board of Directors and signed on its behalf on 16 September 2022 by:

<u>/S/ Sanjiv Lamba</u>

Sanjiv Lamba

Chief Executive Officer and Director

<u>/S/ Prof. Dr. Martin H. Richenhagen</u>

Prof. Dr. Martin H. Richenhagen

Director