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INTERIM REPORT
2021

Linde Finance B.V.

Interim Report

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MANAGEMENT BOARD'S REPORT

The Managing Director of the company hereby presents this Management Board report for the interim year ended on 30th June 2021. These statements are prepared according to generally accepted accounting principles in the Netherlands and in conformity with the provisions of the Part 9, book 2 of the Netherlands Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). All financial information is presented in Euro and has been rounded to the nearest million, unless otherwise stated.

General information

Linde Finance B.V. ("the Company") is a wholly owned subsidiary of Linde plc. Linde is the largest industrial gas company worldwide and is a major technological innovator in the industrial gases industry. Its primary products in its industrial gases business are atmospheric gases (oxygen, nitrogen, argon, and rare gases) and process gases (carbon dioxide, helium, hydrogen, electronic gases, specialty gases, and acetylene). Linde also designs and builds equipment that produces industrial gases and offers customers a wide range of gas production and processing services such as olefin plants, natural gas plants, air separation plants, hydrogen and synthesis gas plants and other types of plants.

The Company, domiciled in the Netherlands, with a statutory seat in Amsterdam, and registered office at Havenstraat 23A in Schiedam, was incorporated on 12 May 1999 under Dutch law, KVK 34115238. The Company's sole shareholder is Linde Holdings Netherlands B.V., which in its turn is a 100% subsidiary of Linde plc. The Company acts as a finance company for the benefit of Linde plc companies, with a focus on EUR financing. Linde plc is listed on the New York and Frankfurt stock exchanges.

Objectives

The objectives of Linde Finance B.V., in accordance with article 2 of the Articles of Association, are to incorporate, to participate, to manage and finance other group companies. Furthermore, to borrow and lend money, to place public and private debt and in general to engage in financial and commercial activities which may be conducive to the foregoing.

Tasks and responsibilities

The Management Board (currently comprised of one Managing Director) is in charge of the management of Linde Finance B.V. This means that the responsibilities of the Management Board include the policy and business progress within Linde Finance B.V. and with this the achievement of the goals, strategy, profit development and the social aspects of doing business that are relevant for Linde Finance B.V.

Principal Risks and Uncertainties

The principal risks of uncertainty facing the Company are: (i) fluctuations in interest rates and currency exchange rates; (ii) counterparty credit risk; and (iii) liquidity risk.

Financial risk management

The objective of financial risk management at the Company is to minimize the negative impact of interest rate and foreign exchange rate fluctuations on the Company's earnings, cash flow and equity. To manage currency risk, the Company uses various derivative financial instruments. The Company only uses commonly traded and non-leveraged instruments. These contracts are entered into primarily with major banking institutions thereby minimizing the risk of credit loss.

The Company is exposed to foreign currency risk, interest risk, counterparty risk and liquidity risk.

The Management Board is also responsible for the compliance with legislation and regulations and the management of the risks coupled with the activities and the financing of Linde Finance B.V.

The Management Board discusses the internal risk management and control systems with the Supervisory Board. These controls were set up to identify and manage foreign exchange, interest, liquidity, counterparty, and credit risks. As to these risks, Linde Finance B.V. has a conservative approach.

It is Linde Finance B.V. policy that interest rate exposures with duration longer than one year are hedged if no back-to-back funding is in place by entering derivatives.

The liquidity risk is actively managed and among others covered by a USD 5 bn syndicated revolving credit facility, with a final maturity of 2024.

Intercompany credit exposure has been insured with Linde GmbH Munich, through a Credit Assurance Agreement. The associated expenses are charged on to the internal borrowers through an additional risk premium on top of the base rate.

There have been no significant failings in the internal risk management and control systems which have been observed in the financial year.

Accounting records

The Management Board are responsible for ensuring that adequate accounting records are kept by the Company. The measures taken by directors to ensure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and by the employment of competent persons responsible for the preparation and maintenance of the accounting records.

Going concern

The Management Board have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for this reason, they continue to adopt the going concern concept of preparing the interim financial statements.

Corporate Governance

Linde Finance B.V. has a Management Board and a Supervisory Board. The Management Board is accountable to the Supervisory Board and the General Meeting for its policy. Based on the number of Supervisory Directors, the Supervisory Board of Linde Finance B.V. can operate without separate committees. This means that the Supervisory Board also acts as Audit Committee. The Corporate Governance framework in place has remain unchanged since the last audited financial statements.

Financial highlights

At the end of June 2021, the debt outstanding related to Medium Term notes is EUR 4.9 bn (31.12.2020: EUR 5.5 bn). In June 2021 a ten -year EUR 600m bond was repaid. Linde GmbH and Linde Finance B.V. have a USD 5 bn multicurrency Commercial Paper Program which is unconditionally guaranteed by Linde plc. As per 30th June 2021, Linde Finance B. V. had EUR 2.37bn Commercial Paper outstanding (31.12.2020: EUR 1.97bn). Linde plc, Linde Inc, Linde GmbH and Linde Finance B.V. have a USD 5 bn syndicated revolving credit facility at their disposal with a final maturity in 2024. The syndicated credit facility is currently fully undrawn.

During the interim period to June 2021, interest income amounted to EUR 74 m (30.06.2020: EUR 112.6 m). The interest expense amounted to EUR 66 m (30.06.2020: EUR 106.6 m). The profit before taxation for the interim period to June 2021 was EUR 7.9m (30.06.2020: EUR 4.9 m).

State of Affairs for Current Financial Year

Linde Finance B.V., continues to act as a finance company for the benefit of Linde plc companies. The company's main focus has continued to be EUR financing for the group.

The Management Board believes that it has sufficient operating flexibility and funding sources to maintain adequate amounts of liquidity to meet its business needs around the world. The company has a USD 5 bn unsecured and undrawn revolving credit agreement with no associated financial covenants. No borrowings were outstanding under the credit agreement as of 30th June 2021. Therefore the outlook continues to be stable.

Amsterdam, 28 September 2021

THE MANAGEMENT BOARD

REGINA MCKEON

Responsibility Statement

The Management Board of Linde Finance B.V. wish to state:

- that the Interim financial statements 2021 give a true and fair view of the assets, liabilities, financial position and profit and loss of Linde Finance B.V.
- that the Interim financial statements 2021 give a true and fair view of the position, as per the balance sheet date, of the development during the financial period of Linde Finance B.V. and a description of the principle risks that it faces.

Amsterdam, 28 September 2021

THE MANAGEMENT BOARD

REGINA MCKEON

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30.06.2021

in € thousand	Note	30.06.2021	31.12.2020
Fixed assets			
Tangible fixed assets			
Other operating fixed assets		5	6
Financial fixed assets			
Loans to group companies	[1]	3,580,537	5,038,125
Deferred derivatives results		-41	-59
Prepaid expenses		244	317
Total fixed assets		3,580,745	5,038,389
Current assets			
Receivables			
Forward exchange contracts		38,872	43,265
Interest receivables from third parties		979	4,004
Other receivables from third parties		853	5,169
Loans to group companies	[2]	4,941,606	4,070,809
Interest receivable from group companies		17,300	56,472
Deferred derivatives results		5,397	6,247
Tax receivable		241	3,575
Collateral deposits		7	7
Total current assets		5,005,255	4,189,548
Current liabilities (maximum 1 year)			
Bonds notes payable	[4]	999,459	601,251
European Commercial Paper	[6]	2,368,000	1,968,000
Forward exchange contracts		18,873	25,638
Collateral borrowing		65,394	67,394
Credit institutions		515	5,140
Interest payable to third parties		18,134	53,895
Deposits from group companies	[5]	871,237	1,277,440
Interest payable to group companies		1,105	4,277
Other payables to group companies		587	712
Tax payable		392	3,737
Other payables to third parties		35	49
Accounts payable		33	370
Total current liabilities		4,343,764	4,007,903
Result of current assets minus current liabilities		661,491	181,645
Result of assets minus current liabilities		4,242,236	5,220,034
Long-term liabilities (for more than one year)			
Bonds notes payable	[4]	3,909,532	4,893,268
Total long-term liabilities		3,909,532	4,893,268

EQUITY	[3]	332,704		326,766
Share capital		5,000		5,000
Share premium		210,000		210,000
Retained earnings		111,766		100,506
Results for the reporting period		5,938		11,260

PROFIT AND LOSS FOR THE PERIOD ENDED 30TH JUNE 2021

	January to June 2021	January to June 2020
in EUR thousand		
Interest income	5,265	14,703
Interest income from group company loans	68,750	97,899
Total Interest Income	74,015	112,602
Interest expense	57,545	91,794
Interest expense from group company loans	8,454	14,855
Total Interest Expense	65,999	106,649
Foreign exchange result	33	-633
Result from financial transactions	8,049	5,320
Other operating income		
Total income	8,049	5,320
Wages and Salaries	-	189
Other administrative expenses	133	155
Total operating expenses	133	344
PROFIT BEFORE TAXATION	7,916	4,976
Taxation	1,979	1,121
NET PROFIT AFTER TAXATION	5,938	3,855

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2021

in EUR thousand	January to June 2021	January to June 2020
NET PROFIT	5,938	3,855
Changes in:		
Loans and receivable to group companies	634,213	-3,179,407
Other assets	7,724	3,237
Deposits from group companies	-412,968	43,393
Interest payable	-38,933	-29,504
Taxes payable	-3,345	-7,717
Other payables	11,996	-53,050
NET CASH FLOW FROM OPERATING ACTIVITIES	204,625	-3,219,193
Proceeds from issuance of debt securities	-	1,500,000
Repayment of debt securities	-600,000	-
Issuance of European Commercial Paper	400,000	1,810,000
Change in credit institutions	-4,625	12,494
Dividends to/Contributions from group companies	-	-103,301
NET CASH FLOW FROM FINANCING ACTIVITIES	-204,625	3,219,193
Net increase / (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Cash and cash equivalents at end of the year	-	-
INCLUDED IN THE CASH FLOW FOR THE YEAR ARE THE FOLLOWING AMOUNTS		
Interest Income received	97,435	105,225
Interest expenses paid	-92,769	-42,486
Income taxes paid	1,729	1,610

NOTES TO THE FINANCIAL STATEMENTS

GENERAL ACCOUNTING PRINCIPLES

General

Linde Finance B.V. is registered in Havenstraat 23A, Schiedam, the Netherlands, and was incorporated on 12 May 1999 under Dutch law. Linde Finance B.V. acts as a finance company for the benefit of Linde plc group companies. The ultimate parent of Linde Finance B.V. is Linde plc, which is an Irish incorporated entity. Linde plc trades on the New York Stock Exchange and on the Frankfurt Stock Exchange under the symbol LIN.

Basis of presentation

The accompanying accounts have been prepared under the historical cost convention, unless otherwise mentioned, in accordance with generally accepted accounting principles in the Netherlands and in conformity with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). All financial information is presented in Euro and has been rounded to the nearest million, unless otherwise stated. The financial statements are prepared on a going-concern basis.

Accounting policies

The same accounting policies are followed in the interim financial statements as compared with the most recent annual financial statements.

The interim report has not been audited by an expert pursuant to Article 2:393 of the DCC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS PER 30th JUNE 2021

Assets

[1] Loans to group companies

The movements in long-term loans to group companies during the interim period were as follows:

MOVEMENT IN LONG-TERM LOANS TO GROUP COMPANIES

in € thousand	Jun-21	Dec-20
At 1 January	5,038,125	6,903,083
New loans	-	1,500,000
Reclassified to short term loans	-1,043,406	-2,392,637
Translation adjustment	10,378	-40,533
Loans redeemed	-424,561	-931,788
At 30th June	3,580,536	5,038,125

An amount of EUR 2.2 bn (31.12.2020: EUR 2.6 bn) of the principal portions outstanding have a remaining maturity of more than five years. Long-term loans to group companies for a total amount of EUR 561M (31.12.2020: EUR 587.4M) are de-nominated in a currency other than Euro (TRY, GBP, NZD, USD). If no natural hedge is in place Linde Finance B.V. has entered into various foreign exchange contracts to hedge foreign currency risks. The valuation of the loans and foreign exchange contracts are based on the prevailing rate of exchange of the respective reporting dates.

[2] Short Term Loans to group companies

Linde Finance B.V. holds short-term loans to group companies of EUR 4.9 bn (31.12.2020: EUR 4.1 bn) of which the principal portions are due and payable within one year. The increase in short-term loans was driven by a reclassification of long-term loans to short-term loans. Interest rates are determined based on the at arm's length principle.

Equity and Liabilities

[3] Equity

Authorised share capital consists of 15,000 shares of EUR 1,000 each, divided into 15,000 ordinary shares. As per 30th June 2021, the total number of shares outstanding which are fully paid in are 5,000 (30.06.2020: 5,000). All shares of Linde Finance B.V. are held by Linde Holdings Netherlands B.V. Schiedam. There were no dividends paid up to and including June 30th, 2021.

EQUITY

in EUR thousands	Share capital	Share premium	Retained earnings	Unappropriated profit	Total equity
At 30 June 2020	5,000	210,000	100,506	3,855	319,361
Transfer to retained earnings	-			-3,855	
unappropriated profits	-	-		11,260	7,405
At 31 December 2020 / At 1 January 2021	5,000	210,000	100,506	11,260	326,766
Transfer to retained earnings	-		11,260	-11,260	
unappropriated profits	-	-		5,938	5,938
At 30 June 2021	5,000	210,000	111,766	5,938	332,704

[4] Bonds payable

The bond notes payable comprise loans from credit institutions as well as from institutional investors. The movement schedule and contractual maturity of the bonds and notes payable can be shown as follows:

MOVEMENT IN BONDS NOTES PAYABLE

(in thousands of euros)

Book value as at 1 January 2021	5,494,519
New funding	0
Repayments	-600,000
Interest/amortisation	-4,986
Other changes in value	19,458
Book value as at 30 June 2021	4,908,991
Of which:	
duration < 1 year	999,459
duration ≥ 1 and ≤ 5 years	1,325,755
duration > 5 years	2,583,777

The Debt Issuance Programme is also unsubordinatedly and unconditionally guaranteed by Linde plc. In June 2021 a ten-year EUR600M bond was repaid. Outstanding bonds of EUR 517.9m equivalent (31.12.2020: EUR499.6 m) are denominated in a currency other than Euro. If no natural hedge is in place Linde Finance B.V. has entered into foreign exchange contracts or cross-currency swaps to hedge foreign currency risks.

[5] Deposits from group companies

Linde Finance B.V. holds deposits from group companies in a total amount of EUR871.2M (31.12.2020: EUR1.3 bn). The decrease in deposits was due to repayments. The remaining principal portions are due and payable within one year. Interest rates are determined based on the at arm's length principle.

Short-term deposits from group companies for an amount of EUR 2m (31.12.2020: EUR 72mn) are denominated in a currency other than Euro for which Linde Finance B.V. has entered into foreign exchange contracts to hedge foreign currency risks. The valuation of the deposits and foreign exchange contracts is based on the prevailing rate of exchange on the respective reporting dates.

[6] European Commercial Paper

Short-term securities were issued as part of the USD 5bn Euro Commercial Paper Programme (guaranteed by Linde plc) for the purpose of short-term financing. At the balance sheet date 30th June 2021, EUR 2.368bn of these Commercial Papers remained outstanding (31.12.2020: EUR 1.968bn).

[7] Subsequent events

In August 2021, Linde plc and Linde Finance B.V. entered into an updated EUR 10 bn Debt Issuance Program.

Linde anticipates a move in the tax residence of Linde Finance from the Netherlands to Ireland in the future. However, the ability of Linde Finance to effect this change requires the fulfilment of various conditions and coordination with a number of different parties and therefore it is not certain as to timing or ability to effect at the date of these interim financial statements.

Amsterdam, 28 September 2021

THE MANAGEMENT BOARD

REGINA MCKEON