

Risk Factors Comparison 2024-02-28 to 2023-02-28 Form: 10-K

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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 following risks may significantly impact the company: Weakening economic conditions in markets in which Linde does business may adversely impact its financial results and / or cash flows. Linde serves a diverse group of industries across more than 80 countries, which generally leads to financial stability through various business cycles. However, a broad decline in general economic or business conditions in the industries served by its customers could adversely affect the demand for Linde's products and impair the ability of its customers to satisfy their obligations to Linde, resulting in uncollected receivables and / or unanticipated contract terminations or project delays. For example, global political and economic uncertainty could reduce investment activities of Linde's customers, which could adversely affect Linde's business. In addition, many of Linde's customers are in businesses that are cyclical in nature, such as the chemicals, metals and energy industries. Downturns in these industries may adversely impact Linde during these cycles. Additionally, such conditions could impact the utilization of Linde's manufacturing capacity which may require it to recognize impairment losses on tangible assets such as property, plant and equipment, as well as intangible assets such as goodwill, customer relationships or intellectual property. Increases in the cost of energy and raw materials and / or disruption in the supply of these materials could result in lost sales or reduced profitability. Energy is the single largest cost item in the production and distribution of industrial gases. Most of Linde's energy requirements are in the form of electricity, natural gas and diesel fuel for distribution. Linde attempts to minimize the financial impact of variability in these costs through the management of customer contracts and reducing demand through operational productivity and energy efficiency. Large customer contracts typically have escalation and pass-through clauses to recover energy and feedstock costs. Such attempts may not successfully mitigate cost variability, which could negatively impact Linde's financial condition or results of operations. The supply of energy has not been a significant issue in the geographic areas where Linde conducts business. However, regional energy conditions are unpredictable and may pose future risk. For carbon dioxide, carbon monoxide, helium, hydrogen and specialty gases, raw materials are largely purchased from outside sources. Where feasible, Linde sources several of these raw materials, including carbon dioxide, hydrogen and calcium carbide, as chemical or industrial byproducts. In addition, Linde has contracts or commitments for, or readily available sources of, most of these raw materials; however, their long-term availability and prices are subject to market conditions. A disruption in supply of such raw materials could impact Linde's ability to meet contractual supply commitments. Linde's international operations are subject to the risks of doing business abroad and international events and circumstances may adversely impact its business, financial condition or results of operations. Linde has substantial international operations which are subject to risks including devaluations in currency exchange rates, transportation delays and interruptions, political and economic instability and disruptions, restrictions on the transfer of funds, trade conflicts and the imposition of duties and tariffs, import and export controls, changes in governmental policies, labor unrest, possible nationalization and / or expropriation of assets, changes in U. S. and non- U. S. tax policies and compliance with governmental regulations. These events could have an adverse effect on the international operations of Linde in the future by reducing the demand for its products, decreasing the prices at which it can sell its products, reducing the revenue from international operations or otherwise having an adverse effect on its business. Currency exchange rate fluctuations and other related risks may adversely affect Linde's results. Because a significant portion of Linde's revenue is denominated in currencies other than its reporting currency, the U. S. dollar, changes in exchange rates will produce fluctuations in revenue, costs and earnings and may also affect the book value of assets and liabilities and related equity. Although the company from time to time utilizes foreign exchange forward contracts to hedge these exposures, its efforts to minimize currency exposure through such hedging transactions may not be successful depending on market and business conditions. As a result, fluctuations in foreign currency exchange rates could adversely affect Linde's financial condition, results of operations or cash flows. Macroeconomic factors may impact Linde's ability to obtain financing or increase the cost of obtaining financing which may adversely impact Linde's financial results and / or cash flows. Volatility and disruption in the U. S., European and global credit and equity markets, from time to time, could make it more difficult for Linde to obtain financing for its operations and / or could increase the cost of obtaining financing. In addition, Linde's borrowing costs can be affected by short- and long- term debt ratings assigned by independent rating agencies which are based, in significant part, on its performance as measured by certain criteria such as interest coverage and leverage ratios. A decrease in these debt ratings could increase the cost of borrowing or make it more difficult to obtain financing. An impairment of goodwill or intangible assets could negatively impact the company's financial results. As of December 31, ~~2022~~ **2023**, the net carrying value of goodwill and other indefinite-lived intangible assets was \$ ~~26-27~~ billion and \$ 2 billion, respectively, primarily as a result of the business combination and the related acquisition method of accounting applied to Linde AG. In accordance with generally accepted accounting principles, the company periodically assesses these assets to determine if they are impaired. Significant negative industry or economic trends, disruptions to business, unexpected significant changes or planned changes in use of the assets, divestitures and sustained market capitalization declines may result in recognition of impairments to goodwill or other indefinite-lived assets. Any charges relating to such impairments could have a material adverse impact on Linde's results of operations in the periods recognized. Catastrophic events could disrupt the operations of Linde and / or its customers and suppliers and may have a significant adverse impact on the results of operations. The occurrence of catastrophic events or natural disasters such as extreme weather, including hurricanes and floods; health epidemics; pandemics, such as COVID- 19; and acts of war or terrorism, could disrupt or delay

Linde's ability to produce and distribute its products to customers and could potentially expose Linde to third-party liability claims. In addition, such events could impact Linde's customers and suppliers resulting in temporary or long-term outages and / or the limitation of supply of energy and other raw materials used in normal business operations. Linde evaluates the direct and indirect business risks, consults with vendors, insurance providers and industry experts, makes investments in suitably resilient design and technology, and conducts regular reviews of the business risks with management. Despite these steps, however, these situations are outside Linde's control and may have a significant adverse impact on its financial results. The inability to attract and retain qualified personnel may adversely impact Linde's business. If Linde fails to attract, hire and retain qualified personnel, it may not be able to develop, market or sell its products or successfully manage its business. Linde is dependent upon a highly skilled, experienced and efficient workforce to be successful. Much of Linde's competitive advantage is based on the expertise and experience of key personnel regarding marketing, technology, manufacturing and distribution infrastructure, systems and products. The inability to attract and hire qualified individuals or the loss of key employees in very skilled areas could have a negative effect on Linde's financial results. If Linde fails to keep pace with technological advances in the industry or if new technology initiatives do not become commercially accepted, customers may not continue to buy Linde's products and results of operations could be adversely affected. Linde's research and development is directed toward developing new and improved methods for the production and distribution of industrial gases, the design and construction of plants and toward developing new markets and applications for the use of industrial and process gases. This results in the introduction of new applications and the development of new advanced process technologies. As a result of these efforts, Linde develops new and proprietary technologies and employs necessary measures to protect such technologies within the global geographies in which Linde operates. These technologies help Linde to create a competitive advantage and to provide a platform to grow its business. If Linde's research and development activities do not keep pace with competitors or if Linde does not create new technologies that benefit customers, future results of operations could be adversely affected. Risks related to pension benefit plans may adversely impact Linde's results of operations and cash flows. Pension benefits represent significant financial obligations that will be ultimately settled in the future with employees who meet eligibility requirements. Because of the uncertainties involved in estimating the timing and amount of future payments and asset returns, significant estimates are required to calculate pension expense and liabilities related to Linde's plans. Linde utilizes the services of independent actuaries, whose models are used to facilitate these calculations. Several key assumptions are used in the actuarial models to calculate pension expense and liability amounts recorded in the consolidated financial statements. In particular, significant changes in actual investment returns on pension assets, discount rates, or legislative or regulatory changes could impact future results of operations and required pension contributions. Operational risks may adversely impact Linde's business or results of operations. Linde's operating results are dependent on the continued operation of its production facilities and its ability to meet customer contract requirements and other needs. Insufficient or excess capacity threatens Linde's ability to generate competitive profit margins and may expose Linde to liabilities related to contract commitments. Operating results are also dependent on Linde's ability to complete new construction projects on time, on budget and in accordance with performance requirements. Failure to do so may expose Linde's business to loss of revenue, potential litigation and loss of business reputation. Also inherent in the management of Linde's production facilities and delivery systems, including storage, vehicle transportation and pipelines, are operational risks that require continuous training, oversight and control. Material operating failures at production, storage facilities or pipelines, including fire, toxic release and explosions, or the occurrence of vehicle transportation accidents could result in loss of life, damage to the environment, loss of production and / or extensive property damage, all of which may negatively impact Linde's financial results. Linde may be subject to information technology system failures, network disruptions and breaches in data security. Linde relies on information technology systems and networks for business and operational activities, and also stores and processes sensitive business and proprietary information in these systems and networks. These systems are susceptible to outages due to fire, flood, power loss, telecommunications failures, viruses, break-ins and similar events, or breaches of security. Linde has taken steps to address these risks and concerns by implementing advanced security technologies, internal controls, network and data center resiliency and recovery ~~process~~ **processes**. Despite these steps, however, our information technology systems have in the past been and in the future will likely be subject to increasingly sophisticated cyber attacks. Operational failures and breaches of security from such attempts could lead to the loss or disclosure of confidential information or personal data belonging to Linde or our employees and customers or suppliers. These failures and breaches could result in business interruption or malfunction and lead to legal or regulatory actions that could result in a material adverse impact on Linde's operations, reputation and financial results. To date, such attempts have not had any significant impact on Linde's operations or financial results. The inability to effectively integrate acquisitions or collaborate with joint venture partners could adversely impact Linde's financial position and results of operations. Linde has evaluated and expects to continue to evaluate, a wide array of potential strategic acquisitions and joint ventures. Many of these transactions, if consummated, could be material to its financial condition and results of operations. In addition, the process of integrating an acquired company, business or group of assets may create unforeseen operating difficulties and expenditures. Although historically Linde has been successful with its acquisition strategy and execution, the areas where Linde may face risks include: • the need to implement or remediate controls, procedures and policies appropriate for a larger public company at companies that prior to the acquisition lacked these controls, procedures and policies; • diversion of management time and focus from operating existing business to acquisition integration challenges; • cultural challenges associated with integrating employees from the acquired company into the existing organization; • the need to integrate each company's accounting, management information, human resources and other administrative systems to permit effective management; • difficulty with the assimilation of acquired operations and products; • failure to achieve targeted synergies and cost reductions; and • inability to retain key employees and business relationships of acquired companies. Foreign acquisitions and joint ventures involve unique risks in addition to those mentioned herein, including those related to integration of operations across different cultures and languages, currency risks and the particular

economic, political and regulatory risks associated with specific countries. Also, the anticipated benefit of potential future acquisitions may not materialize. Future acquisitions or dispositions could result in the incurrence of debt, contingent liabilities or amortization expenses, or impairments of goodwill, any of which could adversely impact Linde's financial results. Linde is subject to a variety of international laws and government regulations and changes in, or failure to comply with, these laws or regulations could have an adverse impact on the company's business, financial position and results of operations. Linde is subject to regulations in the following areas, among others: • environmental protection, including climate change and energy efficiency laws and policies; • U. S. and non- U. S. tax laws and currency controls; • safety; • securities laws applicable in the United States, the European Union, ~~Germany, Ireland~~, and other jurisdictions; • trade and import / export restrictions, as well as economic sanctions laws; • antitrust matters; • data protection; • global anti- bribery laws, including the U. S. Foreign Corrupt Practices Act; and • healthcare regulations. Changes in these or other regulatory areas may impact Linde's profitability and may give rise to new or increased compliance risks: it may become more complex and costly to ensure compliance, and the level of sanctions in the event of non- compliance may rise. Noncompliance with such laws and regulations could result in penalties or sanctions, cancellation of marketing rights or restrictions on participation in, or even exclusion from, public tender proceedings, all of which could have a material adverse impact on Linde's financial results and / or reputation. Such changes may also restrict Linde's ability to compete effectively in the marketplace. Changes to regulations in the areas of environmental protection and climate change, for example, may impact customer and competitor behavior driving structural changes in key end markets. While Linde will work to mitigate these risks through the pursuit of strategic alliances and investment in applications technologies to capture new growth areas, given the uncertainty about the type and scope of new regulations, it is difficult to predict how such changes and their impact on market behavior will ultimately impact Linde's business. However, such changes could have a material adverse impact on Linde's results of operations. Doing business globally requires Linde to comply with anti- corruption, trade, compliance and economic sanctions and similar laws, and to implement policies and procedures designed to ensure that its employees and other intermediaries comply with the applicable restrictions. These restrictions include prohibitions on the sale or supply of certain products, services and any other economic resources to embargoed or sanctioned countries, governments, persons and entities. Compliance with these restrictions requires, among other things, screening of business partners. Despite its commitment to legal compliance and corporate ethics, the company cannot ensure that its policies and procedures will always protect it from intentional, reckless or negligent acts committed by employees or agents under the applicable laws. If Linde fails to comply with laws governing the conduct of international operations, Linde may be subject to criminal and civil penalties and other remedial measures, which could materially adversely affect its reputation, business and results of operations. The outcome of litigation or governmental investigations may adversely impact the company's business or results of operations. Linde's subsidiaries are party to various lawsuits and governmental investigations arising in the ordinary course of business. Adverse outcomes in some or all of the claims pending may result in significant monetary damages or injunctive relief that could adversely affect Linde's ability to conduct business. Linde and its subsidiaries may in the future become subject to further claims and litigation, which is impossible to predict. The litigation and other claims Linde faces are subject to inherent uncertainties. Legal or regulatory judgments or agreed settlements might give rise to expenses which are not covered, or are not fully covered, by insurance benefits and may also lead to negative publicity and reputational damage. An unfavorable outcome or determination could cause a material adverse impact on the company's results of operations. Potential product defects or inadequate customer care may adversely impact Linde's business or results of operations. Risks associated with products and services may result in potential liability claims, the loss of customers or damage to Linde's reputation. Principal possible causes of risks associated with products and services are product defects or an inadequate level of customer care when Linde is providing services. Linde is exposed to legal risks relating to product liability in the countries where it operates, including countries such as the United States, where legal risks (in particular through class actions) have historically been more significant than in other countries. The outcome of any pending or future products and services proceedings or investigations cannot be predicted and legal or regulatory judgments or agreed settlements may give rise to significant losses, costs and expenses. The manufacturing and sale of products as well as the construction and sale of plants by Linde may give rise to risks associated with the production, filling, storage, handling and transport of raw materials, goods or waste. Industrial gases are potentially hazardous substances and medical gases and the related healthcare services must comply with the relevant specifications in order to not adversely affect the health of patients treated with them. Linde's products and services, if defective or not handled or performed appropriately, may lead to personal injuries, business interruptions, environmental damages or other significant damages, which may result, among other consequences, in liability, losses, monetary penalties or compensation payments, environmental clean- up costs or other costs and expenses, exclusion from certain market sectors deemed important for future development of the business and loss of reputation. All these consequences could have a material adverse effect on Linde's business and results of operations. U. S. civil liabilities may not be enforceable against Linde. Linde is organized under the laws of Ireland and substantial portions of its assets are located outside of the United States. In addition, certain directors and officers of Linde and its subsidiaries reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon Linde or such persons, or to enforce outside the United States judgments obtained against such persons in U. S. courts in any action, including actions predicated upon the civil liability provisions of the U. S. federal securities laws. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, rights predicated upon the U. S. federal securities laws. A judgment for the payment of money rendered by a court in the United States based on civil liability would not be automatically enforceable in Ireland. There is no treaty between Ireland and the United States providing for the reciprocal enforcement of foreign judgments. The following requirements must be met before the foreign judgment will be deemed to be enforceable in Ireland (i) the judgment must be for a definite sum, (ii) the judgment must be final and conclusive; and (iii) the judgment must be provided by a court of competent jurisdiction. An Irish court will also exercise its right to refuse judgment if the foreign judgment (i) was

obtained by fraud; (ii) violated Irish public policy; (iii) is in breach of natural justice; or (iv) if the judgment is irreconcilable with an earlier foreign judgment. In addition, there is doubt as to whether an Irish court would accept jurisdiction and impose civil liability on Linde or such persons in an original action predicated solely upon the U. S. federal securities laws brought in a court of competent jurisdiction in Ireland against Linde or such member, officer or expert, respectively. Changes in tax laws or policy could adversely impact the company's financial position or results of operations. Linde and its subsidiaries are subject to the tax rules and regulations in the U. S., Germany, Ireland, the U. K. and other countries in which they operate. Those tax rules and regulations are subject to change on a prospective or retroactive basis. Under current economic and political conditions tax rates and policies in any jurisdiction, including the U. S., the U. K. and the EU, are subject to significant changes which could result in a significant change to Linde's current and deferred income tax. In particular, since Linde is currently treated as U. K. tax resident, any potential changes in the tax rules applying to U. K. tax- resident companies would directly affect Linde. **This includes the Organization for Economic Cooperation & Development's ("OECD") framework for a 15 % global minimum tax rate ("Pillar Two"). The U. K. and a majority of EU member states implemented Pillar Two effective January 1, 2024. The OECD continues to issue additional guidance as countries adopt legislation. Linde continues to monitor and evaluate enacted and pending legislation in the jurisdictions in which it operates, as such changes could result in an increase in our effective tax rate.** A change in Linde's tax residency could have a negative effect on the company's future profitability and may trigger taxes on dividends or exit charges. If Linde ceases to be resident in the U. K. and becomes resident in another jurisdiction, it may be subject to U. K. exit charges, and / or could become liable for additional tax charges in the other jurisdiction. If Linde were to be treated as resident in more than one jurisdiction, it could be subject to duplicative taxation. Furthermore, although Linde is incorporated in Ireland and is not expected to be treated as a domestic corporation for U. S. federal income tax purposes, it is possible that the IRS could challenge this result or that changes in U. S. federal income tax law could alter this result. If the IRS successfully asserted such a position or the law were to change, significant adverse tax consequences may result for Linde, the company and Linde's shareholders. Changes in tax laws may result in higher tax expense and tax payments. In addition, changes in tax legislation and uncertainty about the tax environment in some regions may restrict Linde's opportunity to enforce its respective rights under the law. Linde also operates in countries with complex tax regulations which could be interpreted in different ways. Linde and its subsidiaries are subject to audits by taxing authorities in various jurisdictions or other review actions by the relevant financial or tax authorities. The ultimate tax outcome may differ from the amounts recorded in Linde's or its subsidiaries' financial statements and may materially affect their respective financial results for the period when such determination is made. ~~Following the Reorganization, New Linde will seek Irish High Court approval for the creation of distributable reserves. New Linde expects this will be forthcoming, but cannot guarantee this, and until distributable reserves of New Linde are created, New Linde will be unable to make distributions by way of dividends, share repurchases or otherwise under Irish law. Under Irish law, dividends may only be paid and share repurchases and redemptions must generally be funded only out of "distributable reserves," which New Linde will not have immediately following the Reorganization. The creation of distributable reserves of New Linde involves a reduction in New Linde's undenominated share capital which requires the approval of the Irish High Court. The approval of the Irish High Court is expected within eight weeks following the Reorganization becoming effective. This approval is the same process successfully followed by Linde immediately after the Linde AG—Praxair, Inc. merger in 2018. New Linde is not aware of any reason why the Irish High Court would not approve the creation of distributable reserves in this manner; however, the issuance of the required order is a matter for the discretion of the Irish High Court. In the event that distributable reserves of New Linde are not created, no distributions by way of dividends, share repurchases or otherwise will be permitted under Irish law until such time as New Linde has created sufficient distributable reserves from its business activities, except that New Linde will be able to pay any dividends declared by the company prior to the Reorganization becoming effective.~~-14