Brookfield

2022

Q2 INTERIM REPORT

Brookfield Infrastructure Corporation

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2022

Commission file number 001-39250

BROOKFIELD INFRASTRUCTURE CORPORATION
(Exact name of Registrant as specified in its charter)

---

250 Vesey Street, 15th Floor
New York, New York, 10281
United States
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

The information contained in Exhibit 99.1 of this Form 6-K is incorporated by reference into the registrant's registration statement on Form F-3 (File No. 333-255051).

The following documents, which are attached as exhibits hereto, are incorporated by reference herein:

Exhibit	**Title**
99.1	Brookfield Infrastructure Corporation’s interim report for the quarter ended June 30, 2022
99.2	Certification of Samuel Pollock, Chief Executive Officer, Brookfield Infrastructure Corporation, pursuant to Canadian law
99.3	Certification of David Krant, Chief Financial Officer, Brookfield Infrastructure Corporation, pursuant to Canadian law
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BROOKFIELD INFRASTRUCTURE CORPORATION

Date: August 11, 2022

By: /s/ *MICHAEL RYAN*

Name: Michael Ryan

Title: Corporate Secretary

Exhibit 99.1

Brookfield Infrastructure Corporation

Interim Report Q2 2022

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS OF BROOKFIELD INFRASTRUCTURE CORPORATION

AS OF JUNE 30, 2022 AND DECEMBER 31, 2021 AND
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

INDEX

	Page
Unaudited Interim Condensed and Consolidated Statements of Financial Position of Brookfield Infrastructure Corporation	2
Unaudited Interim Condensed and Consolidated Statements of Operating Results of Brookfield Infrastructure Corporation	3
Unaudited Interim Condensed and Consolidated Statements of Comprehensive Income (Loss) of Brookfield Infrastructure Corporation	4
Unaudited Interim Condensed and Consolidated Statements of Equity of Brookfield Infrastructure Corporation	5
Unaudited Interim Condensed and Consolidated Statements of Cash Flows of Brookfield Infrastructure Corporation	7
Notes to Unaudited Interim Condensed and Consolidated Financial Statements of Brookfield Infrastructure Corporation	8
Management's Discussion & Analysis	21

Brookfield Infrastructure Corporation (our "company") owns and operates high quality, essential, long-life assets that generate stable cash flows and require relatively minimal maintenance capital expenditures. Our current operations consist of utilities businesses in South America, Europe and Australia.

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

US$ MILLIONS	Notes	As of June 30, 2022	As of December 31, 2021
Assets			
Cash and cash equivalents	**5**	**$ 512**	$ 469
Financial assets	**5**	**55**	—
Accounts receivable and other	**5**	**485**	448
Due from Brookfield Infrastructure	**5, 16**	**558**	1,093
Current assets		**1,610**	2,010
Property, plant and equipment	**6**	**4,467**	4,803
Intangible assets	**7**	**2,846**	2,687
Investments in associates	**8**	**419**	—
Goodwill	**9**	**516**	489
Financial assets	**5**	**113**	30
Other assets		**17**	15
Deferred income tax asset		**46**	52
Total assets		**$ 10,034**	$ 10,086
Liabilities and Equity			
Liabilities			
Accounts payable and other	**5**	**$ 640**	$ 605
Non-recourse borrowings	**5, 10**	**1,315**	—
Financial liabilities	**5, 11**	**—**	995
Loans payable to Brookfield Infrastructure	**5, 16**	**131**	131
Exchangeable and class B shares	**5, 11**	**4,222**	4,466
Current liabilities		**6,308**	6,197
Non-recourse borrowings	**5, 10**	**3,158**	3,556
Other liabilities		**121**	119
Deferred income tax liability	**14**	**1,525**	1,638
Total liabilities		**11,112**	11,510
Equity			
Brookfield Infrastructure Partners L.P.	**15**	**(1,963)**	(2,127)
Non-controlling interest		**885**	703
Total equity		**(1,078)**	(1,424)
Total liabilities and equity		**$ 10,034**	$ 10,086

The accompanying notes are an integral part of the unaudited interim condensed and consolidated financial statements.

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATING RESULTS

US$ MILLIONS	Notes	For the three-month period ended June 30		For the six-month period ended June 30	
		2022	2021	**2022**	2021
Revenues	**12**	**$ 479**	$ 416	**$ 940**	$ 815
Direct operating costs[1]	**6, 7, 13**	**(131)**	(142)	**(265)**	(286)
General and administrative expenses		**(17)**	(10)	**(37)**	(20)
		331	264	**638**	509
Interest expense	**11, 16**	**(143)**	(68)	**(245)**	(131)
Share of earnings (losses) from investments in associates	**8**	**2**	—	**(4)**	—
Remeasurement of exchangeable and class B shares	**11**	**656**	(103)	**259**	(276)
Mark-to-market on hedging items and foreign currency revaluation	**5**	**(19)**	(15)	**82**	(25)
Other income	**3**	**14**	160	**14**	146
Income before income tax		**841**	238	**744**	223
Income tax (expense) recovery					
Current		**(110)**	(51)	**(200)**	(104)
Deferred	**14**	**111**	(122)	**82**	(140)
Net income (loss)		**$ 842**	$ 65	**$ 626**	$ (21)
Attributable to:					
Brookfield Infrastructure Partners L.P.		**$ 673**	$ (43)	**$ 300**	$ (221)
Non-controlling interest		**169**	108	**326**	200

1. *Our company reclassified depreciation and amortization expense, which was previously presented as a separate line item, to direct operating costs. Direct operating costs include depreciation and amortization expenses of $54 million and $108 million for the three and six-month periods ended June 30, 2022, respectively. Prior period amounts were also adjusted to reflect this change, which resulted in an increase to direct operating costs by $70 million and $145 million for the three and six-month periods ended June 30, 2021, respectively, with an equal and offsetting decrease to depreciation and amortization expense. This reclassification had no impact on revenues or net income.*
2. *Earnings per share have not been presented in the financial statements, as the underlying shares do not constitute "ordinary shares" under IAS 33 Earnings per share.*

The accompanying notes are an integral part of the unaudited interim condensed and consolidated financial statements.

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

US$ MILLIONS	Notes	For the three-month period ended June 30 2022	For the three-month period ended June 30 2021	For the six-month period ended June 30 2022	For the six-month period ended June 30 2021
Net income (loss)		**$ 842**	$ 65	**$ 626**	$ (21)
Other comprehensive (loss) income:					
Items that will not be reclassified subsequently to profit or loss:					
Tax impact of remeasurement of revaluation surplus	**14**	**—**	(87)	**—**	(87)
		—	(87)	**—**	(87)
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation		**(231)**	244	**(146)**	96
Cash flow hedges	**5**	**(1)**	—	**(3)**	—
Taxes on the above items		**—**	—	**1**	—
Share of (losses) earnings from investments in associates	**8**	**(8)**	—	**4**	—
		(240)	244	**(144)**	96
Total other comprehensive (loss) income		**(240)**	157	**(144)**	9
Comprehensive income (loss)		**$ 602**	$ 222	**$ 482**	$ (12)
Attributable to:					
Brookfield Infrastructure Partners L.P.		**$ 507**	$ (19)	**$ 164**	$ (229)
Non-controlling interests		**95**	241	**318**	217

The accompanying notes are an integral part of the unaudited interim condensed and consolidated financial statements.

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF EQUITY

FOR THE THREE-MONTH PERIOD ENDED June 30, 2022 $US MILLIONS	Share capital	Retained earnings	Ownership changes	Accumulated other comprehensive income	Brookfield Infrastructure Partners L.P.	Non-controlling interest	Total equity
Balance as at April 1, 2022	$ 53	$ (566)	$ (2,379)	$ 422	$ (2,470)	$ 907	$ (1,563)
Net income	—	673	—	—	673	169	842
Other comprehensive loss	—	—	—	(166)	(166)	(74)	(240)
Comprehensive income (loss)	—	673	—	(166)	507	95	602
Distributions to non-controlling interest	—	—	—	—	—	(117)	(117)
Balance as at June 30, 2022	$ 53	$ 107	$ (2,379)	$ 256	$ (1,963)	$ 885	$ (1,078)

FOR THE THREE-MONTH PERIOD ENDED June 30, 2021 $US MILLIONS	Share capital	Retained earnings	Ownership changes	Accumulated other comprehensive income	Brookfield Infrastructure Partners L.P.	Non-controlling interest	Total equity
Balance as at April 1, 2021	$ 53	$ (145)	$ (2,347)	$ 507	$ (1,932)	$ 1,020	$ (912)
Net (loss) income	—	(43)	—	—	(43)	108	65
Other comprehensive income	—	—	—	24	24	133	157
Comprehensive (loss) income	—	(43)	—	24	(19)	241	222
Distributions to non-controlling interest	—	—	—	—	—	(175)	(175)
Acquisition of non-controlling interest[1]	—	—	—	—	—	(196)	(196)
Other items[1],[2]	—	142	(32)	(142)	(32)	(55)	(87)
Balance as at June 30, 2021	$ 53	$ (46)	$ (2,379)	$ 389	$ (1,983)	$ 835	$ (1,148)

1. *See Note 4, Acquisition of Businesses for further details.*
2. *See Note 3, Disposition of Businesses for further details.*

The accompanying notes are an integral part of the unaudited interim condensed and consolidated financial statements.

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF EQUITY

FOR THE SIX-MONTH PERIOD ENDED June 30, 2022 $US MILLIONS	**Share capital**	**Retained earnings**	**Ownership changes**	**Accumulated other comprehensive income**	**Brookfield Infrastructure Partners L.P.**	**Non-controlling interest**	**Total equity**
Balance as at January 1, 2022	**$ 53**	**$ (193)**	**$ (2,379)**	**$ 392**	**$ (2,127)**	**$ 703**	**$ (1,424)**
Net income	—	300	—	—	**300**	**326**	**626**
Other comprehensive loss	—	—	—	(136)	**(136)**	**(8)**	**(144)**
Comprehensive income (loss)	—	300	—	(136)	**164**	**318**	**482**
Distributions to non-controlling interest	—	—	—	—	**—**	**(136)**	**(136)**
Balance as at June 30, 2022	**$ 53**	**$ 107**	**$ (2,379)**	**$ 256**	**$ (1,963)**	**$ 885**	**$ (1,078)**

FOR THE SIX-MONTH PERIOD ENDED June 30, 2021 $US MILLIONS	**Share capital**	**Retained earnings**	**Ownership changes**	**Accumulated other comprehensive income**	**Brookfield Infrastructure Partners L.P.**	**Non-controlling interest**	**Total equity**
Balance as at January 1, 2021	$ 53	$ 33	$ (2,347)	$ 539	$ (1,722)	$ 1,150	$ (572)
Net (loss) income	—	(221)	—	—	(221)	200	(21)
Other comprehensive (loss) income	—	—	—	(8)	(8)	17	9
Comprehensive (loss) income	—	(221)	—	(8)	(229)	217	(12)
Distributions to non-controlling interest	—	—	—	—	—	(281)	(281)
Acquisition of non-controlling interest[1]	—	—	—	—	—	(196)	(196)
Other items[1],[2]	—	142	(32)	(142)	(32)	(55)	(87)
Balance as at June 30, 2021	$ 53	$ (46)	$ (2,379)	$ 389	$ (1,983)	$ 835	$ (1,148)

1. *See Note 4, Acquisition of Businesses for further details.*
2. *See Note 3, Disposition of Businesses for further details.*

The accompanying notes are an integral part of the unaudited interim condensed and consolidated financial statements.

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

US$ MILLIONS	Notes	For the three-month period ended June 30		For the six-month period ended June 30	
		2022	2021	**2022**	2021
Operating Activities					
Net income (loss)		**$ 842**	$ 65	**$ 626**	$ (21)
Adjusted for the following items:					
Earnings from investments in associates, net of distributions received	**8**	**15**	—	**21**	—
Depreciation and amortization expense	**6, 7, 13**	**54**	70	**108**	145
Mark-to-market on hedging items and other	**5**	**28**	(141)	**(54)**	(120)
Remeasurement of exchangeable and class B shares	**11**	**(656)**	103	**(259)**	276
Deferred income tax (recovery) expense	**14**	**(111)**	122	**(82)**	140
Changes in non-cash working capital, net	**17**	**60**	16	**(5)**	(61)
Cash from operating activities		**232**	235	**355**	359
Investing Activities					
Disposal of subsidiaries, net of cash disposed	**3**	**—**	817	**—**	817
Investments in associates	**8**	**—**	—	**(455)**	—
Purchase of long-lived assets, net of disposals	**6, 7**	**(140)**	(101)	**(253)**	(196)
Purchase of financial assets		**—**	—	**(71)**	—
Settlement of foreign exchange and other hedging items	**5**	**—**	(76)	**—**	(76)
Cash (used by) from investing activities		**(140)**	640	**(779)**	545
Financing Activities					
Distributions to non-controlling interest		**(117)**	(175)	**(136)**	(281)
Acquisition of partial interest from non-controlling interest	**4**	**—**	(283)	**—**	(283)
Proceeds from non-recourse borrowings	**10**	**472**	331	**1,046**	377
Repayment of non-recourse borrowings	**10**	**—**	(193)	**(11)**	(211)
Repayment from Brookfield Infrastructure	**16**	**—**	—	**595**	—
Repayment to Brookfield Infrastructure	**16**	**(46)**	(340)	**(60)**	(340)
Settlement of deferred consideration	**11**	**(1,037)**	—	**(1,037)**	—
Cash (used by) from financing activities		**(728)**	(660)	**397**	(738)
Cash and cash equivalents					
Change during the period		**(636)**	215	**(27)**	166
Impact of foreign exchange on cash		**(71)**	31	**70**	12
Balance, beginning of period		**1,219**	124	**469**	192
Balance, end of period		**$ 512**	$ 370	**$ 512**	$ 370

The accompanying notes are an integral part of the unaudited interim condensed and consolidated financial statements.

1. ORGANIZATION AND DESCRIPTION OF OUR COMPANY

Brookfield Infrastructure Corporation

Brookfield Infrastructure Corporation and its subsidiaries, own and operate regulated utilities investments in Brazil, the United Kingdom and Australia (the "businesses"). Our company was formed as a corporation established under the British Columbia Business Corporation Act on August 30, 2019 and is a subsidiary of Brookfield Infrastructure Partners L.P. (the "partnership"), which we also refer to as the parent company and Brookfield Infrastructure. The partnership, our company and our respective subsidiaries, are referred to collectively as our group. Brookfield Asset Management Inc. ("Brookfield") is our company's ultimate parent. The class A exchangeable subordinate voting shares ("exchangeable shares") of Brookfield Infrastructure Corporation are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "BIPC". The registered head office of Brookfield Infrastructure Corporation is 250 Vesey Street, New York, NY, United States. The exchangeable shares of our company are structured with the intention of being economically equivalent to the units of the partnership. Given the economic equivalence, we expect that the market price of the exchangeable shares will be significantly impacted by the market price of the partnership's units and the combined business performance of our company and Brookfield Infrastructure as a whole.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These unaudited interim condensed and consolidated financial statements ("interim financial statements") of our company and its subsidiaries have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies our company applied in its consolidated financial statements as of and for the year-ended December 31, 2021 ("consolidated financial statements"). The accounting policies that our company applied in its consolidated financial statements are disclosed in Note 3 of such financial statements, of which reference should be made in reading these interim financial statements. In addition to the accounting policies disclosed in Note 3 of our consolidated financial statements, our interim financial statements have been prepared in accordance with the accounting policies described below .

These interim financial statements were authorized for issuance by the Board of Directors of our company on August 11, 2022.

b) Basis of presentation

The interim financial statements are prepared on a going concern basis.

Associates

Associates are entities over which our company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not constitute control. Our company accounts for investments over which it has significant influence using the equity method, and are recorded as Investments in associates on the unaudited interim condensed and consolidated statements of financial position.

Interests in investments accounted for using the equity method are initially recorded at cost. If the cost of the associate is lower than the proportionate share of the investment's underlying fair value, our company records a gain on the difference between the cost and the underlying fair values of the identifiable net assets of the associate. If the cost of the associate is greater than our company's proportionate share of the underlying fair value, goodwill and other adjustments arising from the purchase price allocation relating to the associate is included in the carrying amount of the investment. Subsequent to initial recognition, the carrying value of our company's interest in an investee is adjusted for our company's share of comprehensive income or loss and distributions from the investee.

Profits or losses resulting from transactions with an associate are recognized in the interim financial statements based on the interests of unrelated investors in the associate.

c) Significant Accounting Judgments and Key Sources of Estimation Uncertainty

In preparing our interim financial statements, we make judgments in applying our accounting policies. The areas of judgment are consistent with those reported in our consolidated financial statements. As disclosed in our consolidated financial statements, our company uses significant assumptions and estimates to determine the fair value of our property, plant and equipment and the value-in-use or fair value less costs of disposal of the cash-generating units or groups of cash generating units to which goodwill or an intangible asset has been allocated. In addition, the impairment assessment of investments in associates requires estimation of the recoverable amount of the investment.

3. DISPOSITION OF BUSINESSES

Dispositions Completed in 2021

a) Disposition of our U.K. regulated distribution business's portfolio of smart meters

On May 12, 2021, our U.K. regulated distribution business sold its smart meters business for gross consideration of approximately $820 million. After the repayment of debt and working capital requirements at the business, our company received net proceeds of approximately $340 million. The business recognized a gain of approximately $195 million in Other income (expense) on the Consolidated Statements of Operating Results, of which approximately $155 million is attributable to our company. Our company's share of accumulated revaluation surplus of $142 million was reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Equity. Our company's share of net losses relating to previous foreign exchange movements of $17 million was reclassified from accumulated other comprehensive income to Other income (expense) on the Consolidated Statements of Operating Results.

4. ACQUISITION OF BUSINESSES

Acquisitions Completed in 2021

a) Acquisition of additional interest in our Brazilian regulated gas transmission operation

On April 30, 2021, Brookfield Infrastructure, alongside institutional partners (the "NTS consortium"), acquired an additional 3% interest (NTS consortium total of 10%) in our Brazilian regulated gas transmission operation, increasing our company's ownership of the business to approximately 31%. Total consideration paid was $87 million (NTS consortium total of $283 million), all of which was funded using asset level debt raised on closing. As a result of the purchase price exceeding the previous carrying value of non-controlling interests, a loss of $32 million was recognized directly in ownership changes and recorded within Other items on the Consolidated Statements of Equity.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are determined by reference to quoted bid or ask prices, as appropriate. Where bid and ask prices are unavailable, the closing price of the most recent transaction of that instrument is used. In the absence of an active market, fair values are determined based on prevailing market rates such as bid and ask prices, as appropriate for instruments with similar characteristics and risk profiles or internal or external valuation models, such as option pricing models and discounted cash flow analyses, using observable market inputs.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, our company looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates, and price and rate volatilities as applicable. The fair value of interest rate swap contracts which form part of financing arrangements is calculated by way of discounted cash flows using market interest rates and applicable credit spreads.

Classification of Financial Instruments

Financial instruments classified as fair value through profit or loss are carried at fair value on the unaudited interim condensed and consolidated statements of financial position. Changes in the fair values of financial instruments classified as fair value through profit or loss are recognized in profit or loss. Mark-to-market adjustments on hedging items for those in an effective hedging relationship and changes in the fair value of securities designated as fair value through other comprehensive income are recognized in other comprehensive income.

Carrying Value and Fair Value of Financial Instruments

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at June 30, 2022:

US$ MILLIONS Financial Instrument Classification MEASUREMENT BASIS	Fair value through profit or loss	Amortized Cost	Total
Financial assets			
Cash and cash equivalents	$ —	$ 512	$ 512
Accounts receivable and other (current and non-current)	—	423	423
Financial assets[1]	168	—	168
Due from Brookfield Infrastructure	—	558	558
Total	$ 168	$ 1,493	$ 1,661
Financial liabilities			
Accounts payable and other (current and non-current)	$ —	$ 467	$ 467
Non-recourse borrowings (current and non-current)	—	4,473	4,473
Exchangeable and class B shares[2]	—	4,222	4,222
Loans payable to Brookfield Infrastructure	—	131	131
Total	$ —	$ 9,293	$ 9,293

1. *Derivative instruments which are elected for hedge accounting totaling $98 million are included in financial assets and $nil of derivative instruments are included in financial liabilities.*
2. *Class C shares are also classified as financial liabilities due to their cash redemption feature. However, the class C shares meet certain qualifying criteria and are presented as equity. See Note 15, Equity.*

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at December 31, 2021:

US$ MILLIONS Financial Instrument Classification MEASUREMENT BASIS	Fair value through profit or loss	Amortized Cost	Total
Financial assets			
Cash and cash equivalents	$ —	$ 469	$ 469
Accounts receivable and other (current and non-current)	—	402	402
Financial assets[1]	30	—	30
Due from Brookfield Infrastructure	—	1,093	1,093
Total	$ 30	$ 1,964	$ 1,994
Financial liabilities			
Accounts payable and other (current and non-current)	$ —	$ 416	$ 416
Non-recourse borrowings (current and non-current)	—	3,556	3,556
Exchangeable and class B shares[2]	—	4,466	4,466
Financial liabilities (current and non-current)[1]	—	995	995
Loans payable to Brookfield Infrastructure	—	131	131
Total	$ —	$ 9,564	$ 9,564

1. *Derivative instruments which are elected for hedge accounting totaling $30 million are included in financial assets and $nil of derivative instruments are included in financial liabilities.*
2. *Class C shares are also classified as financial liabilities due to their cash redemption feature. However, the class C shares meet certain qualifying criteria and are presented as equity. See Note 15, Equity.*

The following table provides the carrying values and fair values of financial instruments as at June 30, 2022 and December 31, 2021:

US$ MILLIONS	June 30, 2022		December 31, 2021	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	**$ 512**	**$ 512**	$ 469	$ 469
Accounts receivable and other (current and non-current)	**423**	**423**	402	402
Financial assets	**168**	**168**	30	30
Due from Brookfield Infrastructure	**558**	**558**	1,093	1,093
Total	**$ 1,661**	**$ 1,661**	$ 1,994	$ 1,994
Financial liabilities				
Accounts payable and other (current and non-current)	**$ 467**	**$ 467**	$ 416	$ 416
Non-recourse borrowings (current and non-current)[1]	**4,473**	**4,375**	3,556	3,627
Exchangeable and class B shares[2]	**4,222**	**4,222**	4,466	4,466
Financial liabilities (current and non-current)	**—**	**—**	995	995
Loans payable to Brookfield Infrastructure	**131**	**131**	131	131
Total	**$ 9,293**	**$ 9,195**	$ 9,564	$ 9,635

1. *Non-recourse borrowings are classified under level 2 of the fair value hierarchy. For level 2 fair values, future cash flows are estimated based on observable forward interest rates at the end of the reporting period.*
2. *Class C shares are also classified as financial liabilities due to their cash redemption feature. However, the class C shares meet certain qualifying criteria and are presented as equity. For the purpose of the disclosure above, the class C shares have a fair value of $80 million as at June 30, 2022.*

Hedging Activities

Our company uses derivatives and non-derivative financial instruments to manage or maintain exposures to interest and currency risks. For certain derivatives which are used to manage exposures, our company determines whether hedge accounting can be applied. When hedge accounting can be applied, a hedge relationship can be designated as a fair value hedge, cash flow hedge or a hedge of foreign currency exposure of a net investment in a foreign operation with a functional currency other than the U.S. dollar. To qualify for hedge accounting, the derivative must be designated as a hedge of a specific exposure and the hedging relationship must meet all of the hedge effectiveness requirements in accomplishing the objective of offsetting changes in the fair value or cash flows attributable to the hedged risk both at inception and over the life of the hedge. If it is determined that the hedging relationship does not meet all of the hedge effectiveness requirements, hedge accounting is discontinued prospectively.

Cash Flow Hedges

Our company uses interest rate swaps to hedge the variability in cash flows related to a variable rate asset or liability and highly probable forecasted issuances of debt. The settlement dates coincide with the dates on which the interest is payable on the underlying debt, and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss. For the three and six-month periods ended June 30, 2022, pre-tax net unrealized losses of $1 million and $3 million, respectively (2021: $nil and $nil, respectively), were recorded in other comprehensive income for the effective portion of the cash flow hedges. As of June 30, 2022, there was a net derivative asset balance of $98 million relating to derivative contracts designated as cash flow hedges (December 31, 2021: $30 million).

Fair Value Hierarchical Levels—Financial Instruments

Fair value hierarchical levels are directly determined by the amount of subjectivity associated with the valuation inputs of these assets and liabilities, and are as follows:

Level 1	—	Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
Level 2	—	Inputs other than quoted prices included in Level 1 are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life. Fair valued assets and liabilities that are included in this category are primarily certain derivative contracts and other financial assets carried at fair value in an inactive market.
Level 3	—	Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to determining the estimate. Fair valued assets and liabilities that are included in this category are interest rate swap contracts, derivative contracts, certain equity securities carried at fair value which are not traded in an active market and the non-controlling interest's share of net assets of limited life funds.

The fair value of our company's financial assets and financial liabilities are measured at fair value on a recurring basis. The following table summarizes the valuation techniques and significant inputs for our company' financial assets and financial liabilities:

US$ MILLIONS	Fair value hierarchy	June 30, 2022	December 31, 2021
Interest rate swaps & other	Level 2[(1)]		
Financial assets		**$ 98**	$ 30
Financial liabilities		**—**	—
Other instruments	Level 3[(2)]		
Financial assets		**$ 70**	$ —
Financial liabilities		**—**	—

1. *Valuation technique: Discounted cash flow. Future cash flows are estimated based on forward exchange and interest rates (from observable forward exchange and interest rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects our credit risk and the credit risk of various counterparties.*
2. *Valuation technique: Discounted cash flow. Future cash flows primarily driven by assumptions concerning the amount and timing of estimated future cash flows and discount rates*

During the six-month period ended June 30, 2022, no transfers were made between level 1 and 2 or level 2 and 3.

6. PROPERTY, PLANT AND EQUIPMENT

US$ MILLIONS	Gross carrying amount	Accumulated depreciation	Accumulated fair value adjustments	Total
Balance at January 1, 2021	$ 4,197	$ (719)	$ 1,633	$ 5,111
Additions, net of disposals	367	10	—	377
Assets held by subsidiaries disposed during the period	(599)	163	(217)	(653)
Non-cash disposals	(1)	(3)	—	(4)
Depreciation expense	—	(128)	—	(128)
Fair value adjustments	—	—	134	134
Net foreign currency exchange differences	(29)	4	(9)	(34)
Balance at December 31, 2021	**$ 3,935**	**$ (673)**	**$ 1,541**	**$ 4,803**
Additions, net of disposals	**209**	**3**	**—**	**212**
Non-cash additions	**2**	**(2)**	**—**	**—**
Depreciation expense	**—**	**(57)**	**—**	**(57)**
Net foreign currency exchange differences	**(407)**	**71**	**(155)**	**(491)**
Balance at June 30, 2022	**$ 3,739**	**$ (658)**	**$ 1,386**	**$ 4,467**

Property, plant and equipment of our company is predominantly comprised of last mile utility connections at our U.K. regulated distribution operation which provides essential services and generate regulated cash flows. Tariffs are set on the basis of a regulated asset base, provides inflation protection, and are typically adjusted annually. Our U.K. operation has a diverse customer base throughout England, Scotland, and Wales, which underpins its cash flows.

Our company's property, plant, and equipment is measured at fair value on a recurring basis with an effective date of revaluation for all asset classes of December 31. Our company determined fair value under the income method. Assets under development were revalued where fair value could be reliably measured.

7. INTANGIBLE ASSETS

	As of	
US$ MILLIONS	**June 30, 2022**	December 31, 2021
Cost	**$ 3,575**	$ 3,332
Accumulated amortization	**(729)**	(645)
Total	**$ 2,846**	$ 2,687

Intangible assets are allocated to the following cash generating units:

	As of	
US$ MILLIONS	**June 30, 2022**	December 31, 2021
Brazilian regulated gas transmission operation	**$ 2,812**	$ 2,645
U.K. regulated distribution operation	**34**	42
Total	**$ 2,846**	$ 2,687

Our company's intangible assets are primarily related to concession arrangements with the local energy regulator, Agência Nacional do Petróleo, Gás Natural e Biocombustíveis ("ANP"), at our Brazilian regulated gas transmission operation. Total capacity is fully contracted under long-term "ship-or-pay" gas transportation agreements ("GTA") and therefore the business is exposed to no volume or price risk. Each GTA takes into account a return on regulatory asset base ("RAB"), and the tariffs are calculated on an inflation adjusted regulatory weighted average cost of capital ("WACC") fixed for the life of GTAs. On April 8, 2021, new legislation was passed in Brazil which provides our Brazilian regulated gas transmission operation the right to operate the gas pipelines perpetually.

The intangible assets at our U.K. regulated distribution operation relate to customer order backlogs, which represents the present value of future earnings derived from the build out of contracted connections at the acquisition date of the U.K. regulated distribution operation.

The following table presents the change in the cost balance of intangible assets:

US$ MILLIONS	For the six-month period ended June 30, 2022	For the 12 month period ended December 31, 2021
Cost at beginning of the period	**$ 3,332**	$ 3,527
Additions, net of disposals	**41**	38
Non cash additions	**—**	5
Foreign currency translation	**202**	(238)
Ending Balance	**$ 3,575**	$ 3,332

The following table presents the accumulated amortization for our company's intangible assets:

US$ MILLIONS	For the six-month period ended June 30, 2022	For the 12 month period ended December 31, 2021
Accumulated amortization at beginning of the period	**$ (645)**	$ (579)
Amortization	**(51)**	(108)
Foreign currency translation	**(33)**	42
Ending Balance	**$ (729)**	$ (645)

8. INVESTMENTS IN ASSOCIATES

The following table represents the change in balance of investments in associates:

US$ MILLIONS	For the six-month period ended June 30, 2022
Balance at the beginning of the period	**$ —**
Acquisitions	**455**
Share of losses for the period	**(4)**
Foreign currency translation and other	**(19)**
Share of other comprehensive income	**4**
Distributions	**(17)**
Ending Balance	**$ 419**

In February 2022, our company acquired an approximate 8% interest in an Australian regulated utility, AusNet Services Ltd ("AusNet") for $455 million. Based on our ownership interest and governance rights retained, our company equity accounts for the entity.

The following tables summarize the aggregate balances of investments in associates on a 100% basis:

US$ MILLIONS	As of June 30, 2022
Financial position:	
Total assets	**13,868**
Total liabilities	**(8,462)**
Net assets	**$ 5,406**

US$ MILLIONS	For the three-month period ended June 30, 2022	For the six-month period ended June 30, 2022
Financial performance:		
Total revenue	**$ 361**	**$ 521**
Total net income for the period[1]	**36**	**(52)**
Our company's share of net income	**$ 2**	**$ (4)**

1. *Total net income for the six-month period ended June 30, 2022 includes acquisition-related transaction costs of $105 million.*

9. GOODWILL

The following table presents the carrying amount for our company's goodwill:

US$ MILLIONS	As of June 30, 2022	As of December 31, 2021
Balance at beginning of the period	**$ 489**	$ 528
Foreign currency translation and other	**27**	(39)
Ending Balance	**$ 516**	$ 489

Goodwill mainly arose from the recognition of a deferred tax liability due to purchase price accounting upon the acquisition of our Brazilian regulated gas transmission business. The operating performance at our Brazilian regulated gas transmission business benefits from stable, long-term, contracted cash flows and has been largely unimpacted by recent changes in the macroeconomic environment. As such, no impairment indicators were noted during the six-month period ended June 30, 2022.

10. BORROWINGS

Non-Recourse Borrowings

US$ MILLIONS	As of June 30, 2022	As of December 31, 2021
Current	**$ 1,315**	$ —
Non-current	**3,158**	3,556
Total	**$ 4,473**	$ 3,556

Non-recourse borrowings have increased by $917 million since year-end. The increase is primarily attributable to debt raised by our Brazilian regulated gas transmission business in connection with financing our deferred consideration obligation, partially offset by the impact of foreign exchange.

11. FINANCIAL LIABILITIES

US$ MILLIONS	As of June 30, 2022	As of December 31, 2021
Current:		
Deferred consideration	—	995
Total current financial liabilities	**$ —**	$ 995

Deferred consideration

Deferred consideration is related to the April 4, 2017 acquisition of Nova Transportadora do Sudeste S.A. ("NTS"), our Brazilian regulated gas transmission business. The deferred consideration was denominated in U.S. dollars and accrued interest at 3.35% compounded annually. The financial liability was measured at amortized cost and was settled on April 4, 2022, the fifth anniversary of the date of acquisition.

Exchangeable shares, class B shares and class C shares

The exchangeable and class B shares are classified as liabilities due to their exchangeable and cash redemption features. Upon issuance, exchangeable and class B shares are recognized at their fair value. Subsequent to initial recognition, the exchangeable and class B shares are recognized at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows are based on the price of one unit of the partnership.

In August 2021, the partnership acquired a controlling interest in Inter Pipeline Limited ("IPL") for consideration comprised of cash, exchangeable shares and class B exchangeable limited partnership units ("BIPC exchangeable LP units") of Brookfield Infrastructure Corporation Exchange Limited Partnership ("BIPC Exchange LP"). BIPC Exchange LP is a subsidiary of the partnership and holders of BIPC exchangeable LP units have the right to require the partnership to purchase BIPC exchangeable LP units and deliver one exchangeable share for each BIPC exchangeable LP unit purchased. During the six-month period ended June 30, 2022, our company issued 317,595 exchangeable shares in connection with exchange requests from BIPC Exchange LP unit holders. Upon issuance, the exchangeable shares were recognized at their fair value.

During the six-month period ended June 30, 2022, our shareholders exchanged 6,332 exchangeable shares for an equal number of partnership units. As at June 30, 2022, the exchangeable and class B shares were remeasured to reflect the NYSE closing price of one unit, $38.22 per share. Remeasurement gains or losses associated with these shares are recorded in the unaudited interim condensed and consolidated statements of operating results. Our company declared and paid dividends of $39 million and $79 million on its exchangeable shares outstanding during the three and six-month periods ended June 30, 2022, respectively (2021: $23 million and $46 million, respectively). Dividends paid on exchangeable shares are presented as interest expense in the unaudited interim condensed and consolidated statements of operating results.

On June 10, 2022, Brookfield Infrastructure completed a three-for-two stock split of partnership units, BIPC exchangeable LP units, exchangeable shares, class B shares and class C shares, by way of a subdivision whereby unitholders/shareholders received an additional one-half of a unit/share for each unit/share held. All historical units/shares and per unit/share disclosures have been adjusted to effect for the change in units/shares due to the stock split.

The following table provides a continuity schedule of outstanding exchangeable shares and class B shares along with our corresponding liability and remeasurement gains and losses:

	Exchangeable shares outstanding (Shares)	Class B shares outstanding (Shares)	Exchangeable and class B shares (US$ Millions)
Balance at January 1, 2021	67,441,451	2	$ 2,221
Share issuance[(1)]	42,195,641	—	1,776
Share issuance - BIPC exchangeable LP unit exchanges	556,997	—	23
Shares exchanged to units	(36,549)	—	(1)
Remeasurement of liability	—	—	447
Balance at December 31, 2021	**110,157,540**	**2**	**$ 4,466**
Share issuance - BIPC exchangeable LP unit exchanges	**317,595**	—	**15**
Shares exchanged to units	**(6,332)**	—	—
Remeasurement of liability	—	—	**(259)**
Balance as at June 30, 2022	**110,468,803**	**2**	**$ 4,222**

1. *During the year ended December 31, 2021, our company issued 3.2 million shares in exchange for net cash consideration of $128 million. The remaining shares were issued to subsidiaries of the partnership in exchange for non-cash consideration including loans receivable and settlements of loan payable.*

Similar to class B shares, class C shares are classified as liabilities due to their cash redemption feature. However, class C shares, the most subordinated class of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32. Refer to Note 15, *Equity*, for further details related to class C shares.

12. REVENUE

a) Revenues by service line

Substantially all of these revenues are recognized over time as services are rendered. The following table disaggregates revenues by service line:

US$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2022	2021	**2022**	2021
Gas Transmission	**$ 343**	$ 272	**$ 663**	$ 530
Distribution	**86**	92	**177**	196
Connections	**45**	45	**85**	78
Other	**5**	7	**15**	11
Total	**$ 479**	$ 416	**$ 940**	$ 815

During the three and six-month periods ended June 30, 2022, revenues benefited from inflationary tariff increases and capital commissioned into rate base.

b) Revenues from external customers

The following table disaggregates revenues by geographical region:

US$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2022	2021	**2022**	2021
Brazil	**$ 343**	$ 272	**$ 663**	$ 530
United Kingdom	**136**	144	**277**	285
Total	**$ 479**	$ 416	**$ 940**	$ 815

Our company's revenues are generated from a diverse customer base, with only one customer that makes up greater than 10% of our company's consolidated revenues. For the three and six-month periods ended June 30, 2022, revenue generated from this customer was $343 million and $663 million, respectively (2021: $272 million and $530 million). Our company has completed a review of the credit risk of key counterparties. Based on their liquidity position, business performance, and aging of our accounts receivable, we do not have any significant changes in expected credit losses at this time. Our company continues to monitor the credit risk of our counterparties in light of the current economic environment.

13. DIRECT OPERATING COSTS

Direct operating costs are costs incurred to earn revenue and include all attributable expenses. The following table lists direct operating costs for the three and six-month periods ended June 30, 2022, and 2021. Comparative figures have been reclassified to conform to the current period's presentation:

US$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2022	2021	**2022**	2021
Depreciation and amortization	**$ 54**	$ 70	**$ 108**	$ 145
Transportation and distribution	**40**	40	**80**	80
Operations and maintenance	**14**	12	**29**	24
Compensation	**15**	11	**30**	20
Cost of inventory	**1**	2	**4**	3
Other	**7**	7	**14**	14
Total	**$ 131**	$ 142	**$ 265**	$ 286

14. INCOME TAXES

For the three and six-month periods ended June 30, 2022, net income included a $90 million deferred tax recovery due to an internal restructuring at our Brazilian regulated gas transmission business.

On May 24, 2021, Finance Bill 2021 in the U.K. became substantively enacted. As a result, effective April 2023, the U.K. tax rate will increase from 19% to 25%. During the three and six-month periods ended June 30, 2021, net income and accumulated other comprehensive income included $96 million and $87 million of deferred tax expenses, respectively, related to the rate change. There was no corresponding impact to the results for the three and six-month periods ended June 30, 2022.

15. EQUITY

Our company's equity is comprised of the following shares:

	Class C shares	
	Shares outstanding (Shares)[1]	**Share capital (US$ Millions)**
Balance at January 1, 2021	**2,103,677**	**$ 53**
Share issuance	—	—
Balance at December 31, 2021 and June 30, 2022	**2,103,677**	**$ 53**

1. *Shares outstanding have been adjusted to effect for the change in shares due to the stock split. See Note 11, Financial Liabilities.*

Our company's share capital is comprised of exchangeable shares, class B shares and class C shares. Due to the exchange feature of the exchangeable shares and the cash redemption feature of the class B and class C shares, the exchangeable shares, the class B shares, and the class C shares are classified as financial liabilities. However, class C shares, the most subordinated of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32. Refer to Note 11*, Financial Liabilities*, for further details related to exchangeable and class B shares.

16. RELATED PARTY TRANSACTIONS

In the normal course of operations, our company entered into the transactions below with related parties. The ultimate parent of our company is Brookfield. Other related parties of our company represent Brookfield's subsidiary and operating entities.

Since inception, our partnership has had a management agreement (the "Master Services Agreement"), with certain service providers (the "Service Providers") which are wholly-owned subsidiaries of Brookfield.

Pursuant to the Master Services Agreement, on a quarterly basis, the partnership pays a base management fee, referred to as the Base Management Fee, to the Service Provider equal to 0.3125% per quarter (1.25% annually) of the combined market value of the partnership and our company. Our company reimburses the partnership for our proportionate share of the management fee. For purposes of calculating the base management fee, the market value of the partnership is equal to the aggregate value of all the outstanding units (assuming full conversion of Brookfield's Redeemable Partnership Units in Brookfield Infrastructure into units), preferred units and securities of the other Service Recipients (as defined in the Master Services Agreement) that are not held by Brookfield Infrastructure, plus all outstanding third-party debt with recourse to a Service Recipient, less all cash held by such entities. The amount attributable to our company is based on weighted average units and shares outstanding, after retroactively adjusting for the special distribution.

The Base Management Fee attributable to our company was $16 million and $34 million for the three and six-month periods ended June 30, 2022, respectively (2021: $9 million and $18 million, respectively) and has been recorded as part of general and administrative expenses in the interim financial statements.

Our company's affiliates provide connection services in the normal course of operations on market terms to affiliates and associates of Brookfield Property Partners L.P. For the three and six-month periods ended June 30, 2022, revenues of less than $1 million were generated (2021: less than $1 million) and $nil expenses were incurred (2021: $nil).

Our company is party to two credit agreements with Brookfield Infrastructure, one as borrower and one as lender, each providing for a ten-year revolving $1 billion credit facility for purposes of providing our company and Brookfield Infrastructure with access to debt financing on an as-needed basis and to maximize our flexibility and facilitate the movement of cash within our group. We intend to use the liquidity provided by the credit facilities for working capital purposes and to fund growth capital investments and acquisitions. The determination of which of these sources of funding our company will access in any particular situation will be a matter of optimizing needs and opportunities at that time.

The credit facilities are available in U.S. or Canadian dollars, and advances will be made by way of LIBOR, base rate, CDOR, or prime rate loans. Both operating facilities bear interest at the benchmark rate plus an applicable spread, in each case subject to adjustment from time to time as the parties may agree. In addition, each credit facility contemplates potential deposit arrangements pursuant to which the lender thereunder would, with the consent of a borrower, deposit funds on a demand basis to such borrower's account at market interest rate. As of June 30, 2022, $nil (December 31, 2021: $nil) was drawn on the credit facilities under the credit agreements with Brookfield Infrastructure.

Brookfield Infrastructure provided our company an equity commitment in the amount of $1 billion. The equity commitment may be called by our company in exchange for the issuance of a number of class C shares or preferred shares, as the case may be, to Brookfield Infrastructure, corresponding to the amount of the equity commitment called divided (i) in the case of a subscription for class C shares, by the volume-weighted average of the trading price for one exchangeable share on the principal stock exchange on which our exchangeable shares are listed for the five (5) days immediately preceding the date of the call, and (ii) in the case of a subscription for preferred shares, $25.00. The equity commitment will be reduced permanently by the amount so called. As at June 30, 2022, $nil (December 31, 2021: $nil) was called on the equity commitment.

BIPC Holdings Inc., a wholly owned subsidiary of our company, fully and unconditionally guaranteed (i) any unsecured debt securities issued by Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Limited and Brookfield Infrastructure Finance Pty Ltd., which we refer to collectively as the "Co-Issuers", in each case as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture dated October 10, 2012 among the Co-Issuers and Computershare Trust Company of Canada under which such securities are issued, (ii) the senior preferred shares of BIP Investment Corporation ("BIPIC"), as to the payment of dividends when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BIPIC, (iii) certain of the partnership's preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of the partnership, and (iv) the obligations of Brookfield Infrastructure under its bilateral credit facilities. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. In addition, BIPC Holdings Inc. guaranteed (i) subordinated debt securities issued by Brookfield Infrastructure Finance ULC or BIP Bermuda Holdings I Limited on a subordinated basis, as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture under which such securities are issued, and (ii) the obligations of Brookfield Infrastructure Holdings (Canada) Inc. under its commercial paper program.

As at June 30, 2022, the balance outstanding on our deposit with Brookfield Infrastructure was $558 million (December 31, 2021: $1,093 million). The balance decreased from December 31, 2021 due to net repayments from Brookfield Infrastructure of $535 million. The deposit accrues interest at 0.2% per annum. As at June 30, 2022, the demand deposit payable to Brookfield Infrastructure was $131 million (December 31, 2021: $131 million). The deposit accrues interest at 0.2% per annum. Interest incurred on the deposit payable to Brookfield Infrastructure during the three and six-month periods ended June 30, 2022 was less than $1 million (2021: $13 million and $26 million, respectively).

As at June 30, 2022, our company had accounts payable of $9 million (December 31, 2021: $5 million) to subsidiaries of Brookfield Infrastructure and accounts receivable of $9 million (December 31, 2021: $20 million) from subsidiaries of Brookfield Infrastructure.

17. SUPPLEMENTAL CASH FLOW INFORMATION

US$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2022	2021	**2022**	2021
Interest paid	**$ 136**	$ 76	**$ 203**	$ 127
Income taxes paid	**$ 32**	$ 34	**$ 242**	$ 145

Amounts paid and received for interest were reflected as operating cash flows in the unaudited interim condensed and consolidated statements of cash flows. Interest paid is net of debt related hedges.

Amounts paid for income taxes were reflected as either operating cash flows or investing cash flows in the unaudited interim condensed and consolidated statements of cash flows depending upon the nature of the underlying transaction.

Details of "Changes in non-cash working capital, net" on the unaudited interim condensed and consolidated statements of cash flows are as follows:

US$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2022	2021	**2022**	2021
Accounts receivable	**$ (25)**	$ (16)	**$ (44)**	$ (56)
Accounts payable and other	**85**	32	**39**	(5)
Changes in non-cash working capital, net	**$ 60**	$ 16	**$ (5)**	$ (61)

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF JUNE 30, 2022 AND DECEMBER 31, 2021 AND
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is the responsibility of management of Brookfield Infrastructure Corporation (our "company"). This MD&A is dated August 11, 2022 and has been approved by the Board of Directors of our company for issuance as of that date. The Board of Directors carries out its responsibility for review of this document principally through its audit committee, comprised exclusively of independent directors. The audit committee reviews and, prior to its publication, approves this MD&A, pursuant to the authority delegated to it by the Board of Directors. The terms "we," "us" and "our" refer to Brookfield Infrastructure Corporation, and our company's direct and indirect operating entities as a group. This MD&A should be read in conjunction with our company's most recently issued annual and interim financial statements. Additional information is available on our website at bip.brookfield.com/bipc, on SEDAR's website at www.sedar.com and on EDGAR's website at www.sec.gov.

The class A exchangeable subordinate voting shares (each, an "exchangeable share") of our company are structured with the intention of being economically equivalent to the non-voting limited partnership units ("units") of Brookfield Infrastructure Partners L.P. (the "partnership", the "parent company" or, collectively with its subsidiaries, but excluding our company, "Brookfield Infrastructure") (NYSE: BIP; TSX: BIP.UN). We believe economic equivalence is achieved through identical dividends and distributions on the exchangeable shares and the partnership's units and each exchangeable share being exchangeable at the option of the holder for one unit of the partnership at any time. Given the economic equivalence, we expect that the market price of the exchangeable shares will be significantly impacted by the market price of the partnership's units and the combined business performance of our company and Brookfield Infrastructure as a whole. In addition to carefully considering the disclosure made in this document, shareholders are strongly encouraged to thoroughly review the partnership's periodic reporting. The partnership is required to file reports, including annual reports on Form 20-F, and other information with the United States Securities and Exchange Commission (the "SEC"). The partnership's SEC filings are available to the public from the SEC's website at http://www.sec.gov. Copies of documents that have been filed with the Canadian securities authorities can be obtained at www.sedar.com. Information about the partnership, including its SEC filings, is also available on its website at https://bip.brookfield.com. The information found on, or accessible through, https://bip.brookfield.com is not incorporated into and does not form a part of this MD&A.

In addition to historical information, this MD&A contains forward-looking statements. Readers are cautioned that these forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. See "Cautionary Statements Regarding Forward-Looking Statements".

Basis of Presentation

Our unaudited interim condensed and consolidated financial statements ("interim financial statements") are prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting ("*IAS 34") as issued by the International Accounting Standards Board ("IASB"). Our interim financial statements include the accounts of our company and the entities over which it has control. Our company accounts for investments over which it exercises significant influence, but does not control, using the equity method. Non-IFRS measures used in this MD&A are reconciled to or calculated from such values. All dollar references, unless otherwise stated, are in millions of United States dollars ("USD").

When we discuss our performance measures, we present our company's share of results, in order to demonstrate the impact of key value drivers of each of these operating entities on the overall performance. As a result, our company's share of revenues, costs attributable to revenues, other income, interest expense, depreciation and amortization, deferred taxes, fair value adjustments and other items will differ from results presented in accordance with IFRS as they exclude the share of earnings of investments not held by our company apportioned to each of the above noted items. However, net income attributable to the parent company for each operating entity is consistent with results presented in accordance with IFRS.

Overview of our Company

Our company is a Canadian corporation incorporated under, and governed by, the laws of British Columbia. We were established by the partnership to be an alternative investment vehicle for investors who prefer owning our infrastructure operations through a corporate structure. While our current operations are utilities located in the U.K., Brazil and Australia, shareholders have exposure to several other markets across the transport, midstream, and data operating segments by virtue of the exchange feature of our company's exchangeable shares. While our company has the option to settle the exchange obligation with cash or units of the partnership, we intend to deliver units.

Our business is comprised of a U.K. regulated distribution operation, a Brazilian regulated natural gas transmission operation and an Australian regulated utility. These businesses earn a return on a regulated or notionally stipulated asset base, which we refer to as rate base, or from revenues in accordance with long-term agreements. Our rate base increases with capital that we invest to upgrade and expand our systems. Depending on the jurisdiction, our rate base may also increase by inflation and maintenance capital expenditures and decrease by regulatory depreciation. The return that we earn is typically determined by a regulator for prescribed periods of time. Thereafter, it may be subject to customary reviews based upon established criteria. Our diversified portfolio of assets allows us to mitigate exposure to any single regulatory regime. In addition, due to the franchise frameworks and economies of scale of our businesses, we often have significant competitive advantages in competing for projects to expand our rate base and earn incremental revenues. Accordingly, we expect this segment to produce stable revenue and margins over time that should increase with investment of additional capital and inflation. Nearly all of our revenues are regulated or contractual.

Our company, our subsidiaries and Brookfield Infrastructure (collectively, our "group"), target a total return of 12% to 15% per annum on the infrastructure assets that it owns, measured over the long term. Our group intends to generate this return from the in-place cash flows from our operations plus growth through investments in upgrades and expansions of our asset base, as well as acquisitions. The partnership determines its distributions based primarily on an assessment of its operating performance. Our group uses funds from operations ("FFO") to assess operating performance and can be used on a per unit basis as a proxy for future distribution growth over the long-term. For further details, see the "Performance Disclosures" section of this MD&A.

Dividend Policy

The partnership's distributions are underpinned by stable, highly regulated and contracted cash flows generated from operations. The partnership's objective is to pay a distribution that is sustainable on a long-term basis and has set its target payout ratio at 60-70% of the partnership's FFO.

The board of directors of the general partner of the partnership approved a 6% increase in the partnership's quarterly distribution to $0.36 per unit (or $1.44 per unit annualized), starting with the distribution paid in March 2022. This increase reflects the forecasted contribution from the partnership's recently commissioned capital projects, as well as, the expected cash yield on recent acquisitions. The partnership targets 5% to 9% annual distribution growth in light of growth it foresees in its operations.

Our board may declare dividends at its discretion. However, each of our exchangeable shares has been structured with the intention of providing an economic return equivalent to one unit of the partnership. It is expected that dividends on our exchangeable shares will be declared and paid at the same time and in the same amount as distributions are declared and paid on the units of the partnership. Accordingly, our board approved an equivalent quarterly dividend of $0.36 per exchangeable share (or $1.44 per exchangeable share annualized), starting with the dividend paid in March 2022.

On June 10, 2022, Brookfield Infrastructure completed a three-for-two stock split of partnership units, BIPC exchangeable LP units, exchangeable shares, class B shares and class C shares, by way of a subdivision whereby unitholders/shareholders received an additional one-half of a unit/share for each unit/share held. All historical units/shares and per unit/share disclosures have been adjusted to effect for the change in units/shares due to the stock split.

RESULTS OF OPERATIONS

The following table summarizes the key financial results of our company for the three and six-month periods ended June 30, 2022 and 2021:

US$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
Summary Statements of Operating Results	**2022**	2021	**2022**	2021
Revenues	**$ 479**	$ 416	**$ 940**	$ 815
Direct operating costs[1]	**(131)**	(142)	**(265)**	(286)
General and administrative expenses	**(17)**	(10)	**(37)**	(20)
Interest expense	**(143)**	(68)	**(245)**	(131)
Share of earnings (losses) from investments in associates and joint ventures	**2**	—	**(4)**	—
Mark-to-market on hedging items and foreign currency revaluation	**(19)**	(15)	**82**	(25)
Remeasurement of exchangeable and class B shares	**656**	(103)	**259**	(276)
Other income	**14**	160	**14**	146
Income tax recovery (expense)	**1**	(173)	**(118)**	(244)
Net income (loss)	**842**	65	**626**	(21)
Net income (loss) attributable to the partnership	**673**	(43)	**300**	(221)

1. *Our company reclassified depreciation and amortization expense, which was previously presented as a separate line item, to direct operating costs. Direct operating costs include depreciation and amortization expenses of $54 million and $108 million for the three and six-month periods ended June 30, 2022, respectively. Prior period amounts were also adjusted to reflect this change, which resulted in an increase to direct operating costs by $70 million and $145 million for the three and six-month periods ended June 30, 2021, respectively, with an equal and offsetting decrease to depreciation and amortization expense. This reclassification had no impact on revenues or net income.*

Three-month periods ended June 30, 2022 and 2021

For the three-month period ended June 30, 2022, our company reported net income of $842 million, of which $673 million was attributable to the partnership. This compares to net income of $65 million for the three-month period ended June 30, 2021, of which a net loss of $43 million was attributable to the partnership. Net income for the current quarter benefited from inflation-indexation at our Brazilian regulated gas transmission business and capital commissioned into rate base at our U.K. regulated distribution business. Revaluation gains of $656 million were recognized on our company's exchangeable shares that are classified as liabilities under IFRS. This compares to revaluation losses of $103 million for the three-month period ended June 30, 2021, which resulted in a net loss being recorded.

Total revenues increased by $63 million relative to the same period during the prior year. Underlying gas transmission revenues in Brazil increased by $47 million due to inflation-indexation while the appreciation of the Brazilian real further increased our revenues in U.S. dollars by $24 million relative to 2021. Revenues in the U.K. benefited from capital commissioned into rate base as well as an increase in connections activity which contributed additional revenues of $6 million in comparison to the prior year. These positive factors were offset by the impact of the sale of our U.K. smart meter business in May 2021 and the depreciation of the British pound.

Direct operating costs decreased by $11 million compared to the prior year. Increased costs due to inflation and organic growth were more than offset by a decrease in amortization expense associated with a new legislation passed in 2021 in Brazil, which extended the useful life of our intangible assets, and a reduction in depreciation expense associated with the sale of our smart meter business in the U.K. in May 2021.

General and administrative expenses totaled $17 million for the three-month period ended June 30, 2022, an increase of $7 million compared to the same period in 2021. This line item primarily consists of the base management fee that is paid to Brookfield based on our company's and the partnership's combined market value plus net recourse debt, and allocated to our company based on proportionate weighted average shares outstanding during the period. The base management fee allocated to our company increased by $7 million due to an increase in the combined market value of our company and the partnership compared to the same period in 2021. In addition, exchangeable shares represent a greater share of total shares/units outstanding compared to the prior year as a result of the issuance of exchangeable shares associated with the acquisition of IPL.

Interest expense for the three-month period ended June 30, 2022 increased by $75 million to $143 million due to incremental charges associated with debt issued at our Brazilian regulated gas transmission business to fund the deferred consideration paid in April 2022, and an increase in the interest rates on our variable rate non-recourse borrowings. Current year results were further impacted by an increase in dividends paid on our exchangeable shares, classified as interest expense, due to an increase in share count. These increases were partially offset by a decrease in interest incurred on loans payable to Brookfield Infrastructure as a result of repayments made during the past year.

Mark-to-market on hedging items and foreign currency revaluation losses totaled $19 million for the three-month period ended June 30, 2022, compared to $15 million in the prior year. This increase was primarily due to foreign currency translation losses on amounts due from Brookfield Infrastructure denominated in Canadian dollars.

Remeasurement gains, which relate to the revaluation of the exchangeable shares classified as liabilities, were $656 million for the three-month period ended June 30, 2022, compared to losses of $103 million in the prior year. The remeasurement gains reflect the decrease in the market price of partnership units based on the NYSE closing price as well as the issuance of approximately 42 million exchangeable shares during the past year, predominantly in connection with the partnership's acquisition of Inter Pipeline Ltd ("IPL") in 2021.

Other income for the three-month period ended June 30, 2022 was $14 million, a decrease of $146 million compared to the same period in the prior year. Other income in the prior year included a gain recognized on the sale of the smart meter portfolio at our U.K. regulated distribution business of $175 million, partially offset by accretion expense on deferred consideration at our Brazilian regulated gas transmission business which was settled in April 2022. Other income in the current period also included incremental interest income earned on excess cash placed on deposit of $14 million.

Income tax for the three-month period ended June 30, 2022 was a recovery of $1 million compared to an expense of $173 million in the prior year. Income tax in the current period benefited from the recognition of a deferred tax asset of $90 million associated with an internal restructuring, partially offset by an increase in current taxes as a result of higher income at our Brazilian regulated gas transmission business. Prior year results were impacted by an increase in future U.K. tax rates from 19% to 25%, which resulted in the recognition of an incremental income tax expense of $96 million.

Six-month periods ended June 30, 2022 and 2021

For the six-month period ended June 30, 2022, our company reported net income of $626 million, of which $300 million was attributable to the partnership. This compares to a net loss of $21 million for the six-month period ended June 30, 2021, of which $221 million was attributable to the partnership. Net income for the current period benefited from inflation-indexation at our Brazilian regulated gas transmission business and capital commissioned into rate base at our U.K. regulated distribution business. Revaluation gains of $259 million were recognized on our company's exchangeable shares that are classified as liabilities under IFRS. This compares to revaluation losses of $276 million for the six-month period ended June 30, 2021, which resulted in a net loss being recorded.

Total revenues increased by $125 million relative to the same period during the prior year. Gas transmission revenues in Brazil increased by $94 million due to inflation-indexation while the appreciation of the Brazilian real further increased our revenues in U.S. dollars by $39 million relative to 2021. Revenues in the U.K. benefited from capital commissioned into rate base as well as an increase in connections activity which contributed additional revenues of $14 million in comparison to the prior year. These benefits were more than offset by the sale of our U.K. smart meter business in May 2021 and the depreciation of the British pound.

Direct operating costs for the six-month period ended June 30, 2022 were $265 million, a decrease of $21 million compared to the prior year. Increased costs due to inflation and organic growth were more than offset by a decrease in amortization expense associated with a new legislation passed in 2021 in Brazil, which extended the useful life of our intangible assets, and a decrease in depreciation expense associated with the sale of our smart meter business in the U.K. in May 2021.

General and administrative expenses totaled $37 million for the six-month period ended June 30, 2022, an increase of $17 million compared to the same period in 2021. This line item primarily consists of the base management fee that is paid to Brookfield based on our company and the partnership's combined market value plus net recourse debt, and allocated to our company based on proportionate weighted average shares outstanding during the period. The base management fee allocated to our company increased by $16 million primarily due to an increase in the combined market value of our company and the partnership compared to the same period in 2021. In addition, exchangeable shares represent a greater share of total shares/units outstanding compared to the prior year as a result of the issuance of exchangeable shares associated with the acquisition of IPL.

Interest expense for the six-month period ended June 30, 2022 was $245 million, an increase of $114 million compared to the same period in 2021. This increase was due to incremental charges associated with debt issued at our Brazilian regulated gas transmission business to fund the deferred consideration paid in April 2022, and an increase in the interest rates on our variable rate non-recourse borrowings. Current year results were further impacted by an increase in dividends paid on our exchangeable shares, classified as interest expense, due to an increase in share count. These increases were partially offset by a decrease in interest incurred on loans payable to Brookfield Infrastructure as a result of repayments made during the past year.

Mark-to-market on hedging items and foreign currency revaluation gains totaled $82 million for the six-month period ended June 30, 2022, compared to losses of $25 million in the prior year. This increase was primarily due to the impact of foreign exchange revaluation on the deferred consideration paid, denominated in U.S. dollars, at our Brazilian regulated gas transmission business. As a result of the appreciation of the Brazilian real against the U.S. dollar, a translation gain was recognized on settlement of the U.S. denominated financial liability in the functional currency.

Remeasurement gains for the six-month period ended June 30, 2022 were $259 million compared to losses of $276 million in the prior year. The remeasurement gains reflect the decrease in the market price of partnership units based on the NYSE closing price as well as the issuance of approximately 42 million exchangeable shares during the past year, predominantly in connection with the partnership's acquisition of IPL in 2021.

Other income for the six-month period ended June 30, 2022 was $14 million, a decrease of $132 million compared to the same period in the prior year. Other income in the prior year included a gain recognized on the sale of the smart meter portfolio at our U.K. regulated distribution business of $175 million, partially offset by accretion expense on deferred consideration at our Brazilian regulated gas transmission business which was settled in April 2022. Other income in the current period included incremental interest income earned on excess cash placed on deposit of $27 million.

Income tax expense for the six-month period ended June 30, 2022 was $118 million, a decrease of $126 million compared to the prior year. Income tax in the current period benefited from the recognition of a deferred tax asset of $90 million associated with an internal restructuring, partially offset by an increase in current taxes as a result of higher income at our Brazilian regulated gas transmission business. Prior year results were impacted by an increase in future U.K. tax rates from 19% to 25%, which resulted in the recognition of an incremental income tax expense of $96 million.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table summarizes the statements of financial position of our company as at June 30, 2022 and December 31, 2021:

US$ MILLIONS	As of	
Summary Statements of Financial Position Key Metrics	**June 30, 2022**	December 31, 2021
Cash and cash equivalents	**$ 512**	$ 469
Due from Brookfield Infrastructure	**558**	1,093
Property, plant and equipment	**4,467**	4,803
Intangible assets	**2,846**	2,687
Investment in associates	**419**	—
Total assets	**10,034**	10,086
Loans payable to Brookfield Infrastructure	**131**	131
Exchangeable and class B shares	**4,222**	4,466
Non-recourse borrowings	**4,473**	3,556
Total liabilities	**11,112**	11,510
Equity in net assets attributable to the partnership	**(1,963)**	(2,127)
Total equity	**(1,078)**	(1,424)

Total assets as at June 30, 2022 remained relatively consistent with year-end at $10.0 billion. Our company added $0.2 billion to property, plant and equipment and acquired an 8% interest in an Australian regulated utility which increased total assets by $0.5 billion. These increases were more than offset by a reduction in our company's deposit with Brookfield Infrastructure and the impact of foreign exchange which decreased total assets by $0.5 billion and $0.3 billion, respectively.

Our accounting policy is to carry property, plant and equipment at fair value and intangible assets at amortized cost. Our last revaluation date for the measurement of property, plant and equipment, as well as the testing of intangible assets and goodwill for impairment, was December 31, 2021. Our valuation of property, plant and equipment is underpinned by regulated cash flow. Our local revenues have been predominantly unimpacted by the recent changes in the macroeconomic environment as we earn a regulated return on an asset base for making the infrastructure available to users with minimal volume and price risk. Given the stable cash flows generated by our business, we believe the long-term value of these assets has not changed significantly from our most recent valuation.

Our exchangeable and class B shares are classified as liabilities due to their exchangeable and cash redemption features. Subsequent to initial recognition at fair value, the shares are measured at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows are based on the price of one partnership unit. As at June 30, 2022, the shares were remeasured to reflect the NYSE closing price of one partnership unit, or $38.22 per share.

Non-recourse borrowings increased by $0.9 billion to $4.5 billion at June 30, 2022. This increase was primarily due to $1.0 billion of additional debt issued to finance the deferred consideration paid in April 2022 at our Brazilian regulated gas transmission business. This increase was partially offset by the impact of foreign exchange which decreased non-recourse borrowings by $0.1 billion.

As of June 30, 2022, our company had loans payable of $131 million to subsidiaries of Brookfield Infrastructure, consistent with December 31, 2021.

Total equity was negative $1.1 billion as at June 30, 2022, compared to negative $1.4 billion at December 31, 2021. The increase is mainly due to remeasurement gains as a result of the revaluation of our exchangeable shares classified as liabilities, partially offset by the impact of foreign exchange and distributions to non-controlling interests.

Foreign Currency Translation

A discussion of the most significant currency exchange rates that impact our company are set forth below as at and for the periods indicated:

	Period End Rate			Average Rate					
	As of			For the three-month period ended June 30			For the six-month period ended June 30		
	June 30, 2022	December 31, 2021	Change	**2022**	2021	Change	**2022**	2021	Change
Brazilian real	**0.1909**	0.1792	7 %	**0.2030**	0.1890	7 %	**0.1969**	0.1857	6 %
British pound	**1.2178**	1.3532	(10)%	**1.2563**	1.3982	(10)%	**1.2983**	1.3888	(7)%
Australian dollar	**0.6903**	0.7262	(5)%	**0.7143**	0.7699	(7)%	**0.7194**	0.7713	(7)%

The net assets of our U.K. regulated distribution business, our Brazilian regulated transmission business and our Australian regulated utility represent 55%, 29% and 16% of our equity in foreign subsidiaries, respectively.

The following table disaggregates the impact of foreign currency translation on the equity of our company by the most significant non-U.S. currencies for the periods indicated:

	For the three-month period ended June 30		For the six-month period ended June 30	
US$ MILLIONS	**2022**	2021	**2022**	2021
Brazilian real	**$ (72)**	$ 207	**$ 34**	$ 44
British pound	**(114)**	37	**(161)**	52
Australian dollar	**(45)**	—	**(19)**	—
	(231)	244	**(146)**	96
Currency hedges	**(1)**	—	**(3)**	—
	$ (232)	$ 244	**$ (149)**	$ 96
Attributable to:				
The partnership	**$ (157)**	$ 93	**$ (140)**	$ 61
Non-controlling interests	**(75)**	151	**(9)**	35
	$ (232)	$ 244	**$ (149)**	$ 96

The impact of foreign currency translation on our company, including those attributable to non-controlling interests, for the three and six-month periods ended June 30, 2022, was a decrease to equity of $232 million and $149 million, respectively (2021: increase of $244 million and $96 million, respectively). The decrease in equity during the three and six-month periods was primarily due to the depreciation of the British pound relative to the U.S. dollar.

Average currency exchange rates impact the U.S. dollar equivalents of revenues and net income from non-U.S. operations on a comparative basis. The appreciation of the Brazilian real relative to the U.S. dollar during the three and six-month periods ended June 30, 2022 increased our net income in U.S. dollars. This benefit was partially offset by the depreciation of the British pound and Australian dollar.

Summary Financial Information Related to the Partnership

As the market price of our exchangeable shares is expected to be significantly impacted by the market price of the units and the combined business performance of our group as a whole, we are providing the following summary financial information regarding the partnership. For further details please review the partnership's periodic reporting referenced in the introductory section of this MD&A.

US$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
IFRS measures	**2022**	2021	**2022**	2021
Revenue	**$ 3,681**	$ 2,663	**$ 7,092**	$ 5,346
Net income	**425**	1,306	**719**	1,719

US$ MILLIONS	As of	
IFRS measures	**June 30, 2022**	December 31, 2021
Total assets	**$ 73,899**	$ 73,961
Total liabilities	**47,860**	47,570
Total partnership capital	**26,039**	26,391

PERFORMANCE DISCLOSURES

To measure performance, we focus on net income, an IFRS measure, as well as certain non-IFRS measures, including FFO, AFFO, Adjusted EBITDA and Adjusted Net Income. FFO, AFFO, Adjusted EBITDA and Adjusted Net Income are proportionate measures and are not calculated in accordance with, and do not have any standardized meaning prescribed by IFRS as issued by the IASB and may differ from, and not be comparable to, similar measures presented by other issuers.

FFO

We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, mark-to-market on hedging items and other income (expenses) that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. We exclude from FFO dividends paid on the exchangeable shares of our company that are presented as interest expense, as well as the interest expense on loans payable to the partnership which represent the partnership's investment in our company.

FFO includes balances attributable to our company generated by investments in associates accounted for using the equity method and excludes amounts attributable to non-controlling interests based on the economic interests held by non-controlling interests in consolidated subsidiaries.

FFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. FFO is therefore unlikely to be comparable to similar measures presented by other issuers. FFO has limitations as an analytical tool. Specifically, our definition of FFO may differ from the definition used by other organizations, and is different than the definition of Funds from Operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS.

AFFO

We define AFFO as FFO less capital expenditures required to maintain the current performance of our operations (maintenance capital expenditures). AFFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. AFFO is therefore unlikely to be comparable to similar measures presented by other issuers and has limitations as an analytical tool.

Adjusted EBITDA

We focus on Adjusted EBITDA which we define as net income excluding the impact of interest expense, depreciation and amortization, income taxes, mark-to-market on hedging items and other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations.

Adjusted EBITDA includes balances attributable to our company generated by investments in associates accounted for using the equity method and excludes amounts attributable to non-controlling interests based on the economic interests held by non-controlling interests in consolidated subsidiaries.

Adjusted EBITDA is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Adjusted EBITDA is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted EBITDA has limitations as an analytical tool.

Adjusted Net Income

We also focus on Adjusted Net Income, previously referred to as Adjusted Earnings, which we define as net income excluding the impact of dividends paid and remeasurement gains/losses on the exchangeable shares of our company, and interest and foreign currency translation adjustments on intercompany loans with the partnership. Aside from the change in naming convention from Adjusted Earnings to Adjusted Net Income, there have been no changes to the definition, calculation or use of this non-IFRS measure.

Adjusted Net Income includes balances attributable to our company generated by investments in associates accounted for using the equity method and excludes amounts attributable to non-controlling interests based on the economic interests held by non-controlling interests in consolidated subsidiaries.

Adjusted Net Income is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Adjusted Net Income is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted Net Income has limitations as an analytical tool.

Benefits and Uses of Non-IFRS Measures

We believe our presentation of FFO, AFFO, Adjusted EBITDA and Adjusted Net Income are useful to investors because it supplements investors' understanding of our operating performance by providing information regarding our ongoing performance that excludes items we believe do not directly affect our operations. Our presentation of FFO, AFFO, Adjusted EBITDA and Adjusted Net Income also provide investors enhanced comparability of our ongoing performance across periods.

In deriving FFO, AFFO and Adjusted EBITDA, we add back depreciation and amortization to net income. Specifically, in our financial statements we use the revaluation approach in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation expense is determined based on a revalued amount, thereby reducing comparability with our peers who do not report under IFRS as issued by the IASB or who do not employ the revaluation approach to measuring property, plant and equipment. We add back deferred income taxes on the basis that we do not believe this item reflects the present value of the actual tax obligations that we expect to incur over our long-term investment horizon. Finally, we add back the impact of mark-to-mark on hedging items and other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations.

To provide a supplemental understanding of the performance of our business and to enhance comparability across periods and relative to our peers we utilize Adjusted EBITDA. Adjusted EBITDA excludes the impact of interest expense and income taxes to assist in assessing the operating performance of our business by eliminating for the effect of its current capital structure and tax profile.

While FFO provides a basis for assessing current operating performance, it does not take into consideration the cost to sustain the operating performance of the partnership's asset base. In order to assess the long-term, sustainable operating performance of our businesses, we observe that investors take into account the impact of maintenance capital expenditures to derive AFFO, in addition to FFO.

For further details regarding our use of FFO, AFFO, Adjusted EBITDA and Adjusted Net Income, as well as a reconciliation of net income to these measures, see the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.

US$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
Key Metrics	2022	2021	2022	2021
Adjusted EBITDA[1]	**$ 183**	$ 153	**$ 339**	$ 289
Funds from Operations (FFO)[1]	**116**	118	**218**	222
Adjusted Funds from Operations (AFFO)[1]	**106**	111	**202**	213
Adjusted Net Income[1]	**73**	108	**133**	148

1. *Non-IFRS measures, please refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*

For the three-month period ended June 30, 2022, FFO decreased by $2 million and Adjusted EBITDA increased by $30 million, compared to the same period in the prior year. During the current period, FFO and Adjusted EBITDA benefited from inflation-indexation and the acquisitions of our Australian regulated utility in February 2022 and additional 3% interest in our Brazilian regulated gas transmission business completed in April 2021. Our results further benefited from capital commissioned into rate base and higher connections activity at our U.K. regulated distribution business. These positive factors were partially offset by the loss of earnings associated with the sale of our portfolio of smart meters in the U.K. completed in May 2021 and higher management fees. While FFO benefited from the aforementioned factors, these benefits were more than offset by an increase in interest expense associated with additional debt issued at our Brazilian regulated gas transmission business to fund the deferred consideration paid in April 2022, and higher interest rates on our variable rate non-recourse borrowings. FFO was further impacted by an increase in current taxes as a result of higher income at our Brazilian regulated gas transmission business.

For the three-month period ended June 30, 2022, Adjusted Net Income decreased by $35 million compared to the same period in the prior year. While Adjusted Net Income in the current period was also impacted by the factors mentioned above, prior year results benefited from a $155 million gain attributable to our company on the sale of our smart meter portfolio in the U.K. completed in May 2021. This gain was partially offset by an increase in future U.K. tax rates from 19% to 25%, which resulted in the recognition of an incremental $77 million in income tax expense.

The following table disaggregates our operating performance between our utilities operations and the corporate, general and administrative costs.

US$ MILLIONS	For the three-month period ended June 30, 2022		
Key Metrics	Utilities	Corporate	Total
Adjusted EBITDA[1]	**$ 200**	**$ (17)**	**$ 183**
Funds from Operations (FFO)[1]	**133**	**(17)**	**116**
Adjusted Funds from Operations (AFFO)[1]	**123**	**(17)**	**106**

US$ MILLIONS	For the six-month period ended June 30, 2022		
Key Metrics	Utilities	Corporate	Total
Adjusted EBITDA[1]	**$ 376**	**$ (37)**	**$ 339**
Funds from Operations (FFO)[1]	**255**	**(37)**	**218**
Adjusted Funds from Operations (AFFO)[1]	**239**	**(37)**	**202**

1. *Non-IFRS measures, please refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*

UTILITIES

Results of Operations

Our company earns a return on a regulated or notionally stipulated asset base, which we refer to as rate base. Our rate base reflects the current amount, either as defined by the regulator or as implied by our contracted cash flows, on which we earn our return. Our rate base increases with capital that we invest to expand our systems and is indexed to local inflation. The return that we earn is typically determined by a regulator for prescribed periods of time or is derived based on the contracted cash flows we have secured. We believe that the rate base is useful for investors as it provides them with an understanding of the unlevered returns our asset base can currently generate and enhances comparability across other utility investments as it assists in assessing the operating performance of our company by eliminating the effect of its current capital structure and tax profile.

The following table presents our company's share of the rate base of our utilities businesses as at June 30, 2022 and December 31, 2021:

US$ MILLIONS	As of	
	June 30, 2022	December 31, 2021
Rate base	**$ 4,610**	$ 3,961

The following table presents our company's share of key measures of our utilities business for the three and six-month periods ended June 30, 2022 and 2021:

US$ MILLIONS	**For the three-month period ended June 30**		**For the six-month period ended June 30**	
	2022	2021	**2022**	2021
Adjusted EBITDA[(1),(2)]	**$ 200**	$ 163	**$ 376**	$ 309
Funds from Operations (FFO)[(1),(2)]	**133**	128	**255**	242
Adjusted Funds from Operations (AFFO)[(1),(2)]	**123**	121	**239**	233

1. *Non-IFRS measures, please refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*
2. *Adjusted EBITDA, FFO and AFFO provided in the table above do not reflect the annual base management fee our company pays for the periods indicated to Brookfield pursuant to the Master Services Agreement or other corporate, general and administrative service costs as described below in this MD&A under "Corporate, General and Administrative Services".*

Three-month periods ended June 30, 2022 and 2021

For the three-month period ended June 30, 2022, Adjusted EBITDA and FFO for our utilities businesses were $200 million and $133 million, respectively, compared to $163 million and $128 million, respectively, in 2021. In the current quarter, Adjusted EBITDA and FFO benefited from inflation-indexation, the acquisition of our Australian regulated utility and an incremental 3% interest in our Brazilian regulated gas transmission business acquired in April 2021. Current quarter results also benefited from capital commissioned into rate base and increased levels of connections activity at our U.K. regulated distribution business. These positive factors were partially offset by the sale of our smart meter business in the U.K. in May 2021. While FFO benefited from the aforementioned factors, these benefits were partially offset by an increase in interest expense associated with higher borrowings and higher interest rates on our variable rate non-recourse borrowings as well as an increase in current taxes as a result of higher income at our Brazilian regulated gas transmission business.

The following table presents the roll-forward of our company's share of rate base:

US$ MILLIONS	**For the three-month period ended June 30, 2022**	**For the six-month period ended June 30, 2022**	For the 12 month period ended December 31, 2021
Rate base, start of period	**$ 4,963**	**$ 3,961**	$ 3,485
Acquisitions	**—**	**682**	125
Capital expenditures commissioned	**64**	**123**	262
Inflation and other indexation	**—**	**114**	250
Regulatory depreciation	**(12)**	**(24)**	(50)
Foreign exchange and other	**(405)**	**(246)**	(111)
Rate base, end of period	**$ 4,610**	**$ 4,610**	$ 3,961

Our rate base increased compared to year-end as a result of the acquisition of our Australian regulated utility, new connections at our U.K. regulated distribution business and inflation-indexation at our Brazilian regulated gas transmission business, partially offset by the impact of foreign exchange.

Capital Backlog and Capital Expenditures

Capital expenditures completed during the periods provided in the table below consist of organic growth projects at our U.K. regulated distribution business and our Australian regulated utility business. Projects include the build-out of last-mile natural gas, electricity, fiber, water, wastewater and district heating connections for the home. There have been no material capital expenditures at our company's Brazilian operations during the periods provided below. The table below summarizes our company's share of capital backlog, which represents projects that have been awarded or filed with regulators that are expected to occur over the next three years, and the historical capital expenditures for the periods presented related to our existing utility order book:

US$ MILLIONS	For the three-month period ended June 30, 2022	For the six-month period ended June 30, 2022	For the 12 month period ended December 31, 2021
Capital backlog, start of period	**$ 360**	**$ 287**	$ 365
Additional capital project mandates	**82**	**195**	343
Acquisitions (asset sales)	**—**	**70**	(130)
Less: capital expenditures	**(99)**	**(188)**	(293)
Foreign exchange and other	**(25)**	**(46)**	2
Capital backlog, end of period	**318**	**318**	287
Construction work in progress	**321**	**321**	287
Total capital to be commissioned	**$ 639**	**$ 639**	$ 574

These capital projects are financed with a combination project-level financing, which has no recourse to our company, as well as operating cash flows generated and retained within our company. Capital backlog consists primarily of a contracted order book of gas and electricity connections at our U.K. regulated gas distribution business that is expected to be commissioned over the next three years. Our order book currently totals approximately 1.5 million connections. Capital to be commissioned increased due to additional capital projects and the acquisition of our Australian regulated utility partially offset by capital commissioned and the impact of foreign exchange.

Corporate, General and Administrative Services

Pursuant to the Master Services Agreement, the partnership pays Brookfield an annual base management fee equal to 1.25% of the partnership's and our company's combined market value plus net recourse debt. Our company is allocated a portion of the management fee based on proportionate weighted average shares outstanding during the period.

Three-month periods ended June 30, 2022 and 2021

For the three-month period ended June 30, 2022, the base management fee under the Master Services Agreement was $16 million, an increase of $7 million compared to the same period during the prior year mainly driven by the increase in combined market value of the partnership and our company, as well as the issuance of additional shares by our company. In addition, exchangeable shares represent a greater share of total shares/units outstanding compared to the prior year as a result of the issuance of exchangeable shares associated with the acquisition of IPL. Our company also incurred $1 million in other general and administrative expenses during the quarter, in line with prior year.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

We focus on FFO to measure operating performance, along with IFRS measures such as net income. In addition, we also assess AFFO, Adjusted EBITDA and Adjusted Net Income. These non-IFRS measures are presented for our utilities operations both before and after the allocation of corporate, general and administrative expenses. Providing underlying performance for our utilities operations prior to allocated corporate expenses assists the comparability of our performance relative to other public utilities companies.

Adjusted EBITDA, FFO, AFFO and Adjusted Net Income are presented based on our company's share of results in operations accounted for using the consolidation and the equity method whereby we either control or exercise significant influence over the investment. Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. The presentation of the assets and liabilities and revenues and expenses do not represent our legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish our company's legal claims or exposures to such items.

We provide financial results attributable to our company because we believe it assists investors and analysts in estimating our overall performance and understanding our company's share of results from its underlying investments which have varying economic ownership interests and financial statement presentations when determined in accordance with IFRS. We believe our presentation, when read in conjunction with our company's reported results under IFRS, provides the most meaningful assessment of how our operations are performing and capital is being managed. The presentation of Adjusted EBITDA, FFO, AFFO and Adjusted Net Income has limitations as an analytical tool, including the following:

- The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses;
- Other companies may calculate proportionate results differently than we do.

Because of these limitations, our financial information presented based on our company's share in the underlying operations should not be considered in isolation or as a substitute for our financial statements as reported under IFRS.

Net income is the most directly comparable IFRS measure to FFO, AFFO, Adjusted EBITDA and Adjusted Net Income. We urge you to review the IFRS financial measures within the MD&A and to not rely on any single financial measure to evaluate our company.

FFO has limitations as an analytical tool:

- FFO does not include certain non-recurring charges such as breakage and transaction costs or non-cash valuation gains and losses.
- FFO does not include depreciation and amortization expense; because we own capital assets with finite lives, depreciation and amortization expense recognizes the fact that we must maintain or replace our asset base in order to preserve our revenue generating capability;
- FFO does not include deferred income taxes, which may become payable if we own our assets for a long period of time;
- FFO does not include the impact of mark-to-market on hedging items; and
- FFO does not include other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations.

FFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. FFO is therefore unlikely to be comparable to similar measures presented by other issuers. FFO has limitations as an analytical tool. Specifically, our definition of FFO may differ from the definition used by other organizations, and is different than the definition of Funds from Operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS.

FFO is a key measure that we use to evaluate the performance of our operations and forms the basis for our company's distribution policy.

We believe that FFO, when viewed in conjunction with our IFRS results, provides a more complete understanding of factors and trends affecting our underlying operations. FFO allows us to evaluate our company on the basis of cash return on invested capital by removing the effect of non-cash and other items.

We add back depreciation and amortization to remove the implication that our assets decline in value over time since we believe that the value of most of our assets will be sustained over time, provided we make all necessary maintenance expenditures. Specifically, in our financial statements we use the revaluation approach in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation expense is determined based on a revalued amount, thereby reducing comparability with our peers who do not report under IFRS as issued by the IASB or who do not employ the revaluation approach to measuring property, plant and equipment. We add back deferred income taxes because we do not believe this item reflects the present value of the actual cash tax obligations we will be required to pay, particularly if our operations are held for a long period of time. We add back the impact of mark-to-market on hedging items which indicate a point-in-time approximation of value on items we consider long-term. We also add back other income (expenses) that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Finally, we add back dividends paid on the exchangeable shares of our company that are presented as interest expense, as well as interest expense on loans payable to the partnership as these items represent the partnership's investment in our company.

We define AFFO as FFO less capital expenditures required to maintain the current performance of our operations (maintenance capital expenditures). While FFO provides a basis for assessing current operating performance, it does not take into consideration the cost to sustain the operating performance of the asset base. In order to assess the long-term, sustainable operating performance of our company, we observe that in addition to FFO, investors use AFFO by taking into account the impact of maintenance capital expenditures. AFFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. AFFO is therefore unlikely to be comparable to similar measures presented by other issuers and has limitations as an analytical tool.

In addition to FFO and AFFO, we focus on Adjusted EBITDA, which we define as net income excluding the impact of interest expense, depreciation and amortization, income taxes, mark-to-market on hedging items and other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Adjusted EBITDA provides a supplemental understanding of the performance of our company and enhanced comparability across periods and relative to our peers. In addition to the adjustments to FFO, Adjusted EBITDA excludes the impact of interest expense and current income taxes to remove the effect of the current capital structure and tax profile in assessing the operating performance of our company. Adjusted EBITDA is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Adjusted EBITDA is therefore unlikely to be comparable to similar measures presented by other issuers and has limitations as an analytical tool.

We also focus on Adjusted Net Income, previously referred to as Adjusted Earnings, which we define as net income excluding the impact of dividends paid and remeasurement gains/losses on the exchangeable shares of our company, and interest and foreign currency translation adjustments on intercompany loans with the partnership. Our company’s exchangeable and class B shares are classified as liabilities due to their exchangeable and cash redemption features and are remeasured to reflect changes in the contractual cash flows associated with the shares based on the NYSE closing price of one unit. We exclude the remeasurement gains or losses as these items are not reflective of the ongoing performance of our underlying operations. Dividends paid on the exchangeable shares of our company, which are presented as interest expense under IFRS, are excluded from Adjusted Net Income as they represent distributions of our company’s earnings to shareholders. Intercompany loans with the partnership represent the partnership’s investment in our company and therefore associated interest and foreign currency translation adjustments are excluded. Adjusted Net Income is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Adjusted Net Income is therefore unlikely to be comparable to similar measures presented by other issuers and has limitations as an analytical tool. Aside from the change in naming convention from Adjusted Earnings to Adjusted Net Income, there have been no changes to the definition, calculation or use of this non-IFRS measure.

When viewed with our IFRS results, we believe that Adjusted Net Income provides a supplemental understanding of the performance of our underlying operations and also gives users enhanced comparability of our ongoing performance relative to peers in certain jurisdictions and across periods.

A reconciliation of the most closely-related IFRS measure, net income (loss), to FFO and AFFO is as follows:

US$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2022	2021	**2022**	2021
Net income (loss)	**$ 842**	$ 65	**$ 626**	$ (21)
Add back or deduct the following:				
Depreciation and amortization	**54**	70	**108**	145
Share of (earnings) losses from investments in associates	**(2)**	—	**4**	—
FFO contribution from investments in associates	**15**	—	**20**	—
Deferred income tax (recovery) expense	**(111)**	122	**(82)**	140
Mark-to-market on hedging items and foreign currency revaluation	**19**	15	**(82)**	25
Gains on disposition of subsidiaries[1]	**—**	(175)	**—**	(175)
Other expenses[2]	**18**	16	**31**	31
Remeasurement of exchangeable and class B shares	**(656)**	103	**(259)**	276
Dividends classified as interest expense and interest expense on intercompany loans	**40**	36	**80**	72
FFO attributable to non-controlling interests[3]	**(103)**	(134)	**(228)**	(271)
FFO	**116**	118	**218**	222
Maintenance capital expenditures	**(10)**	(7)	**(16)**	(9)
AFFO	**$ 106**	$ 111	**$ 202**	$ 213

1. *Gains on disposition of subsidiaries are presented net of gains/losses relating to foreign currency translation reclassified from accumulated comprehensive income to other income (expense) on the Consolidated Statement of Operating Results.*
2. *Other expenses correspond to amounts that are not related to the revenue earnings activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from FFO primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.*
3. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned subsidiaries that are not attributable to our company.*

All reconciling amounts from net income to FFO presented above are taken directly from the interim financial statements, and in the case of "Contribution from investments in associates" and "Attributable to non-controlling interests", our company's share of FFO relating thereto are derived using the accounting policies consistent with those applied in our company's interim financial statements; FFO for these items is calculated on the same basis as consolidated entities, as disclosed above, and is calculated by applying the same ownership percentages used in calculating our company's share of equity accounted income and the corresponding elimination of non-controlling interests in accordance with IAS 28, *Investments in Associates and Joint Ventures* and IFRS 10, *Consolidated Financial Statements,* respectively.

For the three and six-month periods ended June 30, 2022, the differences between net income and FFO are predominantly due to depreciation and amortization expense, deferred income tax expense, mark-to-market on hedging items and foreign currency revaluation, remeasurement gains and losses and FFO attributable to non-controlling interests. Depreciation and amortization expense has decreased from prior year as a result of a new legislation passed in 2021 in Brazil, which extended the estimated useful life of our intangible assets. Deferred tax expense decreased predominantly due to a deferred tax recovery at our Brazilian regulated gas transmission business due to an internal restructuring. Mark-to-market on hedging items and foreign currency revaluation gains were predominantly due to the translation of our Canadian denominated deposit with Brookfield Infrastructure and the translation of our U.S. denominated deferred consideration to functional currency at our Brazilian regulated gas transmission business. The decrease in remeasurement losses was primarily due to the revaluation of the exchangeable shares classified as liabilities. FFO attributable to non-controlling interests decreased relative to the prior year primarily due to our company's acquisition of an additional 3% interest in our Brazilian regulated gas transmission business in April 2021.

The difference between net income and AFFO is due to the aforementioned items in addition to maintenance capital expenditures of \$10 million and \$16 million for the three and six-month periods ended June 30, 2022, respectively (2021: \$7 million and \$9 million, respectively).

The following table reconciles net income (loss), the most directly comparable IFRS measure, to Adjusted EBITDA, a non-IFRS measure. Adjusted EBITDA is presented based on our proportionate share of results in operations accounted for using the consolidation methods.

	For the three-month period ended June 30		For the six-month period ended June 30	
US$ MILLIONS	**2022**	2021	**2022**	2021
Net income (loss)	**$ 842**	$ 65	**$ 626**	$ (21)
Add back or deduct the following:				
Depreciation and amortization	**54**	70	**108**	145
Interest expense	**143**	68	**245**	131
Share of (earnings) losses from investments in associates	**(2)**	—	**4**	—
Adjusted EBITDA contribution from investments in associates	**19**	—	**27**	—
Income tax (recovery) expense	**(1)**	173	**118**	244
Mark-to-market on hedging items and foreign currency revaluation	**19**	15	**(82)**	25
Gains on disposition of subsidiaries[1]	**—**	(175)	**—**	(175)
Other (income) expenses[2]	**(14)**	15	**(14)**	29
Remeasurement of exchangeable and class B shares	**(656)**	103	**(259)**	276
Adjusted EBITDA attributable to non-controlling interests[3]	**(221)**	(181)	**(434)**	(365)
Adjusted EBITDA	**$ 183**	$ 153	**$ 339**	$ 289

1. *Gains on disposition of subsidiaries are presented net of gains/losses relating to foreign currency translation reclassified from accumulated comprehensive income to other income (expense) on the Consolidated Statement of Operating Results.*
2. *Other expenses corresponds to amounts that are not related to the revenue earnings activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from Adjusted EBITDA primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.*
3. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.*

All reconciling amounts presented above are taken directly from the interim financial statements, and in the case of "Contribution from investments in associates" and "Attributable to non-controlling interests", our company's share of Adjusted EBITDA relating thereto are derived using the accounting policies consistent with those applied in our company's interim financial statements. Adjusted EBITDA for these items is calculated on the same basis as consolidated entities, as disclosed above, and is calculated by applying the same ownership percentages used in calculating our company's share of equity accounted income and the corresponding elimination of non-controlling interests in accordance with IAS 28, *Investments in Associated and Joint Ventures* and IFRS 10, *Consolidated Financial Statements*, respectively.

For the three and six-month periods ended June 30, 2022, the differences between net income and Adjusted EBITDA are predominantly due to interest expense, income tax expense, mark-to-market on hedging items and foreign currency revaluation, remeasurement gains and losses, and Adjusted EBITDA attributable to non-controlling interests. Interest expense increased for the three and six-month periods ended June 30, 2022 primarily due to incremental charges associated with debt issued to fund the deferred consideration paid in April 2022, and higher interest rates on our variable rate non-recourse borrowings at our Brazilian regulated gas transmission business. Income tax expense decreased predominantly due to a deferred tax recovery at our Brazilian regulated gas transmission business due to an internal restructuring. The decrease in remeasurement losses was primarily due to the revaluation of the exchangeable shares classified as liabilities. Adjusted EBITDA attributable to non-controlling interests increased as a result of organic growth, partially offset by our company's acquisition of an additional 3% interest in our Brazilian regulated gas transmission business in April 2021.

The following table reconciles net income (loss), the most directly comparable IFRS measure, to Adjusted Net Income, a non-IFRS measure:

US$ MILLIONS	For the three-month period ended June 30 2022	For the three-month period ended June 30 2021	For the six-month period ended June 30 2022	For the six-month period ended June 30 2021
Net income (loss)	**$ 842**	$ 65	**$ 626**	$ (21)
Add back or deduct the following:				
Dividends paid on our exchangeable shares presented as interest expense	**39**	23	**79**	46
Interest expense and foreign currency translation adjustments on intercompany loans with the partnership	**17**	25	**13**	47
Remeasurement of exchangeable and class B shares	**(656)**	103	**(259)**	276
Consolidated Adjusted Net Income	**242**	216	**459**	348
Adjusted Net Income attributable to non-controlling interests[1]	**(169)**	(108)	**(326)**	(200)
Adjusted Net Income	**$ 73**	$ 108	**$ 133**	$ 148

1. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted Net Income attributable to non-controlling interests, our company is able to remove the portion of Adjusted Net Income earned at non-wholly owned subsidiaries that are not attributable to our company.*

All reconciling amounts presented above are taken directly from the interim financial statements, and in the case of "Attributable to non-controlling interests", our company's share of Adjusted Net Income relating thereto are derived using the accounting policies consistent with those applied in our company's interim financial statements. Adjusted Net Income for these items is calculated on the same basis as consolidated entities, as disclosed above, and is calculated by applying the same ownership percentages used in calculating the corresponding elimination of non-controlling interests in accordance with IFRS 10, *Consolidated Financial Statements*.

For the three and six-month periods ended June 30, 2022, the difference between net income and Adjusted Net Income is predominantly due to dividends paid on our exchangeable shares presented as interest expense, remeasurement gains and losses, and Adjusted Net Income attributable to non-controlling interests. In the current period, dividends on our exchangeable shares increased primarily due to additional exchangeable shares issued during 2021. The decrease in remeasurement losses was primarily due to the revaluation of the exchangeable shares classified as liabilities. Adjusted Net Income attributable to non-controlling interest increased as a result of organic growth as well as a foreign exchange gain on the translation of our U.S. denominated deferred consideration to functional currency at our Brazilian regulated gas transmission business.

The following tables reconcile net income (loss), an IFRS measure, on a disaggregated basis between our utilities operations and our corporate, general and administrative costs, to FFO and AFFO, non-IFRS measures:

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2022

US$ MILLIONS	Utilities	Corporate	Total
Net income	**$ 265**	**$ 577**	**$ 842**
Add back or deduct the following:			
Depreciation and amortization	**54**	**—**	**54**
Share of earnings from investments in associates	**(2)**	**—**	**(2)**
FFO contribution from investments in associates	**15**	**—**	**15**
Deferred income tax (recovery) expense	**(114)**	**3**	**(111)**
Mark-to-market on hedging items and foreign currency revaluation	**—**	**19**	**19**
Other expenses[1]	**18**	**—**	**18**
Remeasurement of exchangeable class B shares	**—**	**(656)**	**(656)**
Dividends classified as interest expense and interest expense on intercompany loans	**—**	**40**	**40**
FFO attributable to non-controlling interests[2]	**(103)**	**—**	**(103)**
FFO	**133**	**(17)**	**116**
Maintenance capital expenditures	**(10)**	**—**	**(10)**
AFFO	**$ 123**	**$ (17)**	**$ 106**

1. *Other expenses correspond to amounts that are not related to the revenue earnings activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from FFO primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.*
2. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned subsidiaries that are not attributable to our company.*

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021

US$ MILLIONS	Utilities	Corporate	Total
Net income (loss)	$ 226	$ (161)	$ 65
Add back or deduct the following:			
Depreciation and amortization	70	—	70
Deferred income tax expense	122	—	122
Mark-to-market on hedging items and foreign currency revaluation	3	12	15
Gains on disposition of subsidiaries[1]	(175)	—	(175)
Other expenses[2]	16	—	16
Remeasurement of exchangeable class B shares	—	103	103
Dividends classified as interest expense and interest expense on intercompany loans	—	36	36
FFO attributable to non-controlling interests[3]	(134)	—	(134)
FFO	128	(10)	118
Maintenance capital expenditures	(7)	—	(7)
AFFO	$ 121	$ (10)	$ 111

1. *Gains on disposition of subsidiaries are presented net of gains/losses relating to foreign currency translation reclassified from accumulated comprehensive income to other income (expense) on the Consolidated Statement of Operating Results.*
2. *Other expenses correspond to amounts that are not related to the revenue earnings activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from FFO primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.*
3. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned subsidiaries that are not attributable to our company.*

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

US$ MILLIONS	Utilities	Corporate	Total
Net income	**$ 499**	**$ 127**	**$ 626**
Add back or deduct the following:			
Depreciation and amortization	**108**	**—**	**108**
Share of losses from investments in associates	**4**	**—**	**4**
FFO contribution from investments in associates	**20**	**—**	**20**
Deferred income tax (recovery) expense	**(85)**	**3**	**(82)**
Mark-to-market on hedging items and foreign currency revaluation	**(94)**	**12**	**(82)**
Other expenses[1]	**31**	**—**	**31**
Remeasurement of exchangeable class B shares	**—**	**(259)**	**(259)**
Dividends classified as interest expense and interest expense on intercompany loans	**—**	**80**	**80**
FFO attributable to non-controlling interests[2]	**(228)**	**—**	**(228)**
FFO	**255**	**(37)**	**218**
Maintenance capital expenditures	**(16)**	**—**	**(16)**
AFFO	**$ 239**	**$ (37)**	**$ 202**

1. *Other expenses correspond to amounts that are not related to the revenue earnings activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from FFO primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.*
2. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned subsidiaries that are not attributable to our company.*

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

US$ MILLIONS	Utilities	Corporate	Total
Net income (loss)	$ 368	$ (389)	$ (21)
Add back or deduct the following:			
Depreciation and amortization	145	—	145
Deferred income tax expense	140	—	140
Mark-to-market on hedging items and foreign currency revaluation	4	21	25
Gains on disposition of subsidiaries[1]	(175)	—	(175)
Other expenses[2]	31	—	31
Remeasurement of exchangeable class B shares	—	276	276
Dividends classified as interest expense and interest expense on intercompany loans	—	72	72
FFO attributable to non-controlling interests[3]	(271)	—	(271)
FFO	242	(20)	222
Maintenance capital expenditures	(9)	—	(9)
AFFO	$ 233	$ (20)	$ 213

1. *Gains on disposition of subsidiaries are presented net of gains/losses relating to foreign currency translation reclassified from accumulated comprehensive income to other income (expense) on the Consolidated Statement of Operating Results.*
2. *Other expenses correspond to amounts that are not related to the revenue earnings activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from FFO primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.*
3. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned subsidiaries that are not attributable to our company.*

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2022

US$ MILLIONS	Utilities	Corporate	Total
Net income	**$ 265**	**$ 577**	**$ 842**
Add back or deduct the following:			
Depreciation and amortization	**54**	**—**	**54**
Interest expense	**103**	**40**	**143**
Share of earnings from investments in associates	**(2)**	**—**	**(2)**
Adjusted EBITDA contribution from investments in associates	**19**	**—**	**19**
Income tax (recovery) expense	**(4)**	**3**	**(1)**
Mark-to-market on hedging items and foreign currency revaluation	**—**	**19**	**19**
Other income[1]	**(14)**	**—**	**(14)**
Remeasurement of exchangeable and class B shares	**—**	**(656)**	**(656)**
Adjusted EBITDA attributable to non-controlling interests[2]	**(221)**	**—**	**(221)**
Adjusted EBITDA	**$ 200**	**$ (17)**	**$ 183**

1. *Other expenses corresponds to amounts that are not related to the revenue earnings activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from Adjusted EBITDA primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration*
2. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.*

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021

US$ MILLIONS	Utilities	Corporate	Total
Net income (loss)	$ 226	$ (161)	$ 65
Add back or deduct the following:			
Depreciation and amortization	70	—	70
Interest expense	32	36	68
Income tax expense	173	—	173
Mark-to-market on hedging items and foreign currency revaluation	3	12	15
Gains on disposition of subsidiaries[1]	(175)	—	(175)
Other expenses[2]	15	—	15
Remeasurement of exchangeable and class B shares	—	103	103
Adjusted EBITDA attributable to non-controlling interests[3]	(181)	—	(181)
Adjusted EBITDA	$ 163	$ (10)	$ 153

1. *Gains on disposition of subsidiaries are presented net of gains/losses relating to foreign currency translation reclassified from accumulated comprehensive income to other income (expense) on the Consolidated Statement of Operating Results.*
2. *Other expenses corresponds to amounts that are not related to the revenue earnings activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from Adjusted EBITDA primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration*
3. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.*

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

US$ MILLIONS	Utilities	Corporate	Total
Net income	$ 499	$ 127	$ 626
Add back or deduct the following:			
Depreciation and amortization	108	—	108
Interest expense	165	80	245
Share of losses from investments in associates	4	—	4
Adjusted EBITDA contribution from investments in associates	27	—	27
Income tax expense	115	3	118
Mark-to-market on hedging items and foreign currency revaluation	(94)	12	(82)
Other income[1]	(14)	—	(14)
Remeasurement of exchangeable and class B shares	—	(259)	(259)
Adjusted EBITDA attributable to non-controlling interests[2]	(434)	—	(434)
Adjusted EBITDA	$ 376	$ (37)	$ 339

1. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.*
2. *Other expenses corresponds to amounts that are not related to the revenue earnings activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from Adjusted EBITDA primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration*

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

US$ MILLIONS	Utilities	Corporate	Total
Net income (loss)	$ 368	$ (389)	$ (21)
Add back or deduct the following:			
Depreciation and amortization	145	—	145
Interest expense	59	72	131
Income tax expense	244	—	244
Mark-to-market on hedging items and foreign currency revaluation	4	21	25
Gains on disposition of subsidiaries[1]	(175)	—	(175)
Other expenses[2]	29	—	29
Remeasurement of exchangeable and class B shares	—	276	276
Adjusted EBITDA attributable to non-controlling interests[3]	(365)	—	(365)
Adjusted EBITDA	$ 309	$ (20)	$ 289

1. *Gains on disposition of subsidiaries are presented net of gains/losses relating to foreign currency translation reclassified from accumulated comprehensive income to other income (expense) on the Consolidated Statement of Operating Results.*
2. *Other expenses corresponds to amounts that are not related to the revenue earnings activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from Adjusted EBITDA primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration*
3. *Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.*

LIQUIDITY AND CAPITAL RESOURCES

The nature of our asset base and the quality of our associated cash flows enable us to maintain a stable and low cost capital structure. We attempt to maintain sufficient financial liquidity at all times so that we are able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances and maintain our distributions to shareholders. Our principal sources of liquidity are cash flows from our operations, capital recycling, access to public and private capital markets, access to the partnership's undrawn credit facility and equity commitment and group wide liquidity. We structure the ownership of our assets to enhance our ability to monetize them to provide additional liquidity. In certain instances, subsidiaries may be subject to limitations on their ability to declare and pay dividends to our company. However, no significant limitations existed at June 30, 2022 and 2021.

As of June 30, 2022, we believe that our company's liquidity is sufficient to meet its present requirements. Our company's liquidity consisted of the following:

	As of	
US$ MILLIONS	June 30, 2022	December 31, 2021
Cash	**$ 162**	$ 165
Credit facilities	**179**	173
Company liquidity	**$ 341**	$ 338

Our company assesses liquidity on a group-wide basis, consistent with the partnership, because shareholders have exposure to a broader base of infrastructure investments by virtue of the exchange feature of our company's exchangeable shares. As at June 30, 2022, our group's total liquidity was $4,436 million (December 31, 2021: $5,380 million), which is sufficient to meet its present requirements.

We finance our assets principally at the operating company level with debt that generally has long-term maturities, few restrictive covenants and no recourse to either our company or our other operations.

On a consolidated basis as of June 30, 2022, scheduled principal repayments over the next five years are as follows:

US$ MILLIONS	Average Term (years)	2022	2023	2024	2025	2026	Beyond	Total
Non-recourse borrowing	7	$ —	$1,323	$ 39	$ 140	$ 329	$2,656	**$ 4,487**

As of June 30, 2022, our company's share of scheduled principal repayments over the next five years are as follows:

US$ MILLIONS	Average Term (years)	2022	2023	2024	2025	2026	Beyond	Total
Utilities	7	$ 4	$ 585	$ 75	$ 202	$ 228	$1,908	**$ 3,002**
Total non-recourse borrowings[(1)]	7	$ 4	$ 585	$ 75	$ 202	$ 228	$1,908	**$ 3,002**
Company's share of cash retained in businesses								
Utilities								**$ 162**
Total company's share of cash retained								**$ 162**
Net debt								
Utilities								**$ 2,840**
Total net debt								**$ 2,840**
Percentage of total non-recourse borrowings		— %	19 %	2 %	7 %	8 %	64 %	**100 %**

1. *Represents non-recourse debt to our company as the holders have recourse only to the underlying operations.*

We define "debt attributable to our company", which is a non-IFRS measure, as our company's share of borrowing obligations relating to our investments in various portfolio businesses. We define "net debt", which is a non-IFRS measure, as debt attributable to our company, net of our company's share of cash and cash equivalents. Our company's share of cash and cash equivalents is calculated as cash and cash equivalents as reported under IFRS less the amounts attributable to non-controlling interests.

Debt attributable to our company and net debt are not, and are not intended to be, presented in accordance with IFRS. We believe our presentation, when read in conjunction with our company's reported results under IFRS, including consolidated debt, provides a more meaningful assessment of how our operations are performing and capital is being managed. The presentation of debt attributable to our company and net debt has limitations as an analytical tool, including the following:

- Debt attributable to our company and net debt amounts do not represent our consolidated obligation for debt underlying a consolidated investment. If an individual project does not generate sufficient cash flows to service the entire amount of its debt payments, our company may determine, in our discretion, to pay the shortfall through an equity injection to avoid defaulting on the obligation. Such a shortfall may not be apparent from or may not equal the difference between aggregate proportionate Adjusted EBITDA for all of our portfolio investments and aggregate debt attributable to our company for all of our portfolio investments; and
- Other companies may calculate debt attributable to the company and net debt differently than we do and as a result, these measures may not be comparable to similar measures presented by other issuers.

Debt attributable to our company and net debt are presented to assist investors in understanding the capital structure of our underlying investments that are consolidated in our financial statements, but are not wholly-owned. When used in conjunction with Adjusted EBITDA, both measures are expected to provide useful information as to how our company has financed its businesses at the asset-level and provide a view into our return on capital that we invest at a given degree of leverage. The only differences between consolidated debt presented under IFRS and debt attributable to our company are the adjustments to remove the share of debt of consolidated investments not attributable to our company and the impact of deferred financing costs. Management utilizes debt attributable to our company in understanding the capital structure of our underlying investments that are consolidated in our financial statements, but are not wholly-owned.

Debt attributable to our company can be reconciled to consolidated debt as follows:

	As of	
US$ MILLIONS	**June 30, 2022**	December 31, 2021
Consolidated debt	**$ 4,473**	$ 3,556
Add: company's share of debt of investments in associates	**550**	—
Less: borrowings attributable to non-controlling interest	**(2,035)**	(1,314)
Deferred financing costs	**14**	7
Debt attributable to our company	**$ 3,002**	$ 2,249

As discussed in the notes to our interim financial statements for the three-month period ended June 30, 2022, our company entered into two credit agreements with Brookfield Infrastructure, one as borrower and one as lender, each providing for a ten-year revolving $1 billion credit facility for purposes of providing our company and Brookfield Infrastructure with access to debt financing on an as-needed basis and to maximize our flexibility and facilitate the movement of cash within our group. We intend to use the liquidity provided by the credit facilities for working capital purposes and to fund growth capital investments and acquisitions. The determination of which of these sources of funding our company will access in any particular situation will be a matter of optimizing needs and opportunities at that time.

FINANCIAL INSTRUMENTS

Foreign Currency Hedging Strategy

To the extent that we believe it is economic to do so, our strategy is to hedge a portion of our equity investments and/or cash flows exposed to foreign currencies by our company. The following key principles form the basis of our foreign currency hedging strategy:

- We leverage any natural hedges that may exist within our operations
- We utilize local currency debt financing to the extent possible
- We may utilize derivative contracts to the extent that natural hedges are insufficient

Most of the foreign exchange exposure of our group is hedged directly by the partnership and therefore, as of June 30, 2022, our company has $nil (December 31, 2021: $nil) corporate foreign exchange contracts in place to hedge against foreign currency risk.

The following table presents our exposure to foreign currencies as of June 30, 2022:

US$ MILLIONS		Equity Investment - US$
GBP	$	783
BRL		1,457
AUD		419
	$	2,659

For additional information, see Note 5, *Fair Value of Financial Instruments* in our interim financial statements.

CAPITAL REINVESTMENT

From a treasury management perspective, our company manages its cash reserves with a view to minimizing foreign exchange and administrative costs, as well as enhancing our ability to secure asset level debt financing. While capital is primarily raised at the corporate level to fund the equity component of organic growth capital expenditures, actual funding of projects may be executed by injecting cash into subsidiaries or utilizing operating cash flow generated and retained by our company. Importantly, the physical movement of cash has no relevance on our company's ability to fund capital expenditures or make distributions.

CAPITAL EXPENDITURES

Due to the capital-intensive nature of the asset base of our company, ongoing capital investment is required for additions and enhancements, life-cycle maintenance and repair of plant and equipment related to our operations. Our company reviews all capital expenditures and classifies them in one of the two following categories:

i) Growth capital expenditures: capital outlays underpinned by incremental revenues that will enhance our company's returns. These projects are eligible for inclusion in the rate base of our utilities businesses;

ii) Maintenance capital expenditures: required capital outlays to maintain the current operating state and reliability of the system while ensuring regulatory and safety requirements are upheld

We manage separate review and approval processes for each of the two categories of capital expenditures. Growth capital expenditures are underwritten in isolation and must meet our company's target after-tax equity return threshold of 12-15%. Projects that meet these return targets are presented to the Capital Expenditure Committee which comprises senior personnel of the General Partner of the partnership. The committee reviews proposed project plans considering the target returns and funding plans, in addition to analyzing the various execution risks associated with these projects. Once a project receives approval from the Capital Expenditure Committee, it is generally added to the backlog.

Maintenance capital expenditures follow a different, though equally robust process, as failure to make necessary investment to maintain our operations could impair the ability of our company to serve our customer base or continue existing operations. Firstly, the operations teams involved with a particular business performs a detailed review of all planned and proposed maintenance capital expenditures during the annual budgeting process. These plans are reviewed in the context of the businesses' maintenance capital approach that is agreed upon with the business at the time of acquisition and take into account drivers of performance that include public and worker health and safety, environmental and regulatory compliance, system reliability and integrity. Maintenance capital projects that receive approval at the asset level are then presented to our company's corporate asset management teams that are responsible for overseeing our company's operations, and have ample experience in managing utilities assets. Through an iterative process with the companies' senior operating executives, the plan is refined through a comprehensive review including prioritization of non-discretionary projects and comparisons to industry benchmarks. Once agreed, maintenance capital expenditure plans are approved and form part of the annual and five-year business plans that are presented to the partnership's senior executive team. Once approved, these maintenance plans are executed in the following year and performance relative to these plans is closely monitored by both the operations and asset management teams.

In addition to the various levels of internal reviews, our company will engage a reputable, globally recognized engineering services firm annually to perform an independent review of its overall approach to maintenance capital expenditures and detailed capital program. Each year the engineering services firm will review a portion of the portfolio, covering all assets on a three-year rotating basis. For each asset under review in a given year, the engineering services firm will review the historical and forecasted spend against industry standards, regulatory requirements or other benchmarking data, and determine the reasonableness of the maintenance capex program based on the nature of the business and the age and condition of the assets. We have also engaged an accounting firm to review the findings of the report provided by the engineering services firm and to assess the control activities related to our process for compiling the annual sustaining maintenance capital expenditure ranges. The results from the engagements confirm that our stated ranges of annual sustaining maintenance capital expenditures are reasonable and in-line with industry standard for assets of a similar nature.

REVIEW OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the consolidated statements of cash flows:

US$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2022	2021	**2022**	2021
Cash from operating activities	**$ 232**	$ 235	**$ 355**	$ 359
Cash (used by) from investing activities	**(140)**	640	**(779)**	545
Cash (used by) from financing activities	**(728)**	(660)	**397**	(738)

Three-month period ended June 30, 2022 and 2021

Cash from operating activities

Cash from operating activities totaled $232 million during the three-month period ended June 30, 2022, a decrease of $3 million compared to the three-month period ended June 30, 2021. Current year operating cash flows benefited from inflation-indexation and capital commissioned into rate base. These benefits were more than offset by dividends paid on our exchangeable shares, which are presented as interest expense, an increase in interest paid on non-recourse borrowings, taxes, and management fees.

Cash used by investing activities

Cash used by investing activities was $140 million during the three-month period ended June 30, 2022, compared to $640 million of cash from investing activities during the same period in 2021. The decrease in cash from investing activities was primarily due to proceeds received in the prior year from the sale of our smart meters business.

Cash used by financing activities

Cash used by financing activities was $728 million during the three-month period ended June 30, 2022, compared to cash used by financing activities of $660 million during the same period in 2021. The increase in cash used by financing activities was primarily due to the settlement of the deferred consideration at our Brazilian regulated gas transmission business. Prior year results included higher distributions paid to non-controlling interest as a result of the sale of our U.K. smart meters business and capital provided to non-controlling interest in connection with the acquisition of an additional interest in our Brazilian regulated gas transmission business.

SHARE CAPITAL

Our company's equity interests include exchangeable shares held by the public shareholders and the class B and class C shares held by the partnership. Dividends on each of our exchangeable shares are expected to be declared and paid at the same time and in the same amount per share as distributions on each unit. Ownership of class C shares will entitle holders to receive dividends as and when declared by our board.

Our company's capital structure is comprised of the following shares:

	As of	
UNITS	**June 30, 2022**	December 31, 2021
Exchangeable shares	**110,468,803**	110,157,540
Class B shares	**2**	2
Class C shares	**2,103,677**	2,103,677

Our company's share capital is comprised of exchangeable shares, class B shares and class C shares. In August 2021, the partnership acquired a controlling interest in IPL for consideration comprised of cash, exchangeable shares and class B exchangeable limited partnership units ("BIPC exchangeable LP units") of Brookfield Infrastructure Corporation Exchange Limited Partnership ("BIPC Exchange LP"). BIPC Exchange LP is a subsidiary of the partnership and holders of BIPC exchangeable LP units have the right to require the partnership to purchase BIPC exchangeable LP units and deliver one exchangeable share for each BIPC exchangeable LP unit purchased. During the six-month period ended June 30, 2022, our company issued 317,595 exchangeable shares in connection with exchange requests from BIPC Exchange LP unitholders.

Exchangeable shares are exchangeable at the option of the holder at any time at a price equal to the market price of a unit. Our company has the option to satisfy the exchange either by delivering a unit or the cash equivalent of a unit. Our company intends to settle any exchange requests with units. During the six-month period ended June 30, 2022, our shareholders exchanged 6,332 exchangeable shares for an equal number of partnership units. Class B shares and class C shares are redeemable for cash in an amount equal to the market price of a unit. There have been no redemptions of class B shares or class C shares to date. Due to the exchange feature of the exchangeable shares and the cash redemption feature of the class B and class C shares, the exchangeable shares, the class B share and class C shares are classified as financial liabilities. However, class C shares, the most subordinated class of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32.

On June 10, 2022, Brookfield Infrastructure completed a three-for-two stock split of partnership units, BIPC exchangeable LP units, exchangeable shares, class B shares and class C shares, by way of a subdivision whereby unitholders/shareholders received an additional one-half of a unit/share for each unit/share held. All historical units/shares and per unit/share disclosures have been adjusted to effect for the change in units/shares due to the stock split.

During the three-month period ended June 30, 2022, our company declared and paid dividends on our exchangeable shares at a rate of $0.36 per share resulting in total dividends paid of $39 million. Dividends paid on our exchangeable shares are presented as interest expense in our interim financial statements. No dividends were declared on our class B shares or class C shares during the six-month period ended June 30, 2022.

PRICE RANGE AND TRADING VOLUME OF LISTED UNITS

The units are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "BIP.UN". The following table sets forth the price ranges (after accounting for the effect of special distribution) and trading volumes of the units as reported by the TSX for the periods indicated, in Canadian dollars:

	Units		
	High (C$)	**Low (C$)**	**Volume**
2022			
January 1, 2022 - March 31, 2022	55.19	49.53	27,841,548
April 1, 2022 - June 30, 2022	56.64	47.19	24,889,646
2021			
January 1, 2021 - March 31, 2021	46.31	41.43	30,344,436
April 1, 2021 - June 30, 2021	46.21	42.57	21,809,721
July 1, 2021 - September 30, 2021	48.99	44.84	18,404,493
October 1, 2021 - December 31, 2021	51.33	46.55	23,229,838
2020			
January 1, 2020 - March 31, 2020	45.04	23.54	59,378,507
April 1, 2020 - June 30, 2020	39.71	32.71	46,626,963
July 1, 2020 - September 30, 2020	42.63	35.83	30,962,434
October 1, 2020 - December 31, 2020	45.77	37.97	34,110,643
2019			
January 1, 2019 - March 31, 2019	33.70	28.73	43,691,319
April 1, 2019 - June 30, 2019	34.61	33.16	33,753,675
July 1, 2019 - September 30, 2019	39.61	34.00	33,568,488
October 1, 2019 - December 31, 2019	42.35	38.20	29,859,589

The units are listed and posted for trading on the NYSE under the symbol "BIP". The following table sets forth the price ranges and trading volumes of the units as reported by the NYSE for the periods indicated, in U.S. dollars:

	Units		
	High ($)	**Low ($)**	**Volume**
2022			
January 1, 2022 - March 31, 2022	44.15	38.83	28,118,859
April 1, 2022 - June 30, 2022	45.33	36.45	22,001,642
2021			
January 1, 2021 - March 31, 2021	36.19	32.68	30,614,490
April 1, 2021 - June 30, 2021	37.17	35.11	21,117,951
July 1, 2021 - September 30, 2021	38.65	35.93	21,350,172
October 1, 2021 - December 31, 2021	40.72	37.25	29,160,108
2020			
January 1, 2020 - March 31, 2020	33.71	16.24	48,897,897
April 1, 2020 - June 30, 2020	29.73	22.93	49,977,920
July 1, 2020 - September 30, 2020	32.14	26.39	25,084,398
October 1, 2020 - December 31, 2020	35.06	28.55	25,134,360
2019			
January 1, 2019 - March 31, 2019	25.09	20.95	29,599,968
April 1, 2019 - June 30, 2019	25.73	24.62	22,954,033
July 1, 2019 - September 30, 2019	29.72	25.87	34,083,005
October 1, 2019 - December 31, 2019	31.57	28.66	24,620,067

TREND INFORMATION

We seek to increase the cash flows from our operations through acquisitions and organic growth opportunities as described below. In particular, we focus on consortiums and partnerships where Brookfield has sufficient influence or control to deploy our operations oriented approach and Brookfield has a strong track record of leading such transactions, which provides the opportunity to expand cash flows through acquisitions. Our beliefs as to the opportunities for our company to increase cash flows through acquisitions and organic growth are based on assumptions about our company and markets that management believes are reasonable in the circumstances. There can be no assurance as to growth in our cash flows, or capital deployed for acquisitions or organic growth. See "Cautionary Statement Regarding Forward-Looking Statements".

We believe our global scale and best-in-class operating groups provide us with a unique competitive advantage as we are able to efficiently allocate capital around the world toward those sectors and geographies where we see the greatest returns. We actively recycle assets on our balance sheet as they mature and reinvest the proceeds into higher yielding investment strategies, further enhancing returns.

Capital recycling has been a critical component of our full-cycle investment strategy and is important to our company for the following reasons:

- **Key value creation lever** - most infrastructure assets reach a maturity point, where the pace of capital appreciation or same-store growth levels out. Capital appreciation is maximized in periods where there are operational improvements, increased capacity utilization and capital expansion. Absent these factors, we would generally consider these assets to have mature income streams. At this point we will look to sell them at attractive returns and redeploy the proceeds into new income streams that will earn our 12-15% target returns.
- **Alternative source of capital** - we sometimes issue equity to fund growth, however capital markets are not always available and thus capital recycling becomes an important alternative source of funding. We believe that capital recycling allows us to be more strategic and focus on selling bond-like businesses at a very low discount rate, while potentially increasing returns to shareholders by avoiding dilution on our high-growth businesses.
- **Institutes capital discipline** - to us, it is imperative that businesses are sold to maximize proceeds, not when cash is needed as selling under duress almost never optimizes value. While our approach may result in periods where we have substantial liquidity that results in a short-term drag on results, as long-term investors, we believe it is the best way to create value over the long run.

We are operating in a global economy that is experiencing strong growth and there is an exceptional need for capital to fund investment projects. We are utilizing our competitive strength of size, global footprint, operating capabilities and access to capital to execute on accretive projects. We believe there are opportunities to buy for value in both developed and emerging economies.

RELATED PARTY TRANSACTIONS

In the normal course of operations, our company entered into the transactions below with related parties. The ultimate parent of our company is Brookfield. Other related parties of our company represent Brookfield's subsidiary and operating entities.

Since inception, our partnership has had a management agreement (the "Master Services Agreement"), with certain service providers (the "Service Providers") which are wholly-owned subsidiaries of Brookfield.

Pursuant to the Master Services Agreement, on a quarterly basis, the partnership pays a base management fee, referred to as the Base Management Fee, to the Service Provider equal to 0.3125% per quarter (1.25% annually) of the combined market value of the partnership and our company. Our company reimburses the partnership for our proportionate share of the management fee. For purposes of calculating the base management fee, the market value of the partnership is equal to the aggregate value of all the outstanding units (assuming full conversion of Brookfield's Redeemable Partnership Units in Brookfield Infrastructure into units), preferred units and securities of the other Service Recipients (as defined in the Master Services Agreement) that are not held by Brookfield Infrastructure, plus all outstanding third-party debt with recourse to a Service Recipient, less all cash held by such entities. The amount attributable to our company is based on weighted average units and shares outstanding, after retroactively adjusting for the special distribution.

The Base Management Fee attributable to our company was $16 million and $34 million for the three and six-month periods ended June 30, 2022, respectively (2021: $9 million and $18 million, respectively) and has been recorded as part of general and administrative expenses in the interim financial statements.

Our company's affiliates provide connection services in the normal course of operations on market terms to affiliates and associates of Brookfield Property Partners L.P. For the three and six-month periods ended June 30, 2022, revenues of less than $1 million were generated (2021: less than $1 million) and $nil expenses were incurred (2021: $nil).

Our company is party to two credit agreements with Brookfield Infrastructure, one as borrower and one as lender, each providing for a ten-year revolving $1 billion credit facility for purposes of providing our company and Brookfield Infrastructure with access to debt financing on an as-needed basis and to maximize our flexibility and facilitate the movement of cash within our group. We intend to use the liquidity provided by the credit facilities for working capital purposes and to fund growth capital investments and acquisitions. The determination of which of these sources of funding our company will access in any particular situation will be a matter of optimizing needs and opportunities at that time.

The credit facilities are available in U.S. or Canadian dollars, and advances will be made by way of LIBOR, base rate, CDOR, or prime rate loans. Both operating facilities bear interest at the benchmark rate plus an applicable spread, in each case subject to adjustment from time to time as the parties may agree. In addition, each credit facility contemplates potential deposit arrangements pursuant to which the lender thereunder would, with the consent of a borrower, deposit funds on a demand basis to such borrower's account at market interest rate. As of June 30, 2022, $nil (December 31, 2021: $nil) was drawn on the credit facilities under the credit agreements with Brookfield Infrastructure.

Brookfield Infrastructure provided our company an equity commitment in the amount of $1 billion. The equity commitment may be called by our company in exchange for the issuance of a number of class C shares or preferred shares, as the case may be, to Brookfield Infrastructure, corresponding to the amount of the equity commitment called divided (i) in the case of a subscription for class C shares, by the volume-weighted average of the trading price for one exchangeable share on the principal stock exchange on which our exchangeable shares are listed for the five (5) days immediately preceding the date of the call, and (ii) in the case of a subscription for preferred shares, $25.00. The equity commitment will be reduced permanently by the amount so called. As at June 30, 2022, $nil (December 31, 2021: $nil) was called on the equity commitment.

BIPC Holdings Inc., a wholly owned subsidiary of our company, fully and unconditionally guaranteed (i) any unsecured debt securities issued by Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Limited and Brookfield Infrastructure Finance Pty Ltd., which we refer to collectively as the "Co-Issuers", in each case as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture dated October 10, 2012 among the Co-Issuers and Computershare Trust Company of Canada under which such securities are issued, (ii) the senior preferred shares of BIP Investment Corporation ("BIPIC"), as to the payment of dividends when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BIPIC, (iii) certain of the partnership's preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of the partnership, and (iv) the obligations of Brookfield Infrastructure under its bilateral credit facilities. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. In addition, BIPC Holdings Inc. guaranteed (i) subordinated debt securities issued by Brookfield Infrastructure Finance ULC or BIP Bermuda Holdings I Limited on a subordinated basis, as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture under which such securities are issued, and (ii) the obligations of Brookfield Infrastructure Holdings (Canada) Inc. under its commercial paper program.

As at June 30, 2022, the balance outstanding on our deposit with Brookfield Infrastructure was $558 million (December 31, 2021: $1,093 million). The balance decreased from December 31, 2021 due to net repayments from Brookfield Infrastructure of $535 million. The deposit accrues interest at 0.2% per annum. As at June 30, 2022, the demand deposit payable to Brookfield Infrastructure was $131 million (December 31, 2021: $131 million). The deposit accrues interest at 0.2% per annum. Interest incurred on the deposit payable to Brookfield Infrastructure during the three and six-month periods ended June 30, 2022 was less than $1 million (2021: $13 million and $26 million, respectively).

As at June 30, 2022, our company had accounts payable of $9 million (December 31, 2021: $5 million) to subsidiaries of Brookfield Infrastructure and accounts receivable of $9 million (December 31, 2021: $20 million) from subsidiaries of Brookfield Infrastructure.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

BIPC Holdings Inc., a wholly owned subsidiary of our company, fully and unconditionally guaranteed (i) any unsecured debt securities issued by Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Limited and Brookfield Infrastructure Finance Pty Ltd., which we refer to collectively as the "Co-Issuers", in each case as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture dated October 10, 2012 among the Co-Issuers and Computershare Trust Company of Canada under which such securities are issued, (ii) the senior preferred shares of BIP Investment Corporation ("BIPIC"), as to the payment of dividends when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BIPIC, (iii) certain of the partnership's preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of the partnership, and (iv) the obligations of Brookfield Infrastructure under its bilateral credit facilities. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. In addition, BIPC Holdings Inc. guaranteed (i) subordinated debt securities issued by Brookfield Infrastructure Finance ULC or BIP Bermuda Holdings I Limited on a subordinated basis, as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture under which such securities are issued, and (ii) the obligations of Brookfield Infrastructure Holdings (Canada) Inc. under its commercial paper program.

In the normal course of operations, we execute agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions and acquisitions, construction projects, capital projects, and sales and purchases of assets and services. We have also agreed to indemnify our directors and certain of our officers and employees. The nature of substantially all of the indemnification undertakings prevents us from making a reasonable estimate of the maximum potential amount that we could be required to pay third parties, as many of the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, we have made no significant payments under such indemnification agreements.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The table below outlines our company's contractual obligations as at June 30, 2022:

	Payments due by period					
US$ MILLIONS	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-5 years**	**5+ years**	**Total contractual cash flows**
Accounts payable and other liabilities	$ 466	$ 1	$ —	$ —	$ —	$ 467
Non-recourse borrowings	1,323	—	179	601	2,384	4,487
Loans payable to Brookfield Infrastructure	131	—	—	—	—	131
Exchangeable and class B shares	4,222	—	—	—	—	4,222
Interest expense:						
Non-recourse borrowings	146	67	66	118	357	754

In addition, pursuant to the Master Services Agreement, on a quarterly basis, the partnership pays a base management fee, referred to as the Base Management Fee, to the Service Provider equal to 0.3125% (1.25% annually) of the combined market value of the partnership and our company. For purposes of calculating the Base Management Fee, the market value of the partnership is equal to the aggregate value of all the outstanding units, plus all outstanding third party debt with recourse to a recipient of services under the Master Services Agreement, less all cash held by such entities. The Base Management Fee allocated to our company is estimated to be approximately $64 million per year based on the expense attributable to our company for the three-month period ended June 30, 2022.

An integral part of our group's strategy is to participate with institutional investors in Brookfield-sponsored infrastructure funds that target acquisitions that suit our group's profile. In the normal course of business, our group will make commitments to Brookfield-sponsored infrastructure funds to participate in these target acquisitions in the future, if and when identified.

Critical Accounting Estimates

The preparation of financial statements requires management to make significant judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses that are not readily apparent from other sources, during the reporting period. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgments and estimates made by management and utilized in the normal course of preparing our company's interim financial statements, which we consider to be critical, are outlined below.

i) Revaluation of property, plant and equipment

Property, plant and equipment is revalued on a regular basis. Our company's property, plant, and equipment is measured at fair value on a recurring basis with an effective date of revaluation for all asset classes of December 31. Our company determined fair value under the income method with due consideration to significant inputs such as the discount rate, terminal value multiple and overall investment horizon.

CONTROLS AND PROCEDURES

No changes were made in our internal control over financial reporting during the six-month period ended June 30, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements within the meaning of applicable securities laws, including the United States Securities Litigation Reform Act of 1995. We may make such statements in this report, in other filings with securities regulators in Canada and the United States and in other public communications. The words “tend”, “seek”, “target”, “foresee”, “believe,” “expect,” “could”, “aim to,” “intend,” “objective”, “outlook”, “endeavour”, “estimate”, “likely”, “continue”, “plan”, derivatives thereof and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as “will”, “may”, “should,” which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking statements. Forward-looking statements in this MD&A include among others, statements with respect to our assets tending to appreciate in value over time, growth in our assets and operations, increases in FFO per share and resulting capital appreciation, returns on capital and on equity, increasing demand for commodities and global movement of goods, expected capital expenditures, the impact of planned capital projects by customers of our businesses as on the performance and growth of those businesses, the extent of our corporate, general and administrative expenses, our ability to close acquisitions, our capacity to take advantage of opportunities in the marketplace, the future prospects of the assets that we operate or will operate, partnering with institutional investors, ability to identify, acquire and integrate new acquisition opportunities, long-term target return on our assets, sustainability of dividend levels, dividend growth and payout ratios, operating results and margins for our company and each operation, future prospects for the markets for our products, our plans for growth through internal growth and capital investments, ability to achieve stated objectives, ability to drive operating efficiencies, return on capital expectations for our company, contract prices and regulated rates for our operations, our expected future maintenance and capital expenditures, ability to deploy capital in accretive investments, impact on our company resulting from our view of future economic conditions, our ability to maintain sufficient financial liquidity, our ability to draw down funds under our bank credit facilities, our ability to secure financing through the issuance of equity or debt, expansions of existing operations, likely sources of future opportunities in the markets in which we operate, financing plans for our operating businesses, foreign currency management activities and other statements with respect to our beliefs, outlooks, plans, expectations and intentions. Although we believe that our company’s anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of our company to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by the forward-looking statements contained herein include general economic conditions in the jurisdictions in which we operate and elsewhere which may impact the markets for our products or services, the ability to achieve growth within our businesses, our ability to achieve the milestones necessary to deliver the targeted returns, which is uncertain, some of which depends on access to capital and continuing favourable commodity prices, the impact of market conditions on our businesses, including as a result of the COVID-19 outbreak, the fact that success of our company is dependent on market demand for an infrastructure company, which is unknown, the availability of equity and debt financing for our company, the ability to effectively complete new acquisitions in the competitive infrastructure space (including potential acquisitions that remain subject to the satisfaction of conditions precedent, and the inability to reach final agreement with counterparties to transactions being currently pursued, given that there can be no assurance that any such transaction will be agreed to or completed) and to integrate acquisitions into existing operations, changes in technology which have the potential to disrupt the businesses and industries in which we invest, the market conditions of key commodities, the price, supply or demand for which can have a significant impact upon the financial and operating performance of our business, regulatory decisions affecting our regulated businesses, our ability to secure favourable contracts, weather events affecting our business, traffic volumes on our toll road businesses, pandemics or epidemics, and other risks and factors described in the documents filed by us with the securities regulators in Canada and the United States, including under “Risk Factors” in our most recent Annual Report on form 20-F and other risks and factors that are described therein. In addition, our future results may be impacted by risks associated with COVID-19, and the related global reduction in commerce and travel and substantial volatility in stock markets worldwide, which may result in a decrease of cash flows and impairment losses and/or revaluations on our investments and infrastructure assets, and cause us to be unable to achieve our expected returns.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to our company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, our company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

Exhibit 99.2

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, Sam Pollock, Chief Executive Officer of Brookfield Infrastructure Corporation, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Brookfield Infrastructure Corporation (the "issuer") for the interim period ended June 30, 2022.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1. ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control - Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2. ***ICFR – material weakness relating to design:*** **N/A**

5.3. ***Limitation on scope of design:*** **N/A**

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on April 1, 2022 and ended on June 30, 2022, that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 11, 2022

/s/ Samuel Pollock

Samuel Pollock
Chief Executive Officer
Brookfield Infrastructure Corporation

Exhibit 99.3

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, David Krant, Chief Financial Officer of Brookfield Infrastructure Corporation, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Brookfield Infrastructure Corporation (the “issuer”) for the interim period ended June 30, 2022.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer and I have, as at the end of the period covered by the interim filings

   a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

5.1. ***Control framework:*** The control framework the issuer’s other certifying officer and I used to design the issuer’s ICFR is the Internal Control - Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2. ***ICFR – material weakness relating to design:*** **N/A**

5.3. ***Limitation on scope of design:*** **N/A**

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on April 1, 2022 and ended on June 30, 2022, that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: August 11, 2022

/s/ David Krant

David Krant
Chief Financial Officer
Brookfield Infrastructure Corporation

Brookfield Infrastructure Corporation

bip.brookfield.com/bipc

NYSE: BIPC
TSX: BIPC