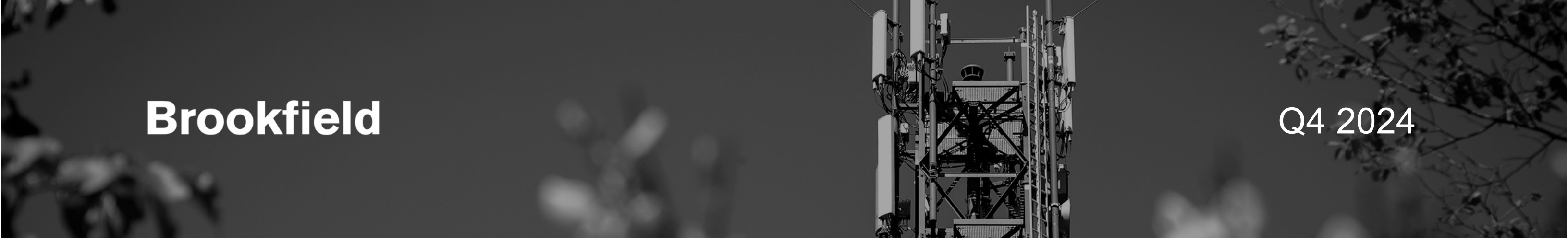

Letter to Unitholders

Overview

2024 was another strong year for Brookfield Infrastructure. Our base business performed well and is more diversified today than at any point during our history, providing more resilience than ever before. We capitalized on attractive pricing and strong lender demand to enhance our asset level balance sheets, in our most active year in the capital markets. We completed several large-scale recapitalizations that brought forward meaningful proceeds ahead of planned dispositions, contributing to the achievement of our capital recycling objectives for the year.

We closed on three transformative, large-scale and value-accretive tuck-in acquisitions. We successfully replenished our new investment pipeline and are excited by the size and scale of early-stage opportunities in front of us, which is the deepest it has been in years. At the same time, our backlog of embedded organic growth projects continues to grow.

The business generated funds from operations (FFO) for the year of $3.12 per unit. Due to the impact of foreign exchange, the overall result was 6% higher compared to 2023. Normalized for this impact, per unit growth was 10%, in line with our target and better reflects the current operational performance and strength of our businesses.

Our key accomplishments for the year are summarized below:

- Secured $2 billion of capital recycling proceeds, successfully reaching our target for the year.
- Deployed over $1.1 billion of equity into growth across our backlog of organic growth projects, as well as three tuck-in acquisitions that are expected to contribute over $150 million of incremental FFO annually.
- Added approximately $1.8 billion of new projects to our capital backlog at attractive expected returns.
- Completed approximately $10 billion of financings at our share, which includes approximately $8.5 billion to efficiently finance our businesses and proactively extend maturities, as well as $1.5 billion of debt repricing to reduce our cost of capital.

Considering our conservative payout ratio of 67% and our positive outlook for the business, the board of directors approved a quarterly distribution increase of 6% to $0.43 per unit during 2025, or $1.72 per unit on an annualized basis. This marks the 16th year of consecutive distribution increases within or above our target range.

Stock Market Performance

It was a constructive year for our trading price in 2024. Central banks around the world began easing interest rates, creating a favorable environment for yield-oriented companies like ours. However, the fourth quarter brought a noticeable shift. Uncertainty surrounding fiscal policy in the U.S. and U.K., coupled with robust underlying economic indicators, tempered expectations of interest rate cuts and increased global bond yields. This impacted broader market sentiment and, in turn, our trading price as we ended the year.

Although our trading price is influenced by macroeconomic factors, we believe the market is also underappreciating the significant growth potential embedded within our business, and our large pipeline of attractive investment opportunities. Our business is well-positioned to capitalize on the ongoing digitalization megatrend, which we see as the leading investment theme in infrastructure today. Over 60% of our FFO is already derived from sectors at the forefront of this digital transformation including data, midstream and utilities. This exposure will only grow as we advance our substantial backlog of organic growth projects, which is heavily weighted towards projects required to accommodate the growing demand from technology companies.

Looking ahead, we are focused on extending our track record of executing our well-established, full-cycle investment strategy. This includes acquiring high-quality assets, enhancing their value through operational improvements before monetizing them at opportune times to generate strong returns. We believe this strategy and the upside our business has from exposure to digitalization, combined with our commitment to growing the distribution by 5-9% annually, will be reflected in our trading price over time and with our historical average of approximately 15% per year.

Annualized Total Returns

As of December 31, 2024	1-Year	5-Year	Since Inception*
BIP (NYSE)	6%	6%	14%
BIP (TSX)	15%	8%	19%
BIPC (NYSE)	18%	N/A	18%
BIPC (TSX)	29%	N/A	16%
Alerian MLP Index	24%	15%	8%
S&P Utilities Index	23%	7%	7%
Dow Jones Global Infrastructure Index**	12%	5%	6%

Includes dividend reinvestment
**BIP (NYSE) and U.S. index data as of January 2008; BIP (TSX) as of September 2009; BIPC as of spin-off on March 31, 2020*
*** DJBGICU Index and excludes dividend reinvestment*

Operating Results

BIP generated FFO of $2.5 billion in 2024, an 8% increase compared to 2023. Organic growth for the year was 7%, driven by elevated levels of inflation in the countries where we operate, stronger volumes across our critical infrastructure networks and the commissioning of over $1 billion of new capital projects from our backlog. In addition, we deployed over $2 billion into new investments during the second half of 2023 and completed three accretive tuck-in acquisitions in 2024, all of which are now contributing to earnings. Results were partially offset by higher borrowing costs and the impact of foreign exchange.

Utilities

The utilities segment generated FFO of $760 million, which on a comparable basis was up 7% year over year. After taking into account asset sales and currency it compares to $879 million in the prior year. The reduction was primarily attributable to the sale of our interest in an Australian utility business in the third quarter of 2023 and the recapitalization of our Brazilian gas transmission business in the first quarter. The base business continued to perform well during the year, driven by inflation indexation and the contribution from $470 million of capital commissioned into our rate base.

Our U.K. regulated distribution business secured two inaugural Ground Sourced Heat Pump (GSHP) sales totaling over 1,500 connections. This further diversifies the product suite ahead of regulatory changes expected to end the installation of gas connections in new homes from 2026 onwards. These sales are helping scale the commercial viability of the offering in partnership with the leading GSHP manufacturer in the U.K.

In our European residential decarbonization infrastructure business, we signed five tuck-in acquisitions in Germany, for total consideration of approximately €35 million and an expected 2025 EBITDA contribution of approximately €8 million. These acquisitions support the build out of our HVAC installation and rental business model in Europe.

Our Brazilian electricity transmission operation exercised its option to acquire our construction partner’s 50% stake in a concession of transmission lines spanning 842 kilometers for R$440 million, which was entirely debt financed. Our wholly owned portfolio of transmission lines now totals approximately 1,325 kilometers. We will acquire our partner’s 50% stake in the remaining 1,530 kilometers of constructed transmission lines later this year.

Transport

The transport segment generated FFO of $1.2 billion, representing a step change increase of nearly 40% over the prior year. This was primarily attributable to the acquisition of our global intermodal logistics company in the third quarter of 2023 and an incremental 10% stake in our Brazilian integrated rail and logistics operation in the first quarter of 2024. We generated strong results across the remaining businesses, driven by higher volumes and average tariff increases of 7% across our rail networks and 6% across our toll road portfolio.

Our North American rail operation is investing in projects to enhance safety and create operational efficiencies across our 21,000-kilometer network, ultimately driving future carload growth. In December, the business completed a transaction with two Class I railroad companies, connecting shippers in parts of Mexico and Texas to the U.S. Southeast. We contributed parts of our railroad in Mississippi and Alabama in exchange for extensions on existing rail leases and the right to operate the section of contributed track to service our existing customers. We also acquired and commenced operations of the Red Deer Railroad in Alberta as part of the transaction, which will serve as a platform for expansion in Western Canada.

Midstream

The midstream segment generated FFO of $625 million, which on a comparable basis had growth of 11% year over year. The growth reflects higher volumes across our midstream assets due to robust customer activity levels, particularly at our North American gas storage business. This elevated demand for long-term services was constant during the year, with several recent commercial wins across all our midstream assets. When considering the impact of asset sales and foreign exchange, total FFO decreased from $684 million in the prior year, primarily relating to capital recycling activities at our U.S. gas pipeline.

Our Western Canadian natural gas gathering and processing operation approved an expansion project at its largest facility increasing processing capacity by roughly 8%. The project will be underpinned by take-or-pay contracts and is expected to generate over C$20 million of incremental EBITDA annually, once completed and fully in service in 2027.

At our North American gas storage operation, we signed multiple new contracts at record high rates during the fourth quarter, totaling approximately $20 million of annual revenue. This included a 10-year agreement that represents the longest tenor deal signed during our ownership. These commercial achievements are indicative of the criticality of gas storage to balance natural gas markets as supply continues to grow and new projects come online, including LNG Canada.

At our Canadian diversified midstream operation, growing customer volumes in Western Canada are creating incremental demand for our pipeline network. We are progressing multiple long-term take-or-pay contracts on our long-haul pipelines that are now at the final stages, which would commence in 2025 and contribute over C$10 million in annual EBITDA. The business continues to advance three additional pipeline connection projects to completion with very attractive returns given the bolt-on nature to the existing network. These three projects are expected to generate C$80 million in annual EBITDA, with in-service dates in 2025.

Data

The data segment generated FFO of $333 million, representing a 21% increase over the prior year. The increase is attributable to strong organic growth and the contribution of several new investments completed over the last twelve months, including three data center platforms and a tower portfolio in India.

Digitalization and rapid advancements in technology are expected to be primary growth drivers for the global economy in the years ahead. This has led to a step change in the capital required to support the exponential increase in data creation, storage and processing needs. As a result, many of our data businesses have significant and highly contracted organic growth projects that are partially captured in our backlog, but not yet in our results. Our shadow backlog, which represents future development opportunities, is at its highest level ever and is heavily concentrated in this segment.

Taking a closer look at our data storage numbers, we have invested over $9 billion of capital across three primary digital infrastructure verticals, namely data centers, fiber networks and telecom towers. Data centers are one of the most significant areas of investment, with over $3.6 billion of capital invested in the last six years. Putting aside our investment in a U.S. retail colocation business, Centersquare, we have $2.8 billion invested in high-growth global hyperscale data center platforms. The organic growth backlog in these businesses is approximately $1.4 billion at our share and is anchored by long-term, availability-based contracts, with highly creditworthy counterparties. As we execute our backlog of growth, we are very focused on maintaining our economics and project level returns. We will not pursue growth at all costs and have maintained our yield-on-cost on new developments. We anticipate being able to enhance returns in the years ahead as we execute on our strategy to sell fully-contracted sites as they are built. This will create liquidity to fund future growth, as well as crystalize a significant developer profit as returns to the buyer for stabilized assets are 3-4% below our yield-on-cost.

Our global data center platform now spans over 140 data centers, with approximately 1 gigawatt of installed capacity that is continuously expanding. During the fourth quarter, we achieved three notable updates:

- Our European hyperscale data center platform signed a binding agreement to acquire a strategic land parcel in Madrid that can accommodate over 120 megawatts of capacity. The land acquisition and data center build out will be completed in stages and is expected to require over €1 billion of capital to develop.

- At our North American hyperscale data center platform, we secured two triple-net leases to construct approximately 150 megawatts of capacity in Phoenix and Northern Virgina, with terms ranging from 12 to 15 years. We expect to generate a total of approximately $160 million of EBITDA (approximately $25 million net to BIP) coming online in stages beginning in Q3 2025.

- Our Latin American data center business commissioned a site in São Paulo that is part of a larger 20 megawatt build out that is fully sold to an investment grade hyperscaler. We now have operational capacity of 12 megawatts, with the remainder still under construction and expected to be delivered in 2025.

At our Indian telecom tower operation, the integration of our follow-on investment has been successful. Our current focus is on delivering incremental synergies and cost-saving initiatives. During the fourth quarter, we renewed tenancies on approximately 30,000 sites (approximately 40% of the acquired portfolio) for an additional 10 years. This is a great outcome as it secures $140 million in annual revenue, which is significantly better than our underwriting expectations.

Strategic Initiatives

In 2024, we achieved our targeted $2 billion of capital recycling proceeds in a challenging but improving asset sale environment. As we ended the year, we were seeing greater investor interest in high quality infrastructure assets and a larger universe of buyers able to transact. This momentum has accelerated into 2025, and we have already secured approximately $850 million in proceeds from asset sales (approximately $200 million net to BIP) one month into the new year.

At our global intermodal logistics operation, we agreed to sell a 33% minority equity interest in a portfolio of fully contracted containers at an implied equity value of $1.3 billion. In total, we expect to receive approximately $440 million (over $120 million net to BIP), with closing expected in the first half of 2025. This inaugural sale provides a structure and framework for us to further monetize de-risked and contracted assets, which will generate meaningful liquidity at attractive returns.

At our North American hyperscale data center platform we secured the sale of a non-core site to a technology company for approximately $1 billion. The sale was transacted at an attractive capitalization rate, which crystalized our developer profit of approximately $350 million. Proceeds after debt repayment and transaction costs are expected to be approximately $400 million (over $60 million net to BIP), with closing expected later this year.

In relation to our previously secured transactions, during the fourth quarter we closed the sale of our fiber platform within our French telecom infrastructure business, which generated approximately $100 million in proceeds and an IRR of 17%. We closed the sale of one of our Mexican regulated natural gas transmission pipelines and remain on track to close the second in the first quarter of 2025 for total net proceeds of approximately $500 million ($125 million net to BIP), locking in a strong IRR of 22% during our five-year ownership period.

We believe the level of asset sale activity we have experienced so far in 2025 will be indicative of the year ahead. We have several advanced transactions that are on track to be signed in the first half of the year, in-line with our expectations and we are very confident in our ability to deliver $5-6 billion in asset sale proceeds over the next two years. Supporting this confidence is the return of buyers for core assets, which many of our mature businesses attract from a risk/return perspective on exit. We have seen this activity firsthand in Brookfield's own super core infrastructure fund, which has been experiencing an influx of capital as fundraising at the end of 2024 increased to the highest levels in almost three years, and this momentum has continued into 2025.

Balance Sheet and Liquidity

2024 was the most active year for us in the capital markets on record. Higher treasury yields created strong investor demand for fixed income (especially for high-quality issuers across our portfolio), which in turn led to near record low credit spreads. We capitalized on the attractive debt markets to efficiently finance our businesses, proactively refinance maturities and reduce interest expense. During the quarter, we completed the inaugural issuance of 30-year U.S. subordinated notes raising $300 million at the corporate level. Within our portfolio companies, we refinanced or repriced approximately $2.5 billion of non-recourse financings at our share. Some notable transactions include:

- At our diversified Canadian midstream operation, we raised C$450 million in the Canadian institutional hybrid market to repay revolver drawings and to fully refinance an upcoming maturity. The issuance had a 30-year term and an attractive coupon of 6.75%.
- Amidst another quarter of attractive pricing in the U.S. Term-Loan B market, we repriced three loans totaling $5.4 billion to reduce our cost of borrowing by 25 basis points and save approximately $14 million in annual interest costs. The two largest transactions included $2.7 billion at our North American rail business and $2.2 billion at our U.S. LNG export facility, both of which represented the tightest pricings in their respective sectors and credit ratings.
- At our European hyperscale data center platform we raised approximately $3.5 billion to support the large backlog of contracted growth projects. When combined with our North American hyperscale platform, we raised approximately $5 billion of capital during 2024.

Our corporate balance sheet remains strong. We have no corporate debt maturities until 2027 and no material asset-level maturities over the next 12 months. Our liquidity position is also strong, with $5.5 billion dollars of total liquidity, including corporate liquidity of $2.3 billion and over $1.5 billion in cash retained in our businesses. This positions us well to move quickly and with certainty on new capital deployment opportunities.

Benefiting from Uncertain Markets

The global economy continues to navigate a period of uncertainty. The focus is on the change of government in the U.S. and the resulting shift in policy, including the timing and magnitude of potential tariffs on foreign imports. Simultaneously, the U.S. economy is showing strength, and employment levels remain robust. Long-term interest rates have increased recently and remain at elevated levels as investors temper their expectations around future interest rate cuts and anticipate a prolonged period of higher inflation.

As we have demonstrated, Brookfield Infrastructure is well positioned to benefit from higher inflation. Our businesses provide essential services with regulated or contracted revenue streams, many of which are indexed to inflation. During the past three years, inflation has contributed meaningfully to our FFO growth, averaging more than 5% annually on a compounded basis. Today, our business remains highly indexed to inflation. Approximately 70% of our EBITDA is favorably impacted by inflation, with another 15% margin protected through fee-for-service models.

We expect inflation will continue to be a key driver of our organic growth in 2025 delivering FFO per unit growth within our target range of 3-4% or higher. We have visibility into several upcoming inflation-linked rate increases that will significantly contribute to our results. For example, our Brazilian natural gas transmission business, which is 100% inflation indexed, is expecting a 7% rate increase compared to 2024. At our U.K. regulated distribution operation, which is over 90% inflation linked, we are anticipating a weighted average increase in rates of 3% across the portfolio of product offerings.

At the same time, we have been proactive in managing our capital structures and mitigating risks related to interest rates at both the corporate and portfolio company levels. We completed over $9 billion of non-recourse financings at our share during 2024. Today, our weighted average debt maturity is 8 years and 90% of our debt is fixed rate. This strong position not only mitigates risk but also allows the benefits of inflation to compound in our results, with limited impact from rising interest costs. Put very simply, increased revenue from inflation and fixed interest costs equals greater bottom line cash flows over time.

Although this backdrop is constructive to deliver organic growth, particularly from capturing elevated inflation in our results, it is important to remember that independent of macroeconomic factors, we have a proven track record of strategy execution and delivering FFO per unit growth in line with our targets. Infrastructure as an asset class has consistently proven its resiliency, while providing outsized growth potential tied to the megatrends driving the infrastructure supercycle.

Outlook

The momentum in our base business has never been better. Although inflation has been largely controlled, it is widely expected to remain above pre-pandemic levels, which is a tailwind for our business and will be captured in our results. The markets we operate in continue to perform well, with global GDP expected to grow at 2-3%, supporting volume growth across our critical infrastructure networks and supply chains. This macroeconomic growth, coupled with investments into our expanding record backlog of organic growth projects, positions us well to achieve strong organic growth in 2025 at the high end or above our target range.

The outlook for growth is positive. Much of our data segment’s value is not yet reflected in our current financial metrics, given its development-focused profile. However, as projects come online, we expect them to contribute meaningfully to earnings and drive overall growth over the next three years. In terms of new deployment, we have entered 2025 with a pipeline of early-stage capital deployment opportunities that is the deepest it has been in years. Activity levels continue to improve, and the need for private capital to invest in critical infrastructure globally continues to rise. This creates ample opportunities for large-scale, well-capitalized, global infrastructure owners and operators like us.

Digitalization remains the key driver of our current deal flow, with the data sector accounting for over 40% of our anticipated capital deployment. We expect growth in this sector to persist, outpacing all other areas of our business and positioning it to become our largest sector within five years. We are also excited by the deployment opportunities in other segments of our portfolio that are benefiting from digitalization, such as midstream and utilities, both of which we expect to be active deploying capital in the years ahead.

We expect this growth will be fully self-funded through our asset sale program. We are confident in our ability to generate $5-6 billion of proceeds over the next two years, crystalizing the strong returns we have generated during our ownership. We have made great progress in the first month of this year, securing $200 million of proceeds from two sales, with a number of processes underway and several more to be launched across multiple sectors, geographies and sizes. We are excited for what’s shaping up to be a busy year.

On behalf of the Board and management, thank you to our unitholders and shareholders for their ongoing support.

Sincerely,

Sam Pollock
Chief Executive Officer

January 30, 2025

Cautionary Statement Regarding Forward-looking Statements

This letter to unitholders contains forward-looking information within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. The words, "will", "continue", "believe", "growth", "potential", "prospect", "expect", "target", "should", "future", "could", "plan", "anticipate", "outlook", "focus", "plan to", derivatives thereof and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify the above mentioned and other forward-looking statements. Forward-looking statements in this letter to unitholders include statements regarding the likelihood and timing of successfully completing the transactions and other growth initiatives referred to in this letter to unitholders, the integration of newly acquired businesses into our existing operations, the future performance of those acquired businesses and growth projects, financial and operating performance of Brookfield Infrastructure and some of its businesses, commissioning of our capital backlog, availability of investment opportunities, including tuck-in acquisitions, the state of political and economic climates in the jurisdictions in which we operate or intend to operate, the expansion of our businesses and operating segments into new jurisdictions, the adoption of new and emerging technologies in the jurisdictions in which we operate, performance of global capital markets and our strategies to hedge against risk in such markets, ability to access capital, anticipated capital amounts required for the growth of our businesses, the continued growth of Brookfield Infrastructure and its businesses in a competitive infrastructure sector, the effect expansion and growth projects of our customers will have on our businesses, and future revenue and distribution growth prospects in general. Although Brookfield Infrastructure believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on them, or any other forward-looking statements or information in this letter. The future performance and prospects of Brookfield Infrastructure are subject to a number of known and unknown risks and uncertainties. Factors that could cause actual results of the Partnership and Brookfield Infrastructure to differ materially from those contemplated or implied by the statements in this letter to unitholders include general economic, social and political conditions in the jurisdictions in which we operate or intend to operate and elsewhere which may impact the markets for our products or services, the ability to achieve growth within Brookfield Infrastructure's businesses, some of which depends on access to capital and continuing favorable commodity prices, the impact of political, economic and other market conditions on our businesses, the fact that success of Brookfield Infrastructure is dependent on market demand for an infrastructure company, which is unknown, the availability and terms of equity and debt financing for Brookfield Infrastructure, the impact of health pandemics on our business and operations, the ability to effectively complete transactions in the competitive infrastructure space (including the ability to complete announced and potential transactions referred to in this letter to unitholders, some of which remain subject to the satisfaction of conditions precedent, and the inability to reach final agreement with counterparties to such transactions, given that there can be no assurance that any such transactions 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, weather events affecting our business, the effectiveness of our hedging strategies, completion of growth and expansion projects by customers of our businesses, traffic volumes on our toll road businesses and other risks and factors described in the documents filed by Brookfield Infrastructure with the securities regulators in Canada and the United States including under "Risk Factors" in Brookfield Infrastructure's most recent Annual Report on Form 20-F and other risks and factors that are described therein. Except as required by law, Brookfield Infrastructure undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.