Letter to Unitholders

Overview

Performance over the last quarter demonstrated the resilience of our business, as well as our ability to generate strong financial and operational results through market cycles. In a period highlighted by tightening capital markets, our business met its financial targets, secured two marquee acquisitions and advanced several capital recycling initiatives. Our regulated and contracted business delivered strong results, with funds from operations (FFO) for the first quarter of $554 million, a 12% increase over prior year.

We have already achieved our capital deployment target for the year. In April, we agreed to acquire a premier European hyperscale data center platform and offer to take-private the world's largest owner and lessor of intermodal containers, Triton International (Triton). We are also well advanced in our capital recycling initiatives that are expected to generate $2 billion of proceeds. During the quarter, we completed the sale of two U.S. gas storage facilities at attractive valuations and have now sold a total of seven businesses in the last twelve months. We also plan to issue over $900 million of BIPC shares as part of the Triton privatization, which provides us with significant financial flexibility to consider attractive investment opportunities.

The current outlook for economic growth is muted, however as long-term focused investors we remain optimistic about future global trends. Looking through some of the short-term noise, we see technological advancement, substantial need for infrastructure investment and increased global trade, driving strong fundamentals for our sector. In the near term, we expect our business to perform well despite broader market uncertainty. In particular, our integrated network of transport investments that underpin global supply chains are highly contracted, with a proven resiliency throughout cycles. The addition of Triton's leading intermodal container network will generate additional opportunities to improve efficiency, as well as provide real-time insights into global trade patterns and further shape our investment posture in the future.

Operating Results

FFO per unit of $0.72 increased 12% compared with the same period last year. Organic growth was strong at 9%, reflecting the benefits of continued elevated levels of inflation on tariffs, strong volumes across our transport networks and the commissioning of approximately $1 billion in new capital projects over the last twelve months. Results were further supported by the contribution of approximately $2.4 billion of capital deployed in new acquisitions over the past year. Partially offsetting the strong underlying performance of our business was the normalization of market sensitive revenues, as the prior year benefited from elevated commodity prices, and the impact of asset sales.

Utilities

The utilities segment generated FFO of $208 million, an increase of 25% from the same period last year. Organic growth for the segment was over 10%, reflecting higher than historical average inflation indexation and the commissioning of approximately $450 million of capital into the rate base during the last twelve months. Current quarter results benefited from the expansion of our residential decarbonization infrastructure platform in North America and Europe, following the acquisition of HomeServe that closed early in the quarter. Results also benefited from a full quarter contribution of an Australian regulated utility we acquired in February 2022.

Our U.K. regulated distribution business continues to roll out its multi-utility offering, with over 77,000 connections sold this quarter, led by electricity and water. The business has maintained a record orderbook of 1.6 million connections sold, despite developers experiencing a slowing pace of new home demand due to higher borrowing costs. Longer term, the business is also well positioned to support residential decarbonization through the roll out of alternative heating solutions. Following the launch of our air source heat pump network in 2022, construction is now in progress on the first network, with additional opportunities underway with key U.K. home builders.

In January, we completed the acquisition of HomeServe to bolster our global residential decarbonization infrastructure platform. As part of our business plan to establish leading residential demand-side decarbonization businesses, we subsequently separated the North American and European operations to facilitate integration into our existing regional operations. Since acquisition, we have made progress on rolling out our heating and cooling as a service rental model by converting one-time sales into recurring annuity revenue streams. In Europe, we launched a pilot program, with conversion rates of more than 20%. In North America, we expanded our model across twelve HomeServe centres, with a plan to roll out to all locations by the end of 2023. Lastly, we have begun to unlock synergies including enhanced procurement opportunities, as well as driving higher sales through cross selling our multi-product offerings. Our growing global footprint is comprised of operations in six core countries with over 260,000 installations completed annually.

Transport

FFO for the transport segment was $192 million, an increase of 11% excluding our North American container terminal from prior year results that was divested in the second quarter of 2022. As a result of strong customer demand and activity levels, we continue to benefit from higher volumes across our networks and increased rates that are generally in-line with inflation across the countries where we operate. Specifically, our global toll road portfolio saw traffic levels increase 3% compared to the prior year, our rail networks transported 11% more volume this year and our global ports businesses moved 5% more cargo.

At our U.S. export terminal, Sabine Pass, we have established a history of successfully deploying capital into accretive expansion projects. Most recently this was evidenced by the commissioning of a sixth liquefaction train and third shipping berth completed last year. In the first quarter, Sabine Pass announced the commencement of project planning and early-stage regulatory filings for a further large-scale liquefied natural gas (LNG) capacity expansion of up to 20 million tonnes per year, a capacity increase of approximately 65%. This long-term development project highlights the strong global demand for contracted LNG export services and Sabine Pass' reputation as a reliable operator of critically important infrastructure.

Midstream

Our midstream segment generated $198 million of FFO, consistent with the prior year. Strong performance at our North American gas storage business continued from the fourth quarter, offsetting the normalization of market sensitive revenues at our U.S. gas pipeline and diversified Canadian midstream business.

Our base business continues to benefit from strong utilization due to increased long-term contracting and strategic capital projects designed to enhance the accessibility of our infrastructure. At our diversified Canadian midstream operation, volumes on our conventional systems increased over 6% from the same period in the prior year. Utilization at our Western Canadian natural gas gathering and processing operation increased to record highs as upstream producers advanced capital programs and system reliability remained close to 100%. At our U.S. gas pipeline, storage services were fully contracted and transportation throughput increased 11% above prior year.

In late January, the Heartland Petrochemical Complex (HPC) was placed into commercial operations and ran on an integrated basis during the quarter. We commenced processing propane for a small portion of our third-party contracts, with the remainder scheduled to be on-stream by the end of the second quarter. The facility contributed minimal earnings this quarter due to the timing of start-up combined with lower levels of initial third-party revenue. We were pleased to achieve nameplate capacity for sustained periods during the quarter and expect to achieve run-rate results in the second half of 2023.

Data

Our data segment generated FFO of $70 million, an increase of 21% from the same period last year. Organic growth for the segment was 9% driven by additional points-of-presence and inflationary tariff escalators across the portfolio. Our integrated data distribution business in New Zealand benefited from a recovery in roaming revenue due to an uptake in international travel, as well as fiber connectivity requirements from the commissioning of new third-party data centers. Current quarter results also benefited from the acquisition of a European telecom tower operation in February, as well as the contribution from an Australian fiber business acquired in August 2022.

During the quarter, we completed the acquisition of a European telecom tower operation with operations in Germany and Austria. This included a build-to-suit pipeline of over 8,700 sites and a network modernization plan to upgrade existing sites over the next eight years. We also continue to progress the build out of fiber-to-the-home (FTTH) networks across our global portfolio. For example, in Australia, our FTTH business secured three government contracts to build fiber infrastructure to regional areas throughout Victoria, New South Wales and Queensland for a total investment of A$30 million. In France, we completed the fiber network buildout in two of our four markets, with commercialization more than 10% ahead of our plan. Construction in the remaining two markets is progressing well, with 80% of connections available for commercialization.

Finally, we continue to focus on advancing several capital projects across our data storage subsegment, as customer demand continues to grow globally. Over the past twelve months we commissioned a total of 27 megawatts underpinned by long-term contracts, across five cities including Auckland, Adelaide, São Paulo, Mexico City and Santiago. Globally, we now have a total of 230 megawatts installed, with an average utilization of 80%. Additionally, we are progressing the construction of nine data centers across six different countries, with 29 megawatts expected to be commissioned by the end of this year. This 10% increase in capacity excludes growth projects at the European data center platform we recently secured.

Strategic Initiatives

We had an excellent start to the year, with respect to capital deployment. In April, we secured two marquee infrastructure platforms that will allow us to achieve our annual deployment target. Together, we expect our share of deployment to be roughly $1.6 billion across two high-quality secured investments, Data4 Group (Data4) and Triton.

Data4 is a premier hyperscale data center platform in Europe, with operations in France, Italy, Spain, Poland and Germany. The business has approximately 100 megawatts of in-place capacity currently generating revenue, with a plan to add 400 megawatts of capacity. A significant proportion of this incremental growth has been contracted or reserved, which provides a high degree of certainty for the first five years of our development plan. The entire growth profile of the business has been further de-risked, with all of the required land already owned and power secured to support the expansion.

In addition to the visible growth profile, Data4 is an attractive business due to its highly contracted revenue base and regional tailwinds. Over 80% of revenue is derived from contracts with investment-grade hyperscalers that have an average remaining life of eight years. We are focused on Europe due to its land and power constraints, lagging build-out completed relative to the U.S., and more restrictive data sovereignty laws that require data to be warehoused where it is created. Additionally, Data4 fills a geographical gap in our global data center footprint, with greenfield development platform investments already in North and South America, Australia, New Zealand, India and Korea.

The transaction is expected to close in the third quarter, with a total Brookfield equity investment of $2.4 billion (BIP's share – approximately $600 million). Having looked at several similar businesses over the past few years, we feel our patience and capital discipline have paid off, as we were able to acquire this platform for an attractive entry multiple that was several turns below recent comparable transactions.

In April, we announced our intention to acquire 100% of the common equity of Triton for $85 per share in a take-private transaction, equating to an enterprise value of $13.3 billion. Triton is the world's largest owner and lessor of intermodal shipping containers and is a critical provider of global transport logistics infrastructure, with a fleet

of over 7 million twenty-foot equivalent units. The container leasing industry has high barriers to entry and is characterized by a small group of industry players. The size and scale of Triton's global network differentiates it from competitors, making it the partner of choice for the world's top 10 shipping lines that collectively account for approximately 85% of global shipping capacity.

We believe the acquisition of Triton is a compelling opportunity. The company's size and scale drive lower procurement and financing costs, as well as high fleet utilization and margins through various market cycles. Additionally, Triton has a highly contracted asset base generating long-term stable cash flows, with approximately 90% of its fleet under long-term contract that have an average duration of approximately seven years and limited re-contracting exposure. Furthermore, Triton has a strong going-in yield, with highly cash generative assets that are linked to the long-term expansion of global trade.

The total equity commitment for the transaction is $4.7 billion. Brookfield Infrastructure's share is expected to be approximately $1 billion at close, primarily funded by over $900 million of BIPC shares being included as part of the transaction. Closing is expected to occur in the fourth quarter, subject to customary closing conditions and Triton shareholder approval.

Balance Sheet and Liquidity

The first quarter of the year was marked with volatility as central banks continued to battle inflation through monetary policy. Isolated banking failures in the U.S. and Europe have created additional market disruption. Recent economic data has shown some signs of slowing headline inflation, but the data is mixed and a tight labor market with persistent wage pressure continues. While the banking sector appears to have stabilized following announced mergers and a swift regulatory response, markets are still proceeding with caution.

While such periods of volatility in the capital markets create challenges, they also provide an opportunity for us to showcase the benefits of our disciplined financing strategy. We are confident in the strength of our balance sheet, and the reliability of our banking partners. Our thoughtful approach to selecting the financial markets we access and the banks we engage has resulted in diversified funding sources and limited concentration risk. This prudent financing approach has served us well amid the current uncertainty, as we have virtually no exposure to regional banks. The stable and predictable cash flows generally associated with infrastructure assets allow premier franchises like ours to have access to capital throughout cycles. This access was on display this quarter, as we sourced approximately $5 billion of capital from eight relationship banks across North America, Europe and Asia in order to backstop and support the two secured investments.

During the quarter, we solidified the strength of our corporate balance sheet as our credit rating was reaffirmed at BBB+ by S&P and we obtained a second credit rating of BBB+ from Fitch, both with stable outlooks. This represents our second investment grade credit rating, which will help us further expand our access to capital and highlights the positive evolution of our credit over time. We ended the first quarter with total corporate liquidity of $2.4 billion, which will be further enhanced by the proceeds expected from our capital recycling program this year.

We have a proven track record of monetizing de-risked investments and recycling the capital into higher returning new investments. Since interest rates began rising in March of 2022, we have successfully secured seven asset sales, six of which are already closed, with the remaining Indian Toll Road portfolio sale scheduled to close in the second quarter. These sales have been to core and strategic buyers at values in-line or above expectations, demonstrating the continued demand for high-quality infrastructure assets.

Most recently, we completed the sale of our interests in two U.S. gas storage assets to strategic buyers for gross proceeds of $235 million (BIP's share – approximately $100 million). The sale included our interest in Tres Palacios in Texas and our Salt Plains facility in Oklahoma. We realized attractive transaction multiples for these assets of 21 times and 15 times EBITDA, respectively. Both storage assets and the previously announced sale of Geelong Port closed in April. As we move forward, we remain committed to our 2023 capital recycling objective and continue to see strong interest from potential buyers. In aggregate, our asset sale program is expected to generate approximately $2 billion of proceeds this year.

Global Supply Chains: It’s Infrastructure’s New Place To Be

A significant amount of infrastructure investment activity recently has been driven by digitalization and decarbonization. This is evidenced by our own recent acquisitions of companies such as HomeServe, DFMG and Intellihub, as well as the announced Data4 transaction. An additional opportunity subset has arisen from deglobalization, which generates supply chain infrastructure investments.

In recent years, geopolitical tensions and the COVID-19 pandemic have caused substantial disruptions that are causing companies to re-think their global supply chains. Most visibly, we are witnessing the onshoring of high-tech, strategic and mission critical products such as semiconductors, medical essentials and EV batteries. This deglobalization trend is creating significant investment opportunities.

At the same time, lower value-add goods such as apparel, furniture and household items are, and will continue to be, manufactured in low-cost jurisdictions. Rather than reshoring these goods, companies are instead seeking to diversify their supplier base, which will still require traditional, container-based transportation to end markets. This trend of diversification is expected to increase the absolute shipping distance traveled and result in higher demand for containers and transportation infrastructure.

Over the last decade and a half, we have invested in developing a diversified transport portfolio heavily comprised of rail and port businesses. Our operations form a critical component of global supply chains and are highly utilized or contracted to provide predictable and increasing cash flows tied to economic growth. Today, we own and operate a transportation network with over $25 billion of assets under management that serves a large and diversified group of customers.

As we potentially enter a period of slowing economic growth, it is important to underscore the long-term resilience and durability of our businesses. Our global rail franchise provides cost effective, low emission, and highly efficient transportation for the inputs of everyday life. We transport everything from essential commodities like grain and iron ore to key manufacturing inputs such as automotive parts and industrial chemicals. We have operations across Australia, South America, Europe and North America and have proven how resilient all of these businesses are in all economic cycles. Combined rail volumes were up 11% compared to the prior year and we benefited from a weighted average rate increase of 9%, which is in-line or ahead of inflation in the countries where we operate.

Our port and bulk terminal assets act as critical gateways for the import and export of goods and commodities, as well as provide essential transloading and storage services. Approximately 90% of the cash flow from these businesses are contracted, with over 70% not exposed to changes in volumes or pricing. Activity levels at our ports have remained strong as softening container lifts have been more than offset by higher bulk commodity demand, with total terminal volumes increasing 5% compared to the prior year.

Looking ahead, we anticipate that global supply chains will continue to evolve, as manufacturers diversify their sourcing beyond China using a “China +1” strategy. We expect that raw materials, goods and manufacturing inputs will increasingly come from multiple jurisdictions to improve the resilience of the network and to create resistance to supply shocks. Furthermore, there is a well documented growing preference for “just in case” inventory management, over the “just in time” strategy that has prevailed in recent decades. In prioritizing supply chain resilience, companies are increasingly recognizing the opportunity cost of missing manufacturing inputs, and the resulting unfulfilled market demand, is greater than maintaining extra inventory on hand.

These trends both support the value of our in-place asset base and create new and exciting investment opportunities within our transport segment. Most recently, we announced our agreement to acquire Triton, which will further enhance our infrastructure footprint underpinning global supply chains. Specifically, we expect the acquisition will improve customer relationships and create new organic growth opportunities across our portfolio. More strategically, Triton is uniquely positioned to provide valuable insight into global trade flows. As the world's largest owner and lessor of containers, it is one of the first companies to observe real-time changes in container demand. Changes in market dynamics can be inferred by the ratio of new lease origination to fleet returns. This has implications for Triton’s ability to react quickly to market changes, but also benefits the positioning of our broader transportation portfolio commercially and improves our intelligence in capital allocation.

Our investment in Triton is a manifestation of the opportunity subset we anticipate forthcoming in supply chain infrastructure. Adding Triton to our global rail, port and logistics businesses will make us one of the most integrated providers of freight transportation services in the world. We expect to leverage our footprint to unlock further attractive transportation efficiencies for our customers. The large-scale capital investment required to build supply chain resilience and diversity of supply should create an exciting subset of future investment opportunities.

Outlook

We believe that the long-term positive outlook for the infrastructure sector, in conjunction with our full cycle investment strategy, will allow us to continue to create significant value for our investors. Our strategy is grounded in a deep understanding of the infrastructure sector and the various market forces that drive it. We have made significant progress during the quarter, adding valuable pieces to our long-term growth plans, with two important investments: the agreement to acquire Data4 and the planned Triton privatization. Both investments are expected to generate strong cash flow for our unitholders. We also believe that our ability to look through near-term headlines and overreactions to invest in high quality businesses that have long-term growth potential will differentiate us during this current market cycle.

Our priorities for the balance of the year will be the integration of our recently secured investments and the execution of our current capital recycling program. We are also focused on continuing to deliver excellent financial results, which are expected to benefit from the full run-rate contribution of our new Heartland Petrochemical Complex, commissioning of new projects from our capital backlog and the closing of the Data4 and Triton acquisitions.

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

Sincerely,

Sam Pollock
Chief Executive Officer

May 3, 2023

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.