

Brookfield Affiliates 2026 Investor Day – BIP

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Corporate Speakers:

- Sam Pollock, Brookfield Infrastructure Partners, CEO
- Scott Peak, Brookfield Infrastructure Partners, President
- Sikander Rashid, Brookfield Infrastructure Partners, Managing Partner, Global Head of AI Infrastructure
- Lief Williams, Brookfield Infrastructure Partners, Managing Director, Investments
- David Krant, Brookfield Infrastructure Partners, CFO

PRESENTATION

Sam Pollock: Well, good afternoon, everyone. It's great to see so many familiar faces and good friends. As a son of a Sam, was I the only one feeling uncomfortable with Howard's story there? Bruce was looking over at me.

Last year, we said that Brookfield infrastructure was approaching an inflection point in its growth trajectory. And today I want to pick up where we left off and show you why we believe that's underway. To do that, I'm going to briefly revisit the strategy that we have, walk through what we've accomplished this year, and then I'll finish with what we think the opportunity ahead is and why we think it's as strong as ever been.

To start off with, we've got a slide here that I think most of you have seen this before, and that's pretty intentional. Our strategy hasn't changed. And there are three parts to it. We maintain a strong financial position, deploy capital at attractive risk adjusted returns, and we crystallize value through capital recycling. And when we execute those three things well, the results should be 10% or better FFO growth per unit over time. The full cycle approach has been the foundation of the business for almost two decades now, and it remains the framework for how we allocate capital today.

And as I just mentioned a second ago, a year ago, we told you we believed the growth rate was at that inflection point. And we had conviction because several things were coming together at once. Our organic backlog had grown, recent investments were beginning to contribute to our business, capital recycling had scaled, and some of the headwinds that were affecting our per unit growth were starting to minimize.

Now, this year, rather than repeat that statement, I want to show you some of the evidence. And I think this chart tells the story pretty clearly. From 2023 through 2025, average annual FFO per unit growth was about 7%, which is below our long-term experience. This year we expect that to be approximately 10%. The important point is the direction of travel. The base business is performing well, capital from our backlog is coming into earnings, and recent investments are contributing more meaningfully. Since inception, we've compounded FFO per unit at roughly 14%. Now, we're not suggesting that one year will make a trend or get us right back up there, but we believe that business is now moving back toward the growth profile that the investors in this room have come to expect from us.

Let me now walk you through the three elements of our strategy and where we stand against each of them. The key point is that the improvement in growth is not coming at the expense of

financial discipline. We're maintaining a strong balance sheet, investing at attractive returns, and continue to monetize mature businesses.

Let's start with our financial position. We've generated 10% FFO per unit growth year to date while maintaining approximately \$2.6 billion of corporate liquidity, BBB+ investment grade credit ratings, and a 65% payout ratio. Those numbers matter in combination. We're growing while retaining financial flexibility. That means that we can be patient when markets are expensive and move quickly when volatility creates opportunity. And that's been a hallmark of our success in the past.

The second part of our strategy is deployment. We've secured approximately \$1.4 billion of growth investment and expect to deploy more than \$2 billion for the full year. Importantly, this isn't dependent on one large acquisition. The deployment is diversified across the investments we made into our semiconductor facility, the growth backlog that we have within our other businesses, and new investments made through various industrial partnerships. The mix is increasingly representative of our opportunity set, involves more organic investments, more strategic partnerships, and more opportunities sourced through Brookfield ecosystem rather than just competing in broad auctions.

And the more important point about this year's deployment is the return profile. We expect average returns of 15% or higher on the capital that we're currently deploying, which is above our historic target range of about 12% to 15%. And there are a couple of reasons for that. First is the infrastructure super cycle is creating a very large opportunity set for us to invest in. Second, AI infrastructure is adding another capital-intensive growth avenue for us to pursue. And finally, our scale and competitive moat is helping us source opportunities where we can achieve better economics. What I'd emphasize is that we're not targeting higher returns by taking greater risk. We remain focused on high quality counterparties, strong contractual protections, and disciplined underwriting.

The other side of the equation obviously is capital recycling. So far this year, we've secured approximately \$1.4 billion of asset sale proceeds, and that excludes the approximately \$1.2 billion of proceeds that we were able to obtain from the Csquare IPO, which was used to repay debt. We remain well on track to exceed our \$2 billion target for capital recycling for the year. The return shown here from the mid-teens to over 40% demonstrate the value that we've created across various businesses and geographies throughout the year. This is how the full cycle strategy funds itself. We take capital out of mature investments where we've executed the value creation plan and redeploy it into new opportunities at attractive returns. That spread is an important source of long-term per unit growth.

I want to take a second to discuss the simplification that we announced in July. You may recall that we listed BIP in 2008 as a partnership and created BIP-C in 2020. We are now proposing to combine these two into a single publicly traded corporation called BIP, Inc. Nothing changes about the underlying business or the investment strategy. What changes is just the wrapper. We expect one corporate security to be easier to own. It will broaden the potential investor base to those who currently can own a partnership, and it'll materially improve consolidated trade and liquidity. The security holder vote is scheduled for October 14th and, subject to approvals, we expect to close the transaction in the fourth quarter. The result should be a roughly \$30 billion company and more than twice the trade and liquidity.

This brings us back to the inflection. Our confidence doesn't come from any single transaction or results in a quarter. It comes from a combination of having a strong base business, a larger

organic backlog, and more capital going to work at attractive returns. And I'm going to finish up on this slide because it demonstrates or at least shows why we're optimistic on the deployment front, and it sets out the focus for the remainder of the presentation. We have three substantial avenues for capital deployment that we're going to talk about, M&A and corporate partnerships, AI infrastructure, and organic growth within our businesses. The point we hope you take away at the end of the presentation is that our strategic advantage is the optionality that we have in the business to allocate capital to whatever opportunities offers the best risk-adjusted returns at that time. With that, I'm going to turn it over to Scott, and he's going to come up and talk about M&A and corporate partnerships.

Scott Peak: Thank you. I don't know if anyone else was keeping track of the number of times scale was mentioned today. Every session has referenced it either directly or indirectly. And in fact, Bruce's start at the beginning when he was asked what gets him most excited about coming to work, he referred to the assets, the relationships, the dollars, the people that we have here, which is very different from where he started his career. That's all scale. With that, that introduced me well. I want to spend the next 10 minutes sharing why scale has become BIP's primary competitive advantage. And it's something that's been built patiently and deliberately business by business over the decades.

I'll start with three main messages. First is that scale is no longer a nice to have, it's not even simply just important, it is a prerequisite for market relevance for accessing the best opportunities and the best returns. Second, we have differentiated access to the world's largest companies who originate most of the coveted and high quality market transactions we pursue. And third, the infrastructure landscape is vast, and it continues to expand, so we're able to remain highly selective in where we deploy our capital. I'd estimate about a third to a half of the infrastructure we invest in today was nascent or didn't even exist as an investible asset class a decade ago. With that context, it may make more sense that the current forecast for global infrastructure requirements has doubled over the last 10 years to more than \$100 trillion today.

Now, while traditional infrastructure needs have grown, there have been three developments over this period that I'd like to mention. The first is that there's been advancements in technology. You heard the OpenAI panel. That's not going to be a surprise to you. Think fiberization, think automation, think AI factories. These weren't prevalent 10 years ago, but each is highly relevant today and will be in the future. The second is previously less understood sub-sectors are maturing with large capital needs. Think residential infrastructure. And last, asset classes previously outside the perimeter of infrastructure, ones that didn't meet the rigorous definitions that we hold them to, have been adapting their revenue models, have been adapting their contracts to fit within the perimeter of infrastructure. For example, semiconductor foundries, like what we did with Intel. All this means we have a much broader opportunity set to choose from.

However, to capitalize on these opportunities, a few interconnected elements are required. Together, these create a very strong moat for BIP's long-term deployment visibility, and that's very valuable and difficult to replicate. The first is the most quantifiable. You need a big business, big dollars, lots of people and assets and a long track record. The second element is more subjective. You need operating expertise. This can be demonstrated through key performance indicators, a large and experienced team, and results over a long measurements period. And third, which can only be earned if you have the first two right, are trusted corporate relationships with the leading market participants.

Let's remember, the leading corporations originate the majority of the large and attractive infrastructure opportunities in the market. Origination from government is infrequent. And because infrastructure assets are critical by definition, the same corporates rely on them both before and after a transaction. And that is why, as we move to the middle column on this slide, corporate JVs, corporate partnerships, corporate carve-outs, they're all the most common. These corporate sellers require a counterparty that can operate the businesses critical to them safely and reliably. And while price is important to them, it's rarely their primary consideration. And the more complex a transaction is, an area where you've seen us excel, the greater the need for every prerequisite to be satisfied. And BIP ticks all these boxes.

So consequently, a selection from our partnership resume includes some of the leading companies around the world. The structures were varied, carve outs, sale leasebacks, JVs, strategic frameworks, but each required a partner they knew well, that brought a big business to bear with relevant operating expertise. And most of these were bilateral, beginning years earlier with a relationship. This snapshot captures the breadth of BIP's infrastructure franchise today, specifically the resources and capabilities that we bring. 200 billion of assets under management, 50 portfolio companies in 15 countries, a track record of over a hundred closed transactions representing over 75 billion of equity deployed with an incremental 20 billion of equity projects currently underway.

These credentials more than satisfy the requests of corporate boards, of regulators, and other key stakeholders, but it's important to flag that the corporate leaders of these companies are the ones who ultimately drive counterparty selection. And what they really care about lies beneath the surface of this slide.

Corporate leaders regularly engage with our 50 portfolio companies across the globe. They've seen firsthand that BIP is an experienced operator and deeply understands their business. In each sector where we operate, our industry scale rivals the largest strategics. We're not financial buyers standing outside these industries, we're one of the larger operators inside of them. We operate critical and high profile assets, transmission lines, pipelines, towers, fiber, data centers, rail lines, and logistics assets. This translates to deep credibility with corporate leadership.

So let's connect what we've talked about. Let's connect our scale, our operating expertise and our relationships and connect how that ties to what Sam talked about in terms of our FFO per unit growth plan. It starts with our ability to access and selectively pursue larger acquisitions and do more with these businesses once we own them. And as the size of our acquisitions has increased over time, our average returns on invested capital have too.

We're deploying more capital while generating more FFO per unit of capital. Two reasons why this is occurring. The first is that larger businesses often have fewer credible buyers, which can translate to a better entry value point for us. But they're typically also accompanied by more levers and more avenues for growth for us to create value very quickly during our ownership. Put simply, we're able to buy better and we're able to create more value with what we buy.

Another perspective to share is that bigger deals are not simply a larger version of a small deal. We're not buying a single big thing at the end of the day. These are dynamic businesses with different segments in different regions and different assets included at different stages of maturity. Ultimately, a large business is typically a collection of smaller businesses that have been assembled and accumulated over time, and their integration over this time period is rarely perfect. Accordingly, these big businesses are often rife with duplicate systems burdened by legacy cost structures and constrained by bureaucracy, all serving as ideal opportunities for us to quickly add value. Our toolkit's working. We start by identifying and supporting the right leadership team. Then we improve margins and contracting. We impose capital allocation discipline. We optimize the capital structure. We support the business through incremental CapEx at accretive returns, and we ultimately ensure long-term optionality for our exit of the business. We're seeing our toolkit translate to enhanced returns. We don't simply acquire businesses, we actively manage them. Triton, Hotwire, Colonial, all very different, show the playbook in action. During the first 12 to 24 months we've now owned them, we've completed bolt-on acquisitions, materially improved margins, monetized stabilized assets. None of this we paid for at acquisition. We underwrite these businesses to a mid-teen return, but through active management, we're already adding roughly 200 to 400 basis points, lifting returns into the high teens. And as larger transactions become more common for us, this same value creation playbook can be repeated with greater frequency and greater materiality.

The leading businesses within the infrastructure market have grown, so it's natural that the enterprise value of the transactions BIP has done over the years has grown as well. From 2015 to 2020, many of our market leading transactions had enterprise values in the low single digit billions. Since 2021, the size has shifted upward with our focus on larger businesses and larger partnerships.

Now, a conclusion here should not be that we're only doing big deals. An excellent mid-scale transaction won't get past us, I assure you, but we compete and perform best at the upper end of the scale where we tend to achieve the best returns.

This trend can also be seen by the average amount of equity we deploy per deal and the average returns on that deployment. From 2015 to 2020, BIP deployed an average of 300 million per deal and achieved returns between 12 and 15%. Since 2021, however, this number doubled to 600 million while average target returns now exceed 15%. Four key takeaways. Our opportunity set is vast and growing, allowing us to remain highly selective. BIP is a trusted partner and counterparty to the best companies with access to the most attractive transactions. Our established operating toolkit creates significant value beyond what we underwrite at entry, particularly evident in our larger business acquisitions. These advantages, which all ultimately stem from scale, facilitate more capital deployed at higher target returns, supporting higher FFO per unit growth.

Next up for you, we have a panel. It's titled Building the Backbone of AI: A Clear Example of BIP Scale in Action. I'll now hand the stage back to Sam who will serve as moderator. Thank you.

PANEL DISCUSSION

Sam Pollock: It's my pleasure to be on stage here with two of my colleagues who are the leaders of our AI strategy. Sikander Rashid is the global head. Lief Williams is one of our senior managing

directors here in Toronto, who's been leading a lot of the AI factory initiatives that we're going to talk a bit about and that he spoke about last year.

The whole AI sector is something I guess we've been talking about, I think for about two years now at these sessions. And I recall that when we first threw up the \$7 trillion addressable market for AI infrastructure, we all were a little unsure of whether or not that was a little high. What we've clearly seen in the last couple years, but especially this year is that that number, if anything, is understated. The amount of capital, the opportunity set for us continues to grow at an exponential rate.

But what I thought we'd do to start off with is maybe direct a question to both of you about your experience this past year with what you see changing, what you sort of see things going to in the next year or so. So maybe Sikander, I'll start with you, maybe give your thoughts on what you've seen in the past year.

Sikander Rashid: Yeah. Well, thank you, Sam. Thanks for having us, both Lief and I, and it's great to be here and see so many familiar faces.

Look, 12 months in AI is a long time. A lot has happened. I would say 12 months ago, investors had three big questions. Will the AI models continue to get better? It's a topic Nate touched on earlier. Number two, do we need all of this infrastructure? Do we need all of these GPUs, the power and the compute? And third, will AI actually generate revenue?

Fast-forward to today, I would say what's really exciting is the market's addressed all three of those questions. Number one, last year USR 20 gigawatts of capacity. This year we will beat that. Nvidia, who's at the forefront of this, is recording \$90 billion per quarter in revenues up 120% since last year.

So yes, we need this infrastructure. The demand is there. AI models continue to get better. We've gone from chatbots to agents, hopefully soon to physical AI, so the models continue to get better, which is great for the technology and the adoption of it. And lastly, yes, AI is generating revenue. The two frontier labs, OpenAI and Anthropic, 12 months ago had five to \$7 billion in annualized revenues. Today, the number is \$110 billion. So clearly AI has got revenue attached to it. So that's all really exciting for AI infrastructure.

Sam Pollock: So starting to prove out. Lief, what about you?

Lief Williams: Yeah. One other thing I would add, Sam, is, and it's become more prevalent every month of the last year, has just been community engagement and just prevailing local sentiment on data centers. So I would say 18 months ago there was a perception in the race that the most important thing was just to get massive amounts of power at a site at any cost.

Now, it's probably no surprise that that's resulted in some backlash. We've now seen four states and over 300 counties, and counting, who have implemented data center moratoriums or otherwise delayed permits to get these shovels in the ground and get these sites operational. I think in practice, again, these AI factories, if you do them correctly, they do bring massive benefits; significant investments, large amount of taxable basis, employment both during the construction period and when operational, but you need to articulate these benefits and you need to effectively ensure that you're doing it the right way. And so this really means bringing your own power, protecting the rate payer and articulating the benefits that come from these projects.

Sam Pollock: Okay. So I want to come back to a bunch of points there, but first I want to address one of the comments that Sikander was talking about, just the amount of dollars that we're seeing and just the rush into the sector. We're obviously not alone in having capital and we need to differentiate ourselves. Obviously we have a lot of capital and we can bring that to bear, but what are the things we're doing today to differentiate ourselves in the businesses that we're establishing and buying?

Sikander Rashid: Yeah, look, Sam, I think there's a couple of things. Scale obviously matters. Coming back to, maybe I'll start with the AI factory initiative, which Lief touched on.

So the way I describe it is, whilst the technology firms are building the brain, we're building the body and the components of this body are power, data center or real estate, and compute. And five years ago, these big technology firms or the sovereign governments could have worked with multiple vendors and pulled it all together for their cloud computing services. Today, it's a race not just between the countries, whether it's US and China, but also among all the technology firms. And their preference now is to work with vendors who have the ability to package it all together. And the other element of this is one gigawatt or one megawatt of power cost or data center costs \$10 million with the CPUs five years ago, today it's \$50 million. So the complexity and the size both have increased. And therefore our competitive advantage as a firm is we are one of the largest energy investors. We are one of the largest data center investors, and thanks to our partnership with Nvidia, we've also got compute capabilities. So we have the ability to offer this integrated computing services to some of the largest clients in the world.

Sam Pollock: Okay. So we've made an investment in Radiant. How did we do it and why are we going to be able to make money and not blow our brains?

Sikander Rashid: Yeah. So this was a question you asked us 18 months ago and I'll give you the same answer. I think there's three things. Why are we so excited about this? Why we did this? First, AI infrastructure will be a \$10 trillion, I know Sam said seven, we've already increased the number to 10, it'll be a \$10 trillion CapEx spend. Now, half of that spend will be on compute or the kit that goes inside of a data center, so big dollars.

Secondly, every company and every country is going to have its own AI. And that AI will be bespoke, customized, sovereign, secure, catering to the needs of that country or the company. And thirdly, the chip industrialization cycle is five years long. So it takes time to manufacture new chips, design them and build them. For all those reasons, we identified this as a sector where we could invest a lot of capital in partnership with Nvidia, and that's why we formulated Radiant. It's effectively a compute platform that provides GPU as a service, which includes data centers and the compute to some of the largest technology firms and sovereign governments in the world. And the focus is take-or-pay contracts, IG customers, and focusing on a return on and off of capital in the contracts to minimize technology risk and we're really excited. The momentum is great and it's really exciting.

Sam Pollock: Okay. So Leif, you were here last year talking about AI factories. And Sikander just kind of described what they're consisted of, both the building as well as the compute. Maybe describe for us how the cost in each of those facilities differs a little bit in various markets. And maybe we can touch on the two deals that we are currently working on that we've announced, one in the US and one here in Canada.

Lief Williams: Yeah. So look, to recap an AI factory, this is a large scale campus. It's purpose built for AI workloads and it's integrated. And so that means that you're finding the solution to bring power to the site, whether it's grid connected or whether it's behind the meter, you're building the data center and all of the infrastructure that goes inside that. So generators, batteries, mechanical plant. And then the compute, in some cases you would also be bringing the compute and offering that as a service to your end customers. So we think that this is an important infrastructure asset for a couple of reasons. Number one, it produces attractive risk-adjusted returns. So I would say to bring a gigawatt of load, just as a example unit, that is a very difficult thing and there's massive scarcity value in that asset. And so as a result, you can earn attractive risk adjusted returns of over 10% unlevered on a yield on cost basis. Secondly, as Siko described, these are very capital intensive. And so 50 billion, 60 billion per AI factory. And thirdly, these have all the infrastructure characteristics that we look for. So investment grade counterparties, long-term contracts, inflation protections. Maybe to talk a little bit about two of the AI factories that we've announced. If you thought about where should an AI factory be built and you were working from a blank sheet of paper, these two projects are exactly what you would come up with. So we've got one site in Paducah, Kentucky and one site in Keephills in Alberta. And in both cases, like I said, they're exactly what you would look for. And so massive campuses, really well interconnected to the grid, both the electric grid and the gas grid. We've got great partners who are working with us on this and they're just opportunities to bring scale or can be expanded over the long term and we think are kind of examples of doing this in the right way.

And so just a couple of anecdotes about each of them. The Paducah campus, this is a former Department of Energy campus. It served three gigawatts of load at its peak. I've not seen any other site anywhere in North America that had that much load in the past. It's just really well-connected from that perspective. The Keephills site, this is located really at the heart of Alberta's electric transmission system. The whole grid was built around the power plants in this area. Typically, for an AI factory, you look for one or two large high voltage transmission lines. Our site at Keephills has seven high voltage transmission lines connecting into our interconnection point. So really well situated to protect rate payers and really well situated for our customers.

Sikander Rashid: The only comment I'd add to that is to what Leif described really well is both of these opportunities, unlike a traditional data center investment, we've leveraged relationships with NextEra or the Department of Energy or TransAlta, one of our companies, to create opportunities where we've minimized speculative capital outlay, which would be another differentiator of how we're doing things compared to everyone else.

Sam Pollock: Okay. Well, maybe just tying on two things you both mentioned. One is the importance of power and not every site is as well-endowed as Keephills is with interconnections. And so for that, we've identified Bloom Energy as a great partner and someone we've built a great relationship with to provide behind-the-meter power solutions for many of these facilities. Siko, maybe just talk about that relationship and how it works and why has it been so powerful?

Sikander Rashid: Yeah, absolutely. So big picture, the US alone will need 100 gigawatts of power in the next 10 years for AI infrastructure alone, that's obviously a big number. The utilities throughout the country can only support 30 of that. So we identified a 70 gigawatt gap in power availability in the US and looked at a host of solutions. We picked Bloom, approached them with this idea of becoming their capital partner because time to market in this market environment is everything. Time to tokens is revenue, as you will hear from some of the frontier labs. And Bloom has the fuel cells by definition don't burn gas, they consume gas. And by virtue of that process, the permitting timelines for this technology are relatively short. And it's been a phenomenal

partnership. We're the capital partner. We invest in investment grade customers, price the contracts. I said we get a return on and off of our capital over the contract term, which is normally 10 to 15 years. And we started with five billion. We've upsized the partnership to 25 billion and that's fantastic.

Sam Pollock: That's great. Okay. So we have a little time left and in true Brookfield fashion, we always talk about the downside. And so what I wanted us to cover to end off was just, and you both have worked with us in our traditional infrastructure business for many years, what's different about these assets versus what you've historically been involved with and how are we mitigating risk? So maybe we'll start with Leif and then Siko you can finish off.

Lief Williams: Yeah. So what I would say, I feel in a lot of ways it's returning to infrastructure's roots as concession assets. We're underwriting a DCF that effectively has a stream of cash flows and we're assuming very little or zero terminal value in a lot of cases. And so again, I think it's really the underwriting approach where we're taking a very infrastructure centric focus.

Sikander Rashid: Okay. As much as I would love to tell you we've used AI to come up with a new underwriting formula, we haven't unfortunately. It's still the same formula we've learned from you over the years, Sam, and it's basically focusing on take-or-pay contracts, investment grade counterparties. And more importantly, I think this is very important for AI infrastructure, pricing the contracts, whether it's power, data centers or compute or silicon, pricing them such that we target to get a return on and off of capital over the initial contract term and ensuring the term is commensurate with the useful life of the asset is very, very critical and that's our focus.

Sam Pollock: Yeah. And the only thing I would add is counterparties and documentation are critical. So our attention to detail has to be razor sharp to ensure that we're not entering any agreements that people can somehow get out of because these are long-term agreements that we're entering into. So that concludes what we want to talk about AI infrastructure. Next up we have David Krant who's going to talk about organic growth and tie together all the different deployment opportunities that we've been talking about.

PRESENTATION

David Krant: Thank you, Sam, and good afternoon everyone. I'm going to spend the next few minutes on one straightforward idea, and that is that BIP has more ways to grow today and that gives us more ability to choose where we put our capital. The result is a broader opportunity set which will allow us to invest capital at better risk adjusted returns and further drive FFO per unit growth. Let me start by laying out the three channels available to us. As you saw earlier, the first is traditional M&A. This is buying businesses that we've done for the last 17 years, utilities, transportation, midstream, digital infrastructure. It's driven our growth for many years and it will for years to come. The second you just heard of is AI infrastructure and the third is organic growth capital. This is investing inside the 50 portfolio companies we already own today. Now each of these channels differ in terms of their timing, the risks and the return profiles, and that's exactly the point.

We do not need all channels to be open at the same time in order for us to grow. Rather, we can choose where we invest that capital to earn the best risk-adjusted returns. Let's go through each of these starting with the one that's done the majority of our growth to date, and that's traditional M&A. Across the period shown, we have averaged about \$2.2 billion of investment into growth initiatives. If we focus in on where that's come from, well, almost 80% of it has come from this

traditional M&A. And because of our scale today, the size of these investments have trended larger and as a result have provided us with very strong risk-adjusted returns. Traditional M&A will remain a very important part of what we do, but as you heard, the opportunity set is now more broad and that's most notable in AI infrastructure.

As you've heard, AI infrastructure is not just one single asset class, rather a set of connected opportunities across three channels so far. Today it's been power and transmission, AI factories and compute infrastructure. Each of these opportunities are similar in that they're a large scale and have highly contracted revenue profiles, which is something we love. But what may differ is the deployment cycle or the time it converts to earnings. And so as we look out over the next five years, which is the time it may take to fully contribute, we expect to invest upwards of two and a half billion dollars at our share over that five year period. So that's simple math, that's about 500 million per year that we expect to deploy into this new growth channel. And because these opportunities are large, we will invest alongside partners, allowing BIP to concentrate its investment into those highest returning projects.

And finally, the third channel which I'll spend a little bit more time on today is our organic growth. Looking at our deployment this year, as Sam highlighted earlier, you can see we've deployed nearly \$1.5 billion into growth. The majority of that has come from internally sourced organic growth projects. If you add on top of that the funding of our Intel joint venture in Arizona, well, we've deployed nearly \$1 billion into assets we own today, building high quality new businesses. And said differently, the majority of this year's growth has been organic. That doesn't mean traditional M&A won't be coming, but it does mean that we have focused on internally sourced projects, and that is a good thing. There's a few reasons we like organic growth projects. The first is that it's lower risk. We know the business, the team, the customer, and we've got a 15- year track record of building these types of projects on scope, schedule, and budget.

And the second is less competition. As the incumbent owner and operator of these businesses, we are uniquely positioned to win on these mandates. And so when you combine lower risk with less competition, well, that gives you excellent risk adjusted returns. And what we don't underwrite in these projects is the fact that we're building them at several turns discount to what they would go for in the prevailing market. That value will be captured through capital recycling, something we talked about last year. And because these projects are now at scale, we've built our backlog into a record level. In fact, five years ago at this event, we had set a pretty ambitious target for ourselves to grow our backlog to \$3 billion. Well, by 2024, we'd achieved that and more. We did \$4 billion, a third above our target. Fast-forward to today, our backlog stands at \$6 billion and that excludes any capital for the Intel joint venture.

And so the important part here is not just the numbers, but it's the trajectory. As our portfolio of companies have grown, as the businesses we've acquired have grown, so has our ability to source extremely attractive projects from within them. And if we dive a bit more into the backlog, we'd like to think of it as a funnel. At the bottom of the funnel is the \$6 billion of approved projects that we have underway today. This provides highly visible earnings over the...

This provides highly visible earnings over the next two to three years as we've already secured the customer, the financing, and we're well underway. If we work our way up, say the layer at the planning and commercialization phase, well, we have another \$3 billion of projects at our share that we're in active discussions and final negotiations with customers on. This is really where the relative ranking and prioritization of projects gets done to find the best opportunities within our

portfolio. Taking one step further back, there's \$6 billion or more of projects that are in the early stage of opportunities.

This is where we may be looking at sites, having initial discussions with our customers to help unlock the growth within their business. The point here is really around the depth of the funnel gives us good visibility, not just into the earnings in the next two to three years, but it gives us the confidence that we'll replenish this backlog with a significant amount of capital as well as grow it over time. If we combine our scale with the fact that we have a broadening opportunity set in front of us, it gives us the conviction to believe that we can deploy a significant amount of capital at really attractive risk adjusted returns and therefore drive further FFO per unit growth.

If we pull it all together, starting with the deployment channel, you can see we've invested, or as you recall, we invested about 2.2 billion annually over the last three years. Well, going forward, we expect that number to be anywhere between \$2 billion and \$3 billion per year. Based on our historical deployment, which was traditionally M&A, you can see that ranges between one and two billion per year. Again, it will vary because, again, we are value-based investors and so we will choose where we put that capital. On top of that, you have the AI infrastructure opportunity set of about 500 million per year and funding our backlog between 500 million and a billion in a given year. Looking at that in totality, it's important to note these aren't quotas.

The mix will inevitably be different, but what's important here is that we have the choice to invest capital where we see the best returns. The choice won't just come through in the deployment figures, it will really come through in the returns that we generate. Across each of these three channels, whether it be traditional M&A, AI infrastructure, or our organic growth backlog, we're targeting a minimum of 15% equity returns. To help frame what does that mean for per unit growth in the years to come? Well, we thought we'd show a few scenarios. On the conservative end, let's assume we invest the low amount, \$2 billion per year, and we deploy it only at 15%.

Well, that will drive 5% per unit growth that year. Now, if we are able to flex our investment amount up to three billion or generate returns above the 15%, well, that's going to translate into higher per unit growth. At the higher end of the range, you'll see upwards of 8% per year growth from the business. The point here is that the broader opportunity set improves both the amount we can deploy, but also the returns we can generate. That combination gives us good visibility into today, into 2026 earnings being at 10% per unit or higher, or in the next two to three years. As we look out, the numbers are quite attractive.

As a reminder, the base business grows from inflation indexation and volume surplus. That's 4% to 6% per year without investing a single dollar into growth. Now, if you use the low end of our target range of \$2 billion at 15%, well, that's roughly 5% per unit growth, making a very visible path to our 10% long-term target. But as I said, there is upside here. If we're able to deploy more capital, which we hope we do, and we're able to do so at better returns, well, we have a business plan that can get us to 12% per year growth or higher. That will allow us to continue to inflect in our growth rates and support long-term distribution growth as well. As a reminder, since 2009, we've grown our distribution for 17 consecutive years at a 9% average rate.

As we look ahead, as our growth rate continues to accelerate, we hope that our distribution track record will as well. I'll wrap up today with four key takeaways as every Brookfield presentation has seemed to do. First, organic growth is at record levels, and that is a good thing for our business. Second, our scale has made us a partner of choice, leading to bigger investment opportunities at higher attractive returns. Third, AI infrastructure is an evolving asset class that's

allowing us to deploy more capital at really good risk adjusted returns. Finally, all this results in our growth rate being at the early stages of an inflection point. With that, I'll now invite Sam back up for closing remarks and Q&A. Thank you everyone.

Sam Pollock: Thank you for your time today. Before we take questions, I thought I would just close with a few thoughts on why we think this is an attractive entry point for investors to come into the BIP units. Now first, our BIP units offer a dividend yield of more than 5% today, providing investors with a meaningful current return while participating in the growth of the business. Then second is, as Dave just highlighted, the growth rate in our FFO has begun to accelerate and that should support an attractive dividend growth rate in the future. Hopefully, we can get back up to that 9%.

Lastly, we're hoping that the simplification of our corporate structure, which should take place by end of the year, will help re-rate the stock a bit by making it easier to own, increase liquidity, and broaden the potential for new investors to come into the stock. With that, I'll conclude and take any questions that there are.