Brookfield Infrastructure Corporation

Q1 2021 INTERIM REPORT

Brookfield

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

FORM 6-K

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

For the month of May 2021

Commission file number 001-39250

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

---

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

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

Form 20-F ☒ Form 40-F ☐

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

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

The information contained in Exhibit 99.1 of this Form 6-K is incorporated by reference into the registrant's registration statements on Form F-3 (File No. 333-255051) and Form F-4 (File No. 333-253365).

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

Exhibit	**Title**
99.1	Brookfield Infrastructure Corporation’s interim report for the quarter ended March 31, 2021
99.2	Certification of Samuel Pollock, Chief Executive Officer, Brookfield Infrastructure Corporation, pursuant to Canadian law
99.3	Certification of David Krant, Chief Financial Officer, Brookfield Infrastructure Corporation, pursuant to Canadian law

SIGNATURES

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

BROOKFIELD INFRASTRUCTURE CORPORATION

Date: May 7, 2021

By: /s/ *MICHAEL RYAN*

Name: Michael Ryan

Title: Corporate Secretary

Exhibit 99.1

Brookfield Infrastructure Corporation

Interim Report Q1 2021

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS OF BROOKFIELD INFRASTRUCTURE CORPORATION

AS OF MARCH 31, 2021 AND DECEMBER 31, 2020 AND
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

INDEX

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

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

US$ MILLIONS	Notes	As of March 31, 2021	As of December 31, 2020
Assets			
Cash and cash equivalents	**3**	**$ 124**	$ 192
Accounts receivable and other	**3**	**415**	394
Current assets		**539**	586
Property, plant and equipment	**4**	**5,208**	5,111
Intangible assets	**5**	**2,661**	2,948
Goodwill	**6**	**485**	528
Financial assets	**3**	**25**	27
Other assets		**101**	101
Deferred income tax asset		**43**	43
Total assets		**$ 9,062**	$ 9,344
Liabilities and Equity			
Liabilities			
Accounts payable and other	**3**	**$ 433**	$ 505
Non-recourse borrowings	**3, 7**	**11**	11
Financial liabilities	**3, 8**	**23**	23
Exchangeable and class B shares	**3, 8**	**2,394**	2,221
Current liabilities		**2,861**	2,760
Non-recourse borrowings	**3, 7**	**3,424**	3,466
Loans payable to Brookfield Infrastructure	**11**	**1,153**	1,143
Financial liabilities	**3, 8**	**1,018**	1,008
Other liabilities		**121**	96
Deferred income tax liability		**1,397**	1,443
Total liabilities		**9,974**	9,916
Equity			
Brookfield Infrastructure Partners L.P.[1]	**10**	**(1,932)**	(1,722)
Non-controlling interest		**1,020**	1,150
Total equity		**(912)**	(572)
Total liabilities and equity		**$ 9,062**	$ 9,344

1. *Common equity is attributable to the partnership prior to the special distribution and subsequently as a result of the partnership holding all of the class C shares issued by our company. Please refer to Note 2(c), Basis of Presentation and Significant Accounting Policies, for further details.*

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

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATING RESULTS

US$ MILLIONS	Notes	For the three-month period ended March 31 2021	2020
Revenues	9	$ 399	$ 384
Direct operating costs		(69)	(62)
General and administrative expenses		(10)	(6)
Depreciation and amortization expense	4, 5	(75)	(76)
		245	240
Interest expense	8, 11	(63)	(32)
Remeasurement of exchangeable and class B shares	8	(173)	98
Mark-to-market on hedging items and foreign currency revaluation	3	(10)	2
Other expense		(14)	(14)
(Loss) income before income tax		(15)	294
Income tax expense			
Current		(53)	(44)
Deferred		(18)	(49)
Net (loss) income		$ (86)	$ 201
Attributable to:			
Brookfield Infrastructure Partners L.P.[1]		$ (178)	$ 117
Non-controlling interest		92	84

1. *Net income is attributable to the partnership prior to the special distribution as well as subsequently as a result of the partnership holding all of the class C shares issued by our company. Please refer to Note 2(c), Basis of Presentation and Significant Accounting Policies, for further details.*
2. *Earnings per share have not been presented in the financial statements, as the underlying shares do not constitute "ordinary shares" under IAS 33 Earnings per share. See Note 2(q), Basis of Presentation and Significant Accounting Policies, for further details.*

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

BROOKFIELD INFRASTRUCTURE CORPORATION

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

US$ MILLIONS	Notes	For the three-month period ended March 31 2021	2020
Net (loss) income		**$ (86)**	$ 201
Other comprehensive loss:			
Items that will not be reclassified subsequently to profit or loss:			
Tax impact of remeasurement of revaluation surplus		**—**	(27)
		—	(27)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		**(148)**	(660)
Cash flow hedge	**3**	**—**	9
Taxes on the above items		**—**	(2)
Total other comprehensive loss		**(148)**	(680)
Comprehensive loss		**$ (234)**	$ (479)
Attributable to:			
Brookfield Infrastructure Partners L.P.[1]		**$ (210)**	$ (133)
Non-controlling interests		**(24)**	(346)

1. *Comprehensive income is attributable to the partnership prior to the special distribution as well as subsequently as a result of the partnership holding all of the class C shares issued by our company. Please refer to Note 2(c), Basis of Presentation and Significant Accounting Policies, for further details.*

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

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF EQUITY

FOR THE THREE-MONTH PERIOD ENDED March 31, 2021 $US MILLIONS	Share capital	Retained earnings	Ownership changes	Accumulated other comprehensive income	Brookfield Infrastructure Partners L.P.	Non-controlling interest	Total equity
Balance as at January 1, 2021	**$ 53**	**$ 33**	**$ (2,347)**	**$ 539**	**$ (1,722)**	**$ 1,150**	**$ (572)**
Net (loss) income	—	(178)	—	—	**(178)**	**92**	**(86)**
Other comprehensive loss	—	—	—	(32)	**(32)**	**(116)**	**(148)**
Comprehensive loss	—	(178)	—	(32)	**(210)**	**(24)**	**(234)**
Distributions to non-controlling interest	—	—	—	—	**—**	**(106)**	**(106)**
Balance as at March 31, 2021	**$ 53**	**$ (145)**	**$ (2,347)**	**$ 507**	**$ (1,932)**	**$ 1,020**	**$ (912)**

FOR THE THREE-MONTH PERIOD ENDED March 31, 2020 $US MILLIONS	Combined share capital	Share capital	Retained earnings	Ownership changes	Accumulated other comprehensive income	Brookfield Infrastructure Partners L.P.	Non-controlling interest	Total equity
Balance as at January 1, 2020	$ 431	—	$ 585	$ 115	$ 523	$ 1,654	$ 1,623	$ 3,277
Net income	—	—	117	—	—	117	84	201
Other comprehensive loss	—	—	—	—	(250)	(250)	(430)	(680)
Comprehensive income (loss)	—	—	117	—	(250)	(133)	(346)	(479)
Distributions to, net of contributions from, Brookfield Infrastructure Partners L.P.	(33)	—	—	—	—	(33)	—	(33)
Distributions to non-controlling interest	—	—	—	—	—	—	(101)	(101)
Reorganization[1]	(398)	—	—	(2,462)	—	(2,860)	—	(2,860)
Share issuance	—	53	—	—	—	53		53
Balance as at March 31, 2020	$ —	$ 53	$ 702	$ (2,347)	$ 273	$ (1,319)	$ 1,176	$ (143)

1. *See Note 2(c), Basis of Presentation and Significant Accounting Policies for further details.*

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

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

US$ MILLIONS	Notes	For the three-month period ended March 31 2021	2020
Operating Activities			
Net (loss) income		**$ (86)**	$ 201
Adjusted for the following items:			
Depreciation and amortization expense	**4, 5**	**75**	76
Mark-to-market on hedging items and other	**3**	**21**	13
Remeasurement of exchangeable and class B shares	**8**	**173**	(98)
Deferred income tax expense		**18**	49
Changes in non-cash working capital, net	**12**	**(77)**	(61)
Cash from operating activities		**124**	180
Investing Activities			
Purchase of long-lived assets, net of disposals	**4, 5**	**(95)**	(121)
Cash used by investing activities		**(95)**	(121)
Financing Activities			
Distributions to Brookfield Infrastructure Partners L.P.[1]		**—**	(33)
Distributions to non-controlling interest		**(106)**	(101)
Proceeds from non-recourse borrowings	**7**	**46**	435
Repayment of non-recourse borrowings	**7**	**(18)**	(380)
Cash used by financing activities		**(78)**	(79)
Cash and cash equivalents			
Change during the period		**(49)**	(20)
Impact of foreign exchange on cash		**(19)**	(41)
Balance, beginning of period		**192**	204
Balance, end of period		**$ 124**	$ 143

1. *Represents distributions paid to the partnership prior to March 30, 2020. Please refer to Note 2(c), Basis of Presentation and Significant Accounting Policies, for further details. Subsequent to March 30, 2020, dividends paid on our exchangeable shares are presented as interest expense on the Consolidated Statements of Operating Results.*

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

1. ORGANIZATION AND DESCRIPTION OF OUR COMPANY

a) Brookfield Infrastructure Corporation

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

b) Special Distribution of our Company

On March 31, 2020, the partnership completed a special distribution (the "special distribution") whereby limited partnership unitholders of Brookfield Infrastructure Partners L.P. as of March 20, 2020 (the "Record Date") received one exchangeable share for every nine limited partnership units ("units") held.

Immediately prior to the special distribution, a subsidiary of the partnership, Brookfield Infrastructure L.P. ("Holding LP"), completed a distribution of the exchangeable shares to all the holders of its equity units (the "Holding LP Distribution"). As a result of the Holding LP Distribution, (i) Brookfield and its subsidiaries (other than entities within our group) received approximately 13.7 million exchangeable shares and (ii) the partnership received approximately 32.6 million exchangeable shares, which it subsequently distributed to unitholders pursuant to the special distribution. Immediately following the special distribution, (i) holders of units held approximately 70.4% of the issued and outstanding exchangeable shares of our company, (ii) Brookfield and its affiliates held approximately 29.6% of the issued and outstanding exchangeable shares, and (iii) a subsidiary of the partnership owned all of the issued and outstanding class B multiple voting shares, or class B shares, which represent a 75.0% voting interest in our company, and all of the issued and outstanding class C non-voting shares, or class C shares, of our company. The class C shares entitle the partnership to all of the residual value in our company after payment in full of the amount due to holders of exchangeable shares and class B shares.

Holders of exchangeable shares hold an aggregate 25.0% voting interest in our company. Immediately after the special distribution, Brookfield, through its ownership of exchangeable shares, held an approximate 7.4% voting interest in our company. Holders of exchangeable shares, excluding Brookfield, held an approximate 17.6% aggregate voting interest in our company. Together, Brookfield and Brookfield Infrastructure held an approximate 82.4% voting interest in our company.

The following describes the agreements resulting from the special distribution:

i) Exchangeable shares

At any time, holders of exchangeable shares shall have the right to exchange all or a portion of their exchangeable shares for one unit of the partnership per exchangeable share held or its cash equivalent based on the NYSE closing price of one unit on the date that the request for exchange is received. Due to their exchangeable features, the exchangeable shares are classified as liabilities.

Our board has the right upon sixty (60) days' prior written notice to holders of exchangeable shares to redeem all of the then outstanding exchangeable shares at any time and for any reason, in its sole discretion and subject to applicable law, including without limitation following the occurrence of certain redemption events.

ii) Class B shares and class C shares

At any time, holders of class B shares and class C shares will have the right to redeem for cash in an amount equal to the market price of a unit. Due to this cash redemption feature, both class B shares and class C shares are classified as financial liabilities. However, class C shares, the most subordinated class of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32.

iii) Credit facilities

Prior to the special distribution, our company entered into two credit agreements with Brookfield Infrastructure, one as borrower and one as lender, each providing for a ten-year revolving $1 billion credit facility to facilitate the movement of cash within our group. Our credit facility will permit our company to borrow up to $1 billion from Brookfield Infrastructure and the other will constitute an operating credit facility that will permit Brookfield Infrastructure to borrow up to $1 billion from our company. Each credit facility will contemplate potential deposit arrangements pursuant to which the lender thereunder would, with the consent of the borrower, deposit funds on a demand basis to such borrower's account at a reduced rate of interest.

Further details of the credit agreements with Brookfield Infrastructure are described in Note 11, *Related Party Transactions*.

iv) Equity Commitment

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

The rationale for the equity commitment is to provide our company with access to equity capital on an as-needed basis and to maximize our flexibility.

v) Other arrangements with Brookfield

Wholly-owned subsidiaries of Brookfield will provide management services to our company pursuant to the partnership's existing master services agreement. Please refer to Note 2(b), *Basis of Presentation and Significant Accounting Policies*, for further details. There will be no change in how the base management fee and incentive distribution fees are calculated, though our company is responsible for reimbursing the partnership for our proportionate share of the total base management fee.

Further details of the Master Services Agreements are described in Note 11, *Related Party Transactions*.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These interim condensed and consolidated financial statements, ("interim financial statements") of our company and its subsidiaries have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies described below.

These interim financial statements were authorized for issuance by the Board of Directors of our company on May 7, 2021.

b) Basis of presentation

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

For the periods prior to March 30, 2020, the financial statements represent a combined carve-out of the assets, liabilities, revenues, expenses, and cash flows of the businesses that were contributed to our company effective March 30, 2020. During this period, all of the assets and liabilities presented were controlled by the partnership. Effective March 30, 2020, the assets and liabilities were transferred to our company at their carrying values. All intercompany balances, transactions, revenues and expenses within our company have been eliminated. Additionally, certain corporate costs have been allocated on the basis of direct usage where identifiable, with the remainder allocated based on management's best estimate of costs attributable to our company. Management believes the assumptions underlying the historical financial information, including the assumptions regarding allocated expenses, reasonably reflect the utilization of services provided to or the benefit received by our company during the periods presented. However, due to the inherent limitations of carving out the assets, liabilities, operations and cash flows from larger entities, the historical financial information may not necessarily reflect our company's financial position, operations and cash flow for future periods, nor do they reflect the financial position, results of operations and cash flow that would have been realized had our company been a stand-alone entity during the periods presented.

Subsequent to March 30, 2020, our company is no longer allocated general corporate expenses of the parent company as the functions which they related are now provided through the amended and restated master services agreement dated as of March 13, 2015, among the Service Recipients (as defined therein), Brookfield Asset Management Inc. ("Brookfield"), the Service Providers (as defined therein) and others, as amended (the "Master Services Agreement"). The base management fee related to the services received under the Master Services Agreement has been recorded as part of general and administrative expenses in the interim financial statements.

c) Continuity of Interests

As described above, Brookfield Infrastructure Corporation was established on August 30, 2019 by the partnership. On March 30, 2020, the partnership contributed the businesses to our company in exchange for loans receivable, exchangeable shares, class B shares and class C shares. On March 31, 2020, the partnership completed the special distribution of the exchangeable shares to holders of units and continues to hold all of the class B and class C shares of our company. The partnership directly and indirectly controlled our company prior to the special distribution and continues to control our company subsequent to the special distribution through its interests in our company. As a result of this continuing common control, there is insufficient substance to justify a change in the measurement of our company. In accordance with our company's and the partnership's accounting policy, our company has reflected the businesses in its financial position and financial performance using the partnership's carrying values prior to the contribution of the businesses to our company.

To reflect this continuity of interests, these interim financial statements provide comparative information of our company for the periods prior to March 30, 2020, as previously reported by the partnership. The economic and accounting impact of contractual relationships created or modified in conjunction with the contribution of the businesses to our company have been reflected prospectively from the date of the contribution and have not been reflected in the results of operations or financial position of our company prior to March 30, 2020, as such items were in fact not created or modified prior thereto. Accordingly, the financial information for the periods prior to March 30, 2020 is presented based on the historical financial information for our company as previously reported by the partnership. For the periods after March 30, 2020, the results are based on the actual results of our company, including the impact of contractual relationships created or modified in association with the contribution of the businesses to our company. As the partnership holds all of the class C shares of our company, which is the only class of shares presented as equity, net income and equity attributable to common equity have been allocated to the partnership prior to and after March 30, 2020.

Prior to March 30, 2020, intercompany transactions between the partnership and our company have been included in these interim financial statements and are considered to be forgiven at the time the transaction is recorded and reflected as "Distributions to, net of contributions from, Brookfield Infrastructure Partners L.P.". "Distributions to, net of contributions from, Brookfield Infrastructure Partners L.P." as shown in the interim condensed and consolidated statements of changes in equity represents the parent company's historical investment in our company, accumulated net income and the net effect of the transactions and allocations from the parent company. The total net effect of transactions with the parent company is reflected in the interim condensed and consolidated statements of cash flows as a financing activity and in the interim condensed and consolidated statements of financial position as equity attributable to Brookfield Infrastructure Partners L.P.

d) Foreign Currency Translation

The U.S dollar is the functional and presentation currency of our company. Each of our company's affiliates determines its own functional currency and items included in the financial statements of each affiliate are measured using that functional currency.

Assets and liabilities of foreign operations having a functional currency other than the U.S. dollar are translated at the rate of exchange prevailing at the reporting date and revenues and expenses at average rates during the period. Gains or losses on translation are included as a component of other comprehensive income. On disposal of a foreign operation resulting in the loss of control, the component of other comprehensive income due to accumulated foreign currency translation relating to that foreign operation is reclassified to net income. On partial disposal of a foreign operation in which control is retained, the proportionate share of the component of other comprehensive income or loss relating to that foreign operation is reclassified to non-controlling interests in that foreign operation.

Foreign currency denominated monetary assets and liabilities are translated using the rate of exchange prevailing at the reporting date and non-monetary assets and liabilities measured at fair value are translated at the rate of exchange prevailing at the date when the fair value was determined. Revenues and expenses are measured at average rates during the period. Gains or losses on translation of these items are included in net income. Gains and losses on transactions which hedge these items are also included in net income or loss. Foreign currency denominated non-monetary assets and liabilities, measured at historic cost, are translated at the rate of exchange at the transaction date.

e) Business Combinations

Business acquisitions in which control is acquired are accounted for using the acquisition method, other than those between and among entities under common control. The consideration of each acquisition is measured at the aggregate of the fair values at the acquisition date of assets transferred by the acquirer, liabilities incurred or assumed, and equity instruments issued by our company in exchange for control of the acquiree. Acquisition related costs are recognized in the Consolidated Statements of Operating Results as incurred and included in other expenses.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in fair values are adjusted against the cost of the acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as liabilities will be recognized in the Consolidated Statements of Operating Results, whereas changes in the fair values of contingent consideration classified within share capital are not subsequently re-measured.

Where a business combination is achieved in stages, our company's previously held interests in the acquired entity are remeasured to fair value at the acquisition date, that is, the date our company attains control and the resulting gain or loss, if any, is recognized in the Consolidated Statements of Operating Results. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to the Consolidated Statements of Operating Results, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, our company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

The measurement period is the period from the date of acquisition to the date our company obtains complete information about facts and circumstances that existed as of the acquisition date. The measurement period is subject to a maximum of one year subsequent to the acquisition date.

If, after reassessment, our company's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree if any, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37") and the amount initially recognized less the cumulative amount of income recognized in accordance with IFRS 15, *Revenue from Contracts with Customers*.

f) Cash and Cash Equivalents

Cash and cash equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Accounts Receivable

Trade receivables are recognized initially at their transaction price and subsequently measured at amortized cost using the effective interest method, less any loss allowance for expected credit losses.

h) Property, Plant and Equipment

Our company uses the revaluation method of accounting for all classes of property, plant and equipment. Property, plant and equipment is initially measured at cost and subsequently carried at its revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are made on at least an annual basis, and on a sufficient basis to ensure that the carrying amount does not differ significantly from fair value. Where the carrying amount of an asset is increased as a result of a revaluation, the increase is recognized in other comprehensive income or loss and accumulated in equity within the revaluation surplus reserve, unless the increase reverses a previously recognized impairment recorded through net income, in which case that portion of the increase is recognized in net income. Where the carrying amount of an asset is decreased, the decrease is recognized in other comprehensive income to the extent of any balance existing in revaluation surplus in respect of the asset, with the remainder of the decrease recognized in net income. Revaluation gains are included in other comprehensive income but are not subsequently recycled into profit or loss.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Consolidated Statements of Operating Results. However, any balance accumulated in revaluation surplus is subsequently recorded in retained earnings when an asset is derecognized and not transferred to profit or loss.

Depreciation of an asset commences when it is available for use. Property, plant and equipment are depreciated on a straight line or declining-balance basis over the estimated useful lives of each component of the assets as follows:

Buildings	Up to 50 years
Machinery and equipment	Up to 5 years
Network systems	Up to 60 years

Depreciation on property, plant and equipment is calculated on a straight-line or declining-balance basis so as to depreciate the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes recognized on a prospective basis.

i) Asset Impairment

At each reporting date, our company assesses whether for assets, other than those measured at fair value with changes in values recorded in profit or loss, there is any indication that such assets are impaired. This assessment includes a review of internal and external factors which includes, but is not limited to, changes in the technological, political, economic or legal environment in which the entity operates in, structural changes in the industry, changes in the level of demand, physical damage and obsolescence due to technological changes. An impairment is recognized if the recoverable amount, determined as the higher of the estimated fair value less costs of disposal or the discounted future cash flows generated from use and eventual disposal from an asset or cash generating unit is less than its carrying value. The projections of future cash flows take into account the relevant operating plans and management's best estimate of the most probable set of conditions anticipated to prevail. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

j) Intangible Assets

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Our company's intangible assets are comprised primarily of service concession arrangements and customer order backlogs.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization unless indefinite-lived and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Public service concessions that provide our company the right to charge users for a service in which the service and fee is regulated by the grantor are accounted for as an intangible asset under IFRIC 12, *Service Concession Arrangements*.

Concession arrangements were acquired as part of the acquisition of the Brazilian regulated gas transmission operation and were initially recognized at their fair values. The intangible assets at the Brazilian regulated gas transmission operation relate to pipeline concession contracts, amortized on a straight-line basis over the life of the contractual arrangement.

The customer order backlog was acquired as part of the acquisition of the U.K. regulated distribution operation and was initially recorded at its fair value. The customer order backlog represents the present value of future earnings derived from the build out of contracted connections at the acquisition date of the U.K. regulated distribution operation. The customer order backlog is amortized over its estimated useful life of 15 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

k) Goodwill

Goodwill represents the excess of the price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets and liabilities acquired. Goodwill is allocated to the cash generating unit or units to which it relates. Our company identifies cash generating units as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is evaluated for impairment annually or more often if events or circumstances indicate there may be impairment. Impairment is determined for goodwill by assessing if the carrying value of a cash generating unit or group of cash generating units, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs of disposal or the value in use. Impairment losses recognized in respect of a cash generating unit are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the cash generating unit. Any goodwill impairment is recognized in period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed.

On disposal of an affiliate, the attributable amount of goodwill is included in the determination of the gain or loss on disposal of the operation.

l) Revenue Recognition

Our company recognizes revenue when it transfers control of a product or service to a customer.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Our company recognizes revenue when the specific criteria set out below have been met. Cash received by our company from customers is recorded as deferred revenue until the revenue recognition criteria set out below are met.

Revenue from utilities infrastructure is derived from the transmission of natural gas and the distribution of energy. Distribution and transmission revenue each contain a single performance obligation that is recognized over time. The connection revenue relating to our company's regulated distribution operation contains a distinct performance obligation that is recognized over the period that the connection is constructed, based on an input method of progress recognition on the basis that this methodology is most reflective of the underlying transfer of control. The payment terms for all of our revenue streams require payment upon completion, except for connections income whereby payment is typically collected up-front prior to the completion of any services.

m) Financial Instruments and Hedge Accounting

i) Financial Instrument Classification

Our company classifies cash and cash equivalents and accounts receivable and other as amortized cost. Derivative assets are classified as FVTPL, except for derivatives in certain hedging relationships. Other financial assets are classified as either amortized cost or FVTOCI.

Financial assets classified as FVTPL or FVTOCI are subsequently measured at fair value at each reporting date. For financial assets classified as FVTPL, the change in fair value is recorded through profit or loss. For financial assets classified as FVTOCI, the change in fair value is recorded in other comprehensive income. The cumulative gains or losses related to FVTOCI equity instruments are not reclassified to profit or loss on disposal, whereas the cumulative gains or losses on all other FVTOCI assets are reclassified to profit or loss on disposal. For financial instruments at amortized cost or debt instruments at FVTOCI, our company assesses if there have been significant increases in credit risk since initial recognition to determine whether lifetime or 12-month expected credit losses should be recognized. Any related loss allowances are recorded through profit or loss.

Non-recourse borrowings and accounts payable and other, are classified as amortized cost, except for derivatives embedded in related financial instruments. Embedded derivatives and any other derivative liabilities are classified as FVTPL and are subsequently measured at fair value, except for derivatives in certain hedging relationships. Other financial liabilities are classified as either FVTPL or amortized cost.

ii) Hedge Accounting

Our company selectively utilizes derivative financial instruments primarily to manage financial risks, including interest rate and foreign exchange risks. Derivative financial instruments are recorded at fair value. Hedge accounting is applied when the derivative is designated as a hedge of a specific exposure and that the hedging relationship meets all of the hedge effectiveness requirements. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as a hedge or the hedging relationship is terminated. Once discontinued, the cumulative change in fair value of a derivative that was previously recorded in other comprehensive income by the application of hedge accounting is recognized in profit or loss over the remaining term of the original hedging relationship as amounts related to the hedged item are recognized in profit or loss. The assets or liabilities relating to unrealized mark-to-market gains and losses on derivative financial instruments are recorded in financial assets and financial liabilities, respectively.

Unrealized gains and losses on interest rate contracts designated as hedges of future variable interest payments are included in equity as a cash flow hedge when the interest rate risk relates to an anticipated variable interest payment. The periodic exchanges of payments on interest rate swap contracts designated as hedges of debt are recorded on an accrual basis as an adjustment to interest expense.

n) Income Taxes

Income tax expense represents the sum of the tax accrued in the period and deferred income tax.

i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries based on the tax rates and laws enacted or substantively enacted at the reporting date. Current income tax relating to items recognized directly in share capital are also recognized directly in share capital and other comprehensive income.

ii) Deferred income tax

Deferred income tax liabilities are provided for using the liability method on temporary differences between the tax bases used in the computation of taxable income and carrying amounts of assets and liabilities in the interim financial statements. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. Such deferred income tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income, other than in a business combination. The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the income tax asset will be recovered.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in affiliates, except where our company is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and assets reflect the tax consequences that would follow from the manner in which our company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority within a single taxable entity or our company intends to settle its current tax assets and liabilities on a net basis in the case where there exist different taxable entities in the same taxation authority and when there is a legally enforceable right to set off current tax assets against current tax liabilities.

o) Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification subject to limited exceptions.

When our company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether our company will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group are presented separately from other assets in the Statements of Financial Position and are classified as current. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statements of Financial Position.

Once classified as held for sale, property, plant and equipment and intangible assets are not depreciated or amortized, respectively.

p) Provisions

Provisions are recognized when our company has a present obligation, either legal or constructive, as a result of a past event, it is probable that our company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q) Earnings per share

Our company's basic and diluted earnings per share have not been presented in the interim financial statements. As outlined in Note 8, *Financial Liabilities*, and Note 10, *Equity*, exchangeable and class B shares are classified as financial liabilities, while class C shares are classified as financial liabilities, but presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32. As each share classification represents a financial liability, they do not constitute ordinary shares. Refer to the aforementioned notes for further details.

r) Operating segments

IFRS 8, Operating Segments, requires operating segments to be determined based on information that is regularly reviewed by the Executive Management and the Board of Directors for the purpose of allocating resources to the segment and to assess its performance. Our company has one operating segment, utilities, comprised of our U.K. regulated distribution operation and our Brazilian regulated gas transmission operation.

s) Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

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

Critical judgments and estimates made by management and utilized in the normal course of preparing our company's interim financial statements are outlined below.

i) Common control transactions

IFRS 3 (2008), *Business Combinations* does not include specific measurement guidance for transfers of businesses or subsidiaries between entities under common control. Accordingly, our company has developed a policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard-setting bodies. Our company's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying value on the transferor's financial statements, and to have the interim statements of financial position, operating results, changes in equity and cash flows reflect the results of combining entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place.

ii) Financial instruments

Our company's accounting policies relating to derivative financial instruments are described in Note 2(m), *Financial Instruments and Hedge Accounting*. The critical judgments inherent in these policies relate to applying the criteria to the assessment of the effectiveness of hedging relationships. Estimates and assumptions used in determining the fair value of financial instruments are equity and commodity prices; future interest rates; the credit worthiness of our company relative to its counterparties; the credit risk of our company and counterparty; estimated future cash flows; and discount rates.

iii) Revaluation of property, plant and equipment

Property, plant and equipment is revalued on a regular basis. Our company's property, plant, and equipment is measured at fair value on a recurring basis with an effective date of revaluation for all asset classes of December 31, 2020 and 2019. Our company determined fair value under the income method with due consideration to significant inputs such as the discount rate, terminal value multiple and overall investment horizon.

iv) Fair values in business combinations

Our company accounts for business combinations using the acquisition method of accounting. This method requires the application of fair values for both the consideration given and the assets and liabilities acquired. The calculation of fair values is often predicated on estimates and judgments including future cash flows discounted at an appropriate rate to reflect the risk inherent in the acquired assets and liabilities. The determination of the fair values may remain provisional for up to 12 months from the date of acquisition due to the time required to obtain independent valuations of individual assets and to complete assessments of provisions. When the accounting for a business combination has not been completed as at the reporting date, this is disclosed in the financial statements, including observations on the estimates and judgments made as of the reporting date.

v) Impairment of goodwill, intangibles with indefinite lives

The impairment assessment of goodwill and intangible assets with indefinite lives requires estimation of the value-in-use or fair value less costs of disposal of the cash-generating units or groups of cash generating units to which goodwill or the intangible asset has been allocated. Our company uses the following critical assumptions and estimates: the circumstances that gave rise to the goodwill, timing and amount of future cash flows expected from the cash-generating units; discount rates; terminal capitalization rates; terminal valuation dates and useful lives.

Other estimates utilized in the preparation of our company's financial statements are: depreciation and amortization rates and useful lives; recoverable amount of goodwill and intangible assets; ability to utilize tax losses and other tax measurements.

Other critical judgments utilized in the preparation of our company's financial statements include the methodologies for calculating amortization, determination of operating segments and determination of control.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. To date, there has been significant stock market volatility, significant fluctuations in the commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions, and the global movement of people and some goods has become restricted. Our company has assessed the impact of the current economic environment on our asset valuations. In making these assessments, we have assumed that the sharp curtailment of economic activities, as a result of social distancing rules imposed by governments worldwide, will not materially persist in the long-term. As a provider of essential services, our businesses have remained in operations while we continue to safeguard the health of our employees. In addition, our businesses are subject to regulated cash flows with minimal volume risk. Based on our company's assessment, no impairments to our asset values were required as at March 31, 2021. Please refer to Note 4, *Property Plant and Equipment* and Note 5, *Intangible Assets*.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Classification of Financial Instruments

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

Carrying Value and Fair Value of Financial Instruments

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

US$ MILLIONS
Financial Instrument Classification

MEASUREMENT BASIS	Fair value through profit or loss		Amortized Cost		Total	
Financial assets						
Cash and cash equivalents	**$**	**—**	**$**	**124**	**$**	**124**
Accounts receivable and other (current and non-current)		**—**		**458**		**458**
Financial assets [1]		**25**		**—**		**25**
Total	**$**	**25**	**$**	**582**	**$**	**607**
Financial liabilities						
Accounts payable and other (current and non-current)	**$**	**—**	**$**	**263**	**$**	**263**
Non-recourse borrowings (current and non-current)		**—**		**3,435**		**3,435**
Exchangeable and class B shares[2]		**—**		**2,394**		**2,394**
Financial liabilities (current and non-current)[1]		**71**		**970**		**1,041**
Total	**$**	**71**	**$**	**7,062**	**$**	**7,133**

1. *Derivative instruments which are elected for hedge accounting totaling $25 million are included in financial assets and $nil of derivative instruments are included in financial liabilities.*
2. *Class C shares are also classified as financial liabilities due to their cash redemption feature. As discussed in Note 1(b)(ii), Organization and Description of our Company, the class C shares meet certain qualifying criteria and are presented as equity. See Note 10, Equity.*

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at December 31, 2020:

US$ MILLIONS
Financial Instrument Classification

MEASUREMENT BASIS	Fair value through profit or loss		Amortized Cost		Total	
Financial assets						
Cash and cash equivalents	$	—	$	192	$	192
Accounts receivable and other (current and non-current)		—		427		427
Financial assets [1]		27		—		27
Total	$	27	$	619	$	646
Financial liabilities						
Accounts payable and other (current and non-current)	$	—	$	334	$	334
Non-recourse borrowings (current and non-current)		—		3,477		3,477
Exchangeable and class B shares[2]		—		2,221		2,221
Financial liabilities (current and non-current)[1]		69		962		1,031
Total	$	69	$	6,994	$	7,063

1. *Derivative instruments which are elected for hedge accounting totaling $27 million are included in financial assets and $nil of derivative instruments are included in financial liabilities.*
2. *Class C shares are also classified as financial liabilities due to their cash redemption feature. As discussed in Note 1(b)(ii), Organization and Description of our Company, the class C shares meet certain qualifying criteria and are presented as equity. See Note 10, Equity.*

The following table provides the carrying values and fair values of financial instruments as at March 31, 2021 and December 31, 2020:

US$ MILLIONS	March 31, 2021 Carrying Value	March 31, 2021 Fair Value	December 31, 2020 Carrying Value	December 31, 2020 Fair Value
Financial assets				
Cash and cash equivalents	**$ 124**	**$ 124**	$ 192	$ 192
Accounts receivable and other (current and non-current)	**458**	**458**	427	427
Financial assets	**25**	**25**	27	27
Total	**$ 607**	**$ 607**	$ 646	$ 646
Financial liabilities				
Accounts payable and other (current and non-current)	**$ 263**	**$ 263**	$ 334	$ 334
Non-recourse borrowings (current and non-current)[1]	**3,435**	**3,571**	3,477	3,723
Exchangeable and class B shares[2]	**2,394**	**2,394**	2,221	2,221
Financial liabilities (current and non-current)	**1,041**	**1,041**	1,031	1,031
Total	**$ 7,133**	**$ 7,269**	$ 7,063	$ 7,309

1. *Non-recourse borrowings are classified under level 2 of the fair value hierarchy. For level 2 fair values, future cash flows are estimated based on observable forward interest rates at the end of the reporting period.*
2. *Class C shares are also classified as financial liabilities due to their cash redemption feature. As discussed in Note 1(b)(ii), Organization and Description of our Company, the class C shares meet certain qualifying criteria and are presented as equity. For the purpose of the disclosure above, the class C shares have a fair value of $75 million as at March 31, 2021.*

Hedging Activities

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

Cash Flow Hedges

Our company uses interest rate swaps to hedge the variability in cash flows related to a variable rate asset or liability and highly probable forecasted issuances of debt. The settlement dates coincide with the dates on which the interest is payable on the underlying debt, and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss. For the three-month periods ended March 31, 2021, pre-tax net unrealized gains of $nil (2020: gains of $9 million) were recorded in other comprehensive income for the effective portion of the cash flow hedges. As of March 31, 2021, there was a net derivative asset balance of $25 million relating to derivative contracts designated as cash flow hedges (December 31, 2020: $27 million).

Fair Value Hierarchical Levels—Financial Instruments

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

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

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

US$ MILLIONS	Fair value hierarchy	March 31, 2021	December 31, 2020
Interest rate swaps & other	Level 2[(1)]		
Financial assets		**$ 25**	$ 27
Financial liabilities		**71**	69

1. *Valuation technique: Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects our credit risk and the credit risk of various counterparties.*

Assets and liabilities measured at fair value on a recurring basis include $25 million (2020: $27 million) of financial assets and $71 million (2020: $69 million) of financial liabilities which are measured at fair value using valuation inputs based on management's best estimates.

During the three-month period ended March 31, 2021, no transfers were made between level 1 and 2 or level 2 and 3.

4. PROPERTY, PLANT AND EQUIPMENT

US$ MILLIONS	Gross carrying amount	Accumulated depreciation	Accumulated fair value adjustments	Total
Balance at January 1, 2020	$ 3,696	$ (567)	$ 1,368	$ 4,497
Additions, net of disposals	358	6	—	364
Non-cash additions	6	(3)	—	3
Depreciation expense	—	(131)	—	(131)
Fair value adjustments	—	—	215	215
Net foreign currency exchange differences	137	(24)	50	163
Balance at December 31, 2020	**$ 4,197**	**$ (719)**	**$ 1,633**	**$ 5,111**
Additions, net of disposals	**91**	**2**	**—**	**93**
Non-cash additions	**1**	**(1)**	**—**	**—**
Depreciation expense	**—**	**(38)**	**—**	**(38)**
Net foreign currency exchange differences	**35**	**(6)**	**13**	**42**
Balance at March 31, 2021	**$ 4,324**	**$ (762)**	**$ 1,646**	**$ 5,208**

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

Our company's property, plant, and equipment is measured at fair value on a recurring basis with an effective date of revaluation for all asset classes of December 31, 2020 and 2019. Our company determined fair value under the income method. Assets under development were revalued where fair value could be reliably measured.

Due to continuous changes in the macroeconomic environment and the interruption to global supply chains, our company reviewed the significant inputs to the valuation of our property, plant, and equipment. In our assessment, we considered the nature of the operations' cash flows, whether the asset is exposed to volume risk, the applicable regulatory framework and the business' actual performance against plan, amongst other factors. While some of the assumptions used in determining fair values have changed, the overall valuation of our assets have not been significantly impacted. In making the assessment, we have also assumed that the economic impact of COVID-19 will not materially persist in the long-term. Our company undertook a process to assess the appropriateness of the discount rates considering changes to risk-free rates, changes to credit spreads as well as changes to our businesses' operating cash flows and changes to any risk premium inherent in such cash flows. These considerations led us to conclude the discount rates for the current period should remain consistent with year end rates. Our company considered changes to risk-free borrowing rates, equity risk premiums as well as any impact to asset level cash flows built into the models which we believe at this time addresses future cash flow risks. Terminal values and investment horizons are largely unaffected as our company employs a long-term investment strategy for critical infrastructure assets. In addition, our company has had to make assumptions with respect to the length and severity of these restrictions and closures as well as the recovery period in estimating the impact and timing of future cash flows. Based on our analysis, no impairments to our property, plant and equipment were required as at March 31, 2021.

5. INTANGIBLE ASSETS

US$ MILLIONS	As of March 31, 2021	As of December 31, 2020
Cost	**$ 3,228**	$ 3,527
Accumulated amortization	**(567)**	(579)
Total	**$ 2,661**	$ 2,948

Intangible assets are allocated to the following cash generating units:

US$ MILLIONS	As of March 31, 2021	As of December 31, 2020
Brazilian regulated gas transmission operation	**$ 2,617**	$ 2,903
U.K. regulated distribution operation	**44**	45
Total	**$ 2,661**	$ 2,948

Our company's intangible assets are primarily related to concession arrangements with the local energy regulator, Agência Nacional do Petróleo, Gás Natural e Biocombustíveis ("ANP"), at our Brazilian regulated gas transmission operation. Total capacity is fully contracted under long-term "ship-or-pay" gas transportation agreements ("GTA") and therefore the business is exposed to no volume or price risk. Each GTA takes into account a return on regulatory asset base ("RAB"), and the tariffs are calculated on an inflation adjusted regulatory weighted average cost of capital ("WACC") fixed for the life of GTAs. Subsequent to March 31, 2021, new legislation was passed in Brazil which provides our Brazilian regulated gas transmission operation the right to operate the gas pipelines perpetually. Prior to the enactment of the new legislation, these assets would have been returned to the government upon expiry of the authorizations.

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

Due to continuous changes in the macroeconomic environment and the interruption to global supply chains as a result of COVID-19, our company performed an evaluation of potential impairment indicators on each of our intangible assets during the three-month period ended March 31, 2021. Based on the analysis performed, our intangible assets remain largely unaffected, with no impairment required. Our intangible assets represent long-term critical infrastructure supported by regulated or highly contracted revenues which help protect value over the long term.

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

US$ MILLIONS	For the three-month period ended March 31, 2021	For the 12 month period ended December 31, 2020
Cost at beginning of the period	**$ 3,527**	$ 4,479
Additions, net of disposals	**2**	35
Foreign currency translation	**(301)**	(987)
Ending Balance	**$ 3,228**	$ 3,527

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

US$ MILLIONS	For the three-month period ended March 31, 2021	For the 12 month period ended December 31, 2020
Accumulated amortization at beginning of the period	**$ (579)**	$ (543)
Amortization	**(37)**	(152)
Foreign currency translation	**49**	116
Ending Balance	**$ (567)**	$ (579)

6. GOODWILL

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

US$ MILLIONS	As of March 31, 2021	As of December 31, 2020
Balance at beginning of the period	**$ 528**	$ 667
Foreign currency translation and other	**(43)**	(139)
Ending Balance	**$ 485**	$ 528

Goodwill mainly arose from the recognition of a deferred tax liability due to purchase price accounting upon the acquisition of our Brazilian regulated gas transmission business. The operating performance at our Brazilian regulated gas transmission business benefits from stable, long-term, contracted cash flows and has been largely unimpacted by recent changes in the macroeconomic environment. As such, no impairment indicators were noted during the three-month period ended March 31, 2021. Our company also noted no changes to the tax circumstances that gave rise to the goodwill as at March 31, 2021.

7. BORROWINGS

Non-Recourse Borrowings

US$ MILLIONS	As of March 31, 2021	As of December 31, 2020
Current	**$ 11**	$ 11
Non-current	**3,424**	3,466
Total	**$ 3,435**	$ 3,477

Non-recourse borrowings have decreased by $42 million since year-end. The decrease is attributable to a decrease in foreign denominated debt at our Brazilian regulated gas transmission business as the foreign currency underlying non-recourse borrowings depreciated relative to the U.S. dollar during the three-month period ended March 31, 2021. The decrease was partially offset by additional net borrowings of $28 million associated with growth initiatives.

8. FINANCIAL LIABILITIES

US$ MILLIONS		As of March 31, 2021	As of December 31, 2020
Current:			
Inflation swaps		**$ 23**	$ 23
Total current financial liabilities		**$ 23**	$ 23
Non-current:			
Inflation swaps		**$ 48**	$ 46
Deferred consideration	**(a)**	**970**	962
Total non-current financial liabilities		**$ 1,018**	$ 1,008

a) Deferred consideration

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

Exchangeable shares, class B shares and class C shares

The exchangeable and class B shares are classified as liabilities due to their exchangeable and cash redemption features. Upon issuance, exchangeable and class B shares were recognized at their fair value of $38.09 per share. The fair value was based on the NYSE opening price of one unit on March 31, 2020, the date of the special distribution. Subsequent to initial recognition, the exchangeable and class B shares are recognized at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows are based on the price of one unit. As at March 31, 2021, the exchangeable and class B shares were remeasured to reflect the NYSE closing price of one unit, $53.25 per share. Remeasurement gains or losses associated with these shares are recorded in the Consolidated Statements of Operating Results. During the three-month period ended March 31, 2021, our shareholders exchanged 7,202 exchangeable shares for an equal number of units. Our company declared and paid dividends of $23 million on its exchangeable shares outstanding during the three-month period ended March 31, 2021. Dividends paid on exchangeable shares are presented as interest expense in the Consolidated Statements of Operating Results.

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

	Exchangeable shares outstanding (Shares)	Class B shares outstanding (Shares)	BIP unit price (US$)	Exchangeable and class B shares (US$ Millions)
Balance at January 1, 2020	—	—	$ —	$ —
Share issuance	46,349,323	1	38.09	1,765
Share exchanges[1]	(1,388,874)	—	39.60	(55)
Remeasurement of liability	—	—	—	511
Balance at December 31, 2020	**44,960,449**	**1**	**$ 49.40**	**$ 2,221**
Share exchanges[1]	**(7,202)**	**—**	**51.68**	**—**
Remeasurement of liability	**—**	**—**	**—**	**173**
Balance at March 31, 2021	**44,953,247**	**1**	**$ 53.25**	**$ 2,394**

1. *The unit price reflected here represents the weighted average price of the units exchanged during the period and is calculated based on the NYSE closing price per unit on the date of exchange.*

Similar to class B shares, class C shares are classified as liabilities due to their cash redemption feature. However, class C shares, the most subordinated class of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32. Refer to Note 10, *Equity*, for further details related to class C shares.

9. REVENUE

a) Revenues by service line

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

US$ MILLIONS	For the three-month period ended March 31 2021		2020	
Gas Transmission	**$**	**258**	$	262
Distribution		**104**		85
Connections		**33**		32
Other		**4**		5
Total	**$**	**399**	$	384

During the three-month period ended March 31, 2021, revenues benefited from inflationary tariff increases and capital commissioned into rate base. These benefits were partially offset by the depreciation of the Brazilian real.

b) Revenues from external customers

The following table disaggregates revenues by geographical region:

US$ MILLIONS	For the three-month period ended March 31 2021		2020	
Brazil	**$**	**258**	$	262
United Kingdom		**141**		122
Total	**$**	**399**	$	384

Our company's revenues are generated from a diverse customer base, with only one customer that makes up greater than 10% of our company's consolidated revenues. For the three-month period ended March 31, 2021, revenue generated from this customer was $258 million (2020: $262 million). Our company has completed a review of the credit risk of key counterparties. Based on their liquidity position, business performance, and aging of our accounts receivable, we do not have any significant changes in expected credit losses at this time. Our company continues to monitor the credit risk of our counterparties in light of the economic impact of COVID-19 but has experienced no issues to date.

10. EQUITY

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

	Class C shares: Shares outstanding (Shares)	Share capital (US$ Millions)	
Balance at January 1, 2020	—	$	—
Share issuance	**1,402,451**		**53**
Balance at December 31, 2020 and March 31, 2021	**1,402,451**	**$**	**53**

In conjunction with the special distribution, our company issued approximately 46.3 million exchangeable shares, 1 class B share and 1.4 million class C shares. Due to the exchange feature of the exchangeable shares and the cash redemption feature of the class B and class C shares, the exchangeable shares, the class B shares, and the class C shares are classified as financial liabilities. However, class C shares, the most subordinated of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32. Refer to Note 8, *Financial Liabilities*, for further details related to exchangeable and class B shares.

The value of share capital, which relates to the class C shares, is determined based on the opening price of a unit on March 31, 2020, the date of special distribution.

11. RELATED PARTY TRANSACTIONS

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

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

For the periods prior to March 30, 2020, our company's financial statements include general corporate expenses of the parent company which were not historically allocated to our company's operations. These expenses relate to management fees payable to Brookfield. These allocated expenses have been included as appropriate in our company's Consolidated Statements of Operating Results. Key decision makers of our company are employees of Brookfield. However, the financial statements may not include all of the expenses that would have been incurred and may not reflect our company's combined results of operations, financial position and cash flows had it been a standalone company during the periods presented. It is not practicable to estimate the actual costs that would have been incurred had our company been a standalone company during the periods presented as this would depend on multiple factors, including organizational structure and infrastructure.

Subsequent to the special distribution on March 31, 2020, our company is no longer allocated general corporate expenses of the parent company as the functions which they relate to are now provided through the Master Services Agreement. The base management fee related to the services received under the Master Services Agreement has been recorded as part of general and administrative expenses in the interim condensed and consolidated financial statements.

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

The Base Management Fee attributable to our company was $9 million for the three-month period ended March 31, 2021 (2020: $6 million).

Our company's affiliates provide connection services in the normal course of operations on market terms to affiliates and associates of Brookfield Property Partners L.P. For the three-month period ended March 31, 2021, revenues of less than $1 million were generated (2020: less than $1 million) and $nil expenses were incurred (2020: $nil).

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

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

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

As of March 31, 2021, our company had loans payable of $1,153 million (2020: $1,143 million) to subsidiaries of Brookfield Infrastructure. The loans are payable within ten years and bear a weighted average interest of approximately 5% annually. Interest incurred during the three-month period ended March 31, 2021 was $13 million (2020: $nil). The carrying value of the loan approximates its fair value.

As at March 31, 2021, our company had accounts payable of $3 million (2020: $2 million) to subsidiaries of Brookfield Infrastructure and accounts receivable of $21 million (2020: $7 million) from subsidiaries of Brookfield Infrastructure.

On July 29, 2020, Brookfield completed a secondary offering of approximately 5 million exchangeable shares, inclusive of the over-allotment option, for net proceeds of approximately C$305 million. Subsequent to the offering, Brookfield holds approximately 19.3% of the issued and outstanding exchangeable shares of our company.

12. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three-month period ended March 31	
US$ MILLIONS	2021	2020
Interest paid	**$ 51**	$ 12
Income taxes paid	**$ 111**	$ 91

Amounts paid and received for interest were reflected as operating cash flows in the Consolidated Statements of Cash Flows. Interest paid is net of debt related hedges.

Amounts paid for income taxes were reflected as either operating cash flows or investing cash flows in the Consolidated Statements of Cash Flows depending upon the nature of the underlying transaction.

Details of "Changes in non-cash working capital, net" on the Consolidated Statements of Cash Flows are as follows:

	For the three-month period ended March 31	
US$ MILLIONS	2021	2020
Accounts receivable	**$ (40)**	$ (30)
Accounts payable and other	**(37)**	(31)
Changes in non-cash working capital, net	**$ (77)**	$ (61)

13. SUBSEQUENT EVENTS

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

On April 24, 2021, our U.K. regulated distribution business agreed to the sale of its smart meters business for total consideration that values the total assets of the business, net of cash and cash equivalents, at approximately $0.8 billion. The disposition is subject to customary closing conditions.

b) Partial acquisition of our Brazilian regulated gas transmission operation

On April 30, 2021, Brookfield Infrastructure, alongside institutional partners, acquired an additional 10% interest (our company's share - 3%) in our Brazilian regulated gas transmission operation. Total consideration paid was approximately $285 million, all of which was funded using asset level debt raised on closing.

AS OF MARCH 31, 2021 AND DECEMBER 31, 2020 AND
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

INTRODUCTION

Introduction

The following Management's Discussion and Analysis ("MD&A") is the responsibility of management of Brookfield Infrastructure Corporation (our "company"). This MD&A is dated May 7, 2021 and has been approved by the Board of Directors of our company for issuance as of that date. The Board of Directors carries out its responsibility for review of this document principally through its audit committee, comprised exclusively of independent directors. The audit committee reviews and, prior to its publication, approves this MD&A, pursuant to the authority delegated to it by the Board of Directors. The terms "we," "us" and "our" refer to Brookfield Infrastructure Corporation, and our company's direct and indirect operating entities as a group. This MD&A should be read in conjunction with our company's most recently issued annual and interim financial statements. Additional information is available on our website at bip.brookfield.com/bipc, on SEDAR's website at www.sedar.com and on EDGAR's website at www.sec.gov.

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

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

Continuity of Interests

Brookfield Infrastructure Corporation was established on August 30, 2019 by the partnership. The partnership owns and operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and, by virtue of barriers to entry and other characteristics, tend to appreciate in value over time. The partnership's current operations consist of utilities, transport, midstream and data businesses in North and South America, Europe and Asia Pacific. On March 30, 2020, the partnership contributed two regulated utility investments in Brazil and the United Kingdom (the "businesses") to our company in exchange for loans receivable, exchangeable shares, class B shares and class C shares. On March 31, 2020, the partnership completed the special distribution of the exchangeable shares to holders of units and continues to hold all of the class B and class C shares of our company. The partnership directly and indirectly controlled our company prior to the special distribution and continues to control our company subsequent to the special distribution through its interests in our company. As a result of this continuing common control, there is insufficient substance to justify a change in the measurement of our company. In accordance with our company's and the partnership's accounting policy, our company has reflected the businesses in its financial position and financial performance using the partnership's carrying values prior to the contribution of the businesses to our company.

To reflect this continuity of interests, these interim financial statements provide comparative information of our company for the periods prior to March 30, 2020, as previously reported by the partnership. The economic and accounting impact of contractual relationships created or modified in conjunction with the contribution of the businesses to our company (see Note 1(b), *Organization and Description of our Company*) have been reflected prospectively from the date of the contribution and have not been reflected in the results of operations or financial position of our company prior to March 30, 2020, as such items were in fact not created or modified prior thereto. Accordingly, the financial information for the periods prior to March 30, 2020 is presented based on the historical financial information for our company as previously reported by the partnership. For the periods after March 30, 2020, the results are based on the actual results of our company, including the impact of contractual relationships created or modified in association with the contribution of the businesses to our company. As the partnership holds all of the class C shares of our company, which is the only class of shares presented as equity, net income and equity attributable to common equity have been allocated to the partnership prior to and after March 30, 2020.

Basis of Presentation

For the periods prior to March 30, 2020, the financial statements represent a combined carve-out of the assets, liabilities, revenues, expenses, and cash flows of the businesses that were contributed to our company effective March 30, 2020. During this period, all of the assets and liabilities presented were controlled by the partnership. The partnership directly and indirectly controlled our company prior to the special distribution and continues to control our company subsequent to the special distribution through its interests in our company. As a result of this continuing common control, there is insufficient substance to justify a change in the measurement of our company. In accordance with our company and our partnership's accounting policy, effective March 30, 2020, the assets and liabilities were transferred to our company at their carrying values. All intercompany balances, transactions, revenues and expenses within our company have been eliminated. Additionally, certain corporate costs have been allocated on the basis of direct usage where identifiable, with the remainder allocated based on management's best estimate of costs attributable to our company. Management believes the assumptions underlying the historical financial information, including the assumptions regarding allocated expenses, reasonably reflect the utilization of services provided to or the benefit received by our company during the periods presented. However, due to the inherent limitations of carving out the assets, liabilities, operations and cash flows from larger entities, the historical financial information may not necessarily reflect our company's financial position, operations and cash flow for future periods, nor do they reflect the financial position, results of operations and cash flow that would have been realized had our company been a stand-alone entity during the periods presented.

Subsequent to March 30, 2020, our company is no longer allocated general corporate expenses of the parent company as the functions which they related are now provided through the amended and restated master services agreement dated as of March 13, 2015, among the Service Recipients (as defined therein), Brookfield Asset Management Inc. ("Brookfield"), the Service Providers (as defined therein) and others, as amended (the "Master Services Agreement"). The base management fee related to the services received under the Master Services Agreement has been recorded as part of general and administrative expenses in the interim financial statements.

Financial data provided has been prepared using accounting policies in accordance with IFRS. Non-IFRS measures used in this MD&A are reconciled to or calculated from such values. All dollar references, unless otherwise stated, are in millions of United States dollars ("USD").

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

Overview of our Company

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

Our U.K. regulated distribution operations benefit from inflationary tariff increases (inflation indexation) and volume growth through the installation of new utility connections. Revenues generated at our Brazilian regulated gas transmission operations are capacity based and primarily affected by an inflationary rate increase. The U.K. regulated distribution operations' revenues predominantly relate to the distribution of gas and electricity as well as the revenues generated from new connection construction. Our Brazilian regulated gas transmission business has only one revenue stream and generates revenue from the transmission of natural gas. For our U.K. regulated distribution operations, costs are predominantly impacted by the number of connections in place while for our Brazilian regulated gas transmission business, costs are impacted by inflation.

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

Dividend Policy

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

The board of directors of the general partner of the partnership approved a 5% increase in the partnership's quarterly distribution to $0.51 per unit (or $2.04 per unit annualized), starting with the distribution paid in March 2021. This increase reflects the forecasted contribution from the partnership's recently commissioned capital projects, as well as, the expected cash yield on recent acquisitions. The partnership targets 5% to 9% annual distribution growth in light of growth it foresees in its operations.

Our board may declare dividends at its discretion. However, each of our exchangeable shares has been structured with the intention of providing an economic return equivalent to one unit of the partnership. It is expected that dividends on our exchangeable shares will be declared and paid at the same time and in the same amount as distributions are declared and paid on the units of the partnership. Accordingly, our board approved an equivalent quarterly dividend of $0.51 per exchangeable share (or $2.04 per exchangeable share annualized), starting with the dividend paid in March 2021.

RESULTS OF OPERATIONS

The following table summarizes the financial results of our company for the three-month periods ended March 31, 2021 and 2020:

US$ MILLIONS Summary Statements of Operating Results	For the three-month period ended March 31 2021	2020
Revenues	**$ 399**	$ 384
Direct operating costs	**(69)**	(62)
General and administrative expenses	**(10)**	(6)
Depreciation and amortization expense	**(75)**	(76)
Interest expense	**(63)**	(32)
Mark-to-market on hedging items and foreign currency revaluation	**(10)**	2
Remeasurement of exchangeable and class B shares	**(173)**	98
Other expense	**(14)**	(14)
Income tax expense	**(71)**	(93)
Net (loss) income	**(86)**	201
Net (loss) income attributable to the partnership	**(178)**	117

Three-month periods ended March 31, 2021 and 2020

For the three-month period ended March 31, 2021, our company reported a net loss of $86 million, of which $178 million was attributable to the partnership. This compares to net income of $201 million for the three-month period ended March 31, 2020, of which $117 million was attributable to the partnership. Earnings for the current quarter benefited from capital commissioned into rate base at our U.K. regulated distribution business and inflation-indexation at our Brazilian regulated gas transmission business. These positive impacts were more than offset by revaluation losses recognized on our company's exchangeable shares that are classified as liabilities under IFRS, and the impact of foreign exchange.

Total revenues increased by $15 million relative to the same period during the prior year. Underlying gas transmission revenues in Brazil increased by $55 million due to inflation-indexation, however this was more than offset by the impact of foreign exchange as the depreciation of the Brazilian real reduced our revenues in U.S. dollars by $59 million relative to 2020. Distribution revenues in the U.K. increased primarily from the benefits of higher volumes associated with new utility connections and inflation-indexation which contributed additional revenues of $12 million while the appreciation of the British pound further increased our distribution revenues in U.S. dollars by $7 million.

Direct operating costs for the three-month period ended March 31, 2021 were $69 million, an increase of $7 million compared to the prior year. The increase was primarily due to inflation and organic growth, partially offset by the impact of foreign exchange.

General and administrative expenses totaled $10 million for the three-month period ended March 31, 2021, an increase of $4 million compared to the same period in 2020. This line item primarily consists of the base management fee that is paid to Brookfield based on our company's and the partnership's combined market value plus net recourse debt, and allocated to our company based on proportionate weighted average shares outstanding during the period. The base management fee allocated to our company increased by $3 million primarily due to an increase in the combined market value of our company and the partnership compared to the same period in 2020.

Depreciation and amortization expense for the three-month period ended March 31, 2021 was $75 million, largely in line with prior year as incremental depreciation on capital expenditures made over the last year and higher asset values as a result of our revaluation process was more than offset by the impact of foreign exchange of $5 million.

Interest expense for the three-month period ended March 31, 2021 was $63 million, an increase of $31 million compared to the same period in 2020. This increase was primarily due to $23 million of dividends declared and paid on the exchangeable shares issued by our company on March 30, 2020. Due to their exchangeable features, these shares are classified as liabilities and dividends are therefore presented as interest expense. Current quarter also includes interest of $13 million incurred on loans payable to the partnership which were also issued on March 30, 2020. The prior year quarter does not include any interest expense related to these items. These increases were partially offset by lower interest rates on our variable rate non-recourse debt at our Brazilian regulated gas transmission business which reduced interest expense by $7 million.

Mark-to-market on hedging items and foreign currency revaluation losses totaled $10 million for the three-month period ended March 31, 2021, compared to income of $2 million in the prior year. This was predominantly due to unrealized foreign currency losses on loans payable to the partnership in the current period.

Remeasurement losses for the three-month period ended March 31, 2021 were $173 million. These losses were a result of revaluation of the exchangeable shares classified as liabilities due to their exchangeable features. The remeasurement losses reflect the increase in the public price of partnership units based on the NYSE closing price.

Income tax expense for the three-month period ended March 31, 2021 was $71 million, $22 million lower than the prior year. Higher taxable income at our Brazilian regulated gas transmission business resulted in an increase in income tax expense of $20 million. This increase was partially offset by the impact of foreign exchange of $14 million. In addition, the prior year included a non-recurring deferred tax expense of $27 million that was recognized as a result of an increase in U.K.'s tax rate from 17% to 19% enacted in March 2020.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table summarizes the statements of financial position of our company as at March 31, 2021 and December 31, 2020:

US$ MILLIONS	As of	
Summary Statements of Financial Position Key Metrics	**March 31, 2021**	December 31, 2020
Cash and cash equivalents	**$ 124**	$ 192
Property, plant and equipment	**5,208**	5,111
Intangible assets	**2,661**	2,948
Total assets	**9,062**	9,344
Exchangeable and class B shares	**2,394**	2,221
Non-recourse borrowings	**3,435**	3,477
Loans payable to Brookfield Infrastructure	**1,153**	1,143
Total liabilities	**9,974**	9,916
Equity in net assets attributable to the partnership	**(1,932)**	(1,722)
Total equity	**(912)**	(572)

Total assets were $9.1 billion at March 31, 2021, compared to $9.3 billion at December 31, 2020. In the year, our company added $0.1 billion to property, plant, and equipment, however, these increases were more than offset by the impact of foreign exchange which decreased assets denominated in currencies other than the U.S. dollar by $0.3 billion.

Our accounting policy is to carry property, plant and equipment at fair value and intangible assets at amortized cost. Our last revaluation date for the measurement of property, plant and equipment, as well as the testing of intangible assets and goodwill for impairment, was December 31, 2020. Our valuation of property, plant and equipment is underpinned by regulated cash flow. Our local revenues have been predominantly unimpacted by the recent changes in the macroeconomic environment as we earn a regulated return on an asset base for making the infrastructure available to users with minimal volume and price risk. Given the stable cash flows generated by our business, we believe the long-term value of these assets has not changed significantly from our most recent valuation.

Our exchangeable and class B shares are classified as liabilities due to their exchangeable and cash redemption features. Subsequent to initial recognition at fair value, the shares are measured at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows are based on the price of one partnership unit. As at March 31, 2021, the shares were remeasured to reflect the NYSE closing price of one BIP unit, or $53.25 per share.

Non-recourse borrowings decreased by $42 million to $3,435 million at March 31, 2021. Additional borrowings of $28 million used to fund growth initiatives was more than offset by the impact of foreign exchange as the Brazilian real weakened relative to the U.S. dollar during the three-month period ended March 31, 2021.

As of March 31, 2021, our company had loans payable of $1,153 million to subsidiaries of Brookfield Infrastructure. The loans are payable within ten years and bear a weighted average interest of approximately 5% annually.

Total equity was negative $912 million at March 31, 2021, compared to negative $572 million at December 31, 2020. The decrease is mainly due to remeasurement losses as a result of revaluation of our exchangeable shares classified as liabilities and the impact of foreign exchange.

Foreign Currency Translation

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

	Period End Rate			Average Rate		
	As of			**For the three-month period ended March 31**		
	March 31, 2021	December 31, 2020	Change	**2021**	2020	Change
Brazilian real	**0.1755**	0.1924	(9)%	**0.1824**	0.2239	(19)%
British pound	**1.3783**	1.3670	1 %	**1.3792**	1.2799	8 %

The net assets of our U.K. regulated distribution business and our Brazilian regulated transmission business represent 72% and 28%, respectively, of our equity in foreign subsidiaries.

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

	For the three-month period ended March 31	
US$ MILLIONS	**2021**	2020
Brazilian real	**$ (163)**	$ (558)
British pound	**15**	(102)
	(148)	(660)
Currency hedges	**—**	9
	$ (148)	$ (651)
Attributable to:		
The partnership	**$ (32)**	$ (227)
Non-controlling interests	**(116)**	(424)
	$ (148)	$ (651)

The impact of foreign currency translation on our company, including those attributable to non-controlling interests, for the three-month period ended March 31, 2021, was a decrease to equity of $148 million (2020: decrease of $651 million). The decrease in equity during the current period was primarily a result of the Brazilian real weakening by 9% relative to the U.S. dollar.

Average currency exchange rates impact the U.S. dollar equivalents of revenues and net income from non-U.S. operations on a comparative basis. During the three-month period ended March 31, 2021, the average exchange rate of the Brazilian real depreciated relative to the U.S. dollar by 19% while the British pound appreciated relative to the U.S. dollar by 8%. Overall, for the three-month period ended March 31, 2021, foreign exchange movements reduced our revenues and net income in U.S. dollars by $49 million and $29 million, respectively.

Summary Financial Information Related to the Partnership

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

US$ MILLIONS IFRS measures	For the three-month period ended March 31 2021	 2020
Revenue	**$ 2,683**	$ 2,196
Net income	**413**	148

US$ MILLIONS IFRS measures	As of March 31, 2021	 December 31, 2020
Total assets	**$ 61,242**	$ 61,331
Total liabilities	**39,290**	39,658
Total partnership capital	**21,952**	21,673

US$ MILLIONS Non-IFRS measures	For the three-month period ended March 31 2021	 2020
Adjusted EBITDA[1]	**$ 628**	$ 504
Funds from Operations (FFO)[1]	**431**	358
Adjusted Funds from Operations (AFFO)[1]	**379**	301

1. *The partnership's definitions of these non-IFRS financial measures are consistent with that of our company. For a definition of each of these non-IFRS measures, please refer to the "Reconciliation of Non-IFRS Financial Measures" section within this MD&A.*

PERFORMANCE DISCLOSURES

To measure performance, we focus on net income, an IFRS measure, as well as certain non-IFRS measures, including FFO, adjusted FFO ("AFFO"), and Adjusted EBITDA. FFO, AFFO, and Adjusted EBITDA are proportionate measures and are not calculated in accordance with, and do not have any standardized meaning prescribed by IFRS as issued by the IASB.

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

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

US$ MILLIONS Key Metrics	For the three-month period ended March 31 2021	 2020
Adjusted EBITDA[1]	**$ 136**	$ 136
Funds from Operations (FFO)[2]	**104**	107
Adjusted Funds from Operations (AFFO)[3]	**102**	103

1. *Adjusted EBITDA is defined as net income excluding the impact of depreciation and amortization, interest expense, current and deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses. Refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*
2. *FFO is defined as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses. We also exclude from FFO dividends paid on the exchangeable shares of our company that are presented as interest expense, as well as the interest expense on loans payable to the partnership which represent the partnership's investment in our company. Refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*
3. *AFFO is defined as FFO less maintenance capital expenditures. Refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*

Three-month periods ended March 31, 2021 and 2020

For the three-month period ended March 31, 2021, FFO decreased by $3 million while Adjusted EBITDA remained constant compared to the same period in the prior year. During the current period, FFO and Adjusted EBITDA benefited from inflation-indexation at our Brazilian regulated gas transmission business and capital commissioned into rate base at our U.K. regulated distribution business. These positive factors were partially offset by the impact of foreign exchange and higher management fees. FFO decreased from the prior year as the benefit of lower interest rates on our variable rate non-recourse debt at our Brazilian regulated gas transmission business was more than offset by an increase in current taxes associated with higher taxable income. On a constant currency basis, FFO increased by 6% from the same period in the prior year.

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

US$ MILLIONS	For the three-month period ended March 31, 2021		
Key Metrics	Utilities	Corporate	Total
Adjusted EBITDA[1]	**$ 146**	**$ (10)**	**$ 136**
Funds from Operations (FFO)[2]	**114**	**(10)**	**104**
Adjusted Funds from Operations (AFFO)[3]	**112**	**(10)**	**102**

1. *Adjusted EBITDA is defined as net income excluding the impact of depreciation and amortization, interest expense, current and deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses. Refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*
2. *FFO is defined as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses. We also exclude from FFO dividends paid on the exchangeable shares of our company that are presented as interest expense, as well as the interest expense on loans payable to the partnership which represent the partnership's investment in our company. Refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*
3. *AFFO is defined as FFO less maintenance capital expenditures. Refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*

UTILITIES

Results of Operations

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

The following table presents our proportionate share of the rate base of our utilities businesses as at March 31, 2021 and December 31, 2020:

US$ MILLIONS	As of	
	March 31, 2021	December 31, 2020
Rate base	**$ 3,599**	$ 3,485

The following table presents our proportionate share of key measures of our utilities business for the three-month periods ended March 31, 2021 and 2020:

	For the three-month period ended March 31	
US$ MILLIONS	**2021**	2020
Adjusted EBITDA[(1),(4)]	**$ 146**	$ 142
Funds from Operations (FFO)[(2),(4)]	**114**	113
Adjusted Funds from Operations (AFFO)[(3),(4)]	**112**	109

1. *Adjusted EBITDA is defined as net income excluding the impact of depreciation and amortization, interest expense, current and deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses. Refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*
2. *FFO is defined as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses. We also exclude from FFO dividends paid on the exchangeable shares of our company that are presented as interest expense, as well as the interest expense on loans payable to the partnership which represent the partnership's investment in our company. Refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*
3. *AFFO is defined as FFO less maintenance capital expenditures. Refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.*
4. *Adjusted EBITDA, FFO and AFFO provided in the table above do not reflect the annual base management fee the partnership pays for the periods indicated to Brookfield pursuant to the Master Services Agreement as described below in this MD&A under "Corporate, General and Administrative Services".*

Three-month periods ended March 31, 2021 and 2020

For the three-month period ended March 31, 2021, adjusted EBITDA and FFO for our utilities businesses were $146 million and $114 million, respectively, compared to $142 million and $113 million, respectively, in 2020. In the current quarter, EBITDA and FFO benefited from inflation-indexation and capital commissioned into rate base. These benefits were partially offset by the impact of foreign exchange. In addition, the benefit to FFO of lower interest rates on our variable rate non-recourse debt at our Brazilian regulated gas transmission business was more than offset by an increase in current taxes associated with higher taxable income.

The following table presents the roll-forward of our proportionate rate base:

US$ MILLIONS	**For the three-month period ended March 31, 2021**	For the 12 month period ended December 31, 2020
Rate base, start of period	**$ 3,485**	$ 3,371
Capital expenditures commissioned	**63**	251
Inflation and other indexation	**136**	146
Regulatory depreciation	**(10)**	(40)
Foreign exchange and other	**(75)**	(243)
Rate base, end of period	**$ 3,599**	$ 3,485

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

Capital Backlog and Capital Expenditures

Capital expenditures completed during the periods provided in the table below consist of organic growth projects at our U.K. regulated distribution business. There have been no material capital expenditures at our company's Brazilian operations during the periods provided below. Projects include the build-out of last-mile natural gas, electricity, fiber, water, wastewater and district heating connections for the home. Additionally, during 2020 and 2021 to date, our U.K. business has adopted approximately 333,000 installed smart meters. The table below summarizes our proportionate share of capital backlog, which represents projects that have been awarded or filed with regulators that are expected to occur over the next three years, and the historical capital expenditures for the periods presented related to our existing utility order book and contracted smart meter adoptions:

US$ MILLIONS	**For the three-month period ended March 31, 2021**	For the 12 month period ended December 31, 2020
Capital backlog, start of period	**$ 365**	$ 466
Additional capital project mandates	**102**	212
Less: capital expenditures	**(75)**	(302)
Foreign exchange and other	**4**	(11)
Capital backlog, end of period	**396**	365
Construction work in progress	**272**	258
Total capital to be commissioned	**$ 668**	$ 623

These capital projects are financed with a combination project-level financing, which has no recourse to our company, as well as operating cash flows generated and retained within our company. Capital backlog consists primarily of a contracted order book of gas and electricity connections at our U.K. regulated gas distribution business that is expected to be commissioned over the next three years. Our order book currently totals approximately 1.3 million connections. Capital backlog increased as additional capital project mandates were only partially offset by capital expenditures made during the period.

Corporate, General and Administrative Services

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

Three-month periods ended March 31, 2021 and 2020

For the three-month period ended March 31, 2021, the base management fee under the Master Services Agreement was $9 million, an increase of $3 million compared to the same period during the prior year. Our company also incurred $1 million in other general and administrative expenses during the quarter.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

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

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

As a result, proportionate revenues, costs attributable to revenues, general and administrative costs, interest expense, other income, depreciation and amortization, deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses are reconciling items that will differ from results presented in accordance with IFRS.

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

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

The tables below present the results of our company in the format that management uses to make operating decisions and assess performance.

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

We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses. We also exclude from FFO dividends paid on the exchangeable shares of our company that are presented as interest expense, as well as the interest expense on loans payable to the partnership which represent the partnership's investment in our company.

FFO has limitations as an analytical tool:

- FFO does not include depreciation and amortization expense; because we own capital assets with finite lives, depreciation and amortization expense recognizes the fact that we must maintain or replace our asset base in order to preserve our revenue generating capability;
- FFO does not include deferred income taxes, which may become payable if we own our assets for a long period of time; and
- FFO does not include certain non-recurring charges such as breakage and transaction costs or non-cash valuation gains and losses.

FFO is a measure of operating performance that is not calculated in accordance with and does not have any standardized meaning prescribed by IFRS as issued by the IASB. FFO is therefore unlikely to be comparable to similar measures presented by other issuers. FFO has limitations as an analytical tool. Specifically, our definition of FFO may differ from the definition used by other organizations, as well as the definition of Funds from Operations used by the REALPAC and the NAREIT, in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS.

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

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

We add back depreciation and amortization to remove the implication that our assets decline in value over time since we believe that the value of most of our assets will be sustained over time, provided we make all necessary maintenance expenditures. Specifically, in our financial statements we use the revaluation approach in accordance with IAS 16, *Property, Plant and Equipment*, whereby depreciation expense is determined based on a revalued amount, thereby reducing comparability with our peers who do not report under IFRS as issued by the IASB or who do not employ the revaluation approach to measuring property, plant and equipment. We add back deferred income taxes because we do not believe this item reflects the present value of the actual cash tax obligations we will be required to pay, particularly if our operations are held for a long period of time. We add back non-cash valuation gains or losses recorded in net income as they are non-cash and indicate a point-in-time approximation of value on items we consider long-term. We also add back breakage and transaction costs as they are capital in nature.

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

We also focus on Adjusted EBITDA which we define as net income excluding the impact of depreciation and amortization, interest expense, current and deferred income taxes, breakage and transaction costs and non-cash valuation gains or losses. Adjusted EBITDA provides a supplemental understanding of the performance of our company and enhanced comparability across periods and relative to our peers. Adjusted EBITDA excludes the impact of interest expense and current income taxes to remove the effect of the current capital structure and tax profile in assessing the operating performance of our company. Adjusted EBITDA is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS as issued by the IASB. Adjusted EBITDA is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted EBITDA has limitations as an analytical tool.

Proportionate debt is presented based on our proportionate share of borrowings obligations relating to our investments in various portfolio businesses. Proportionate net debt is proportionate debt net of our proportionate share of cash. The proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. We provide proportionate debt and net debt measures because we believe it assists investors and analysts in estimating our overall performance and understanding the leverage pertaining specifically to our company's share of its invested capital in a given investment. When used in conjunction with Adjusted EBITDA, proportionate debt is expected to provide useful information as to how our company has financed its businesses at the asset-level. We believe our proportionate presentation, when read in conjunction with our company's reported results under IFRS, including consolidated debt, provides a more meaningful assessment of how our operations are performing and capital is being managed. The presentation of proportionate debt has limitations as an analytical tool, including the following:

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

Because of these limitations, our proportionate financial information should not be considered in isolation or as a substitute for our financial statements as reported under IFRS.

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

US$ MILLIONS	For the three-month period ended March 31 2021	2020
Net (loss) income	**$ (86)**	$ 201
Add back or deduct the following:		
Depreciation and amortization	**75**	76
Deferred income tax expense	**18**	49
Mark-to-market losses and other expenses	**25**	14
Remeasurement of exchangeable and class B shares	**173**	(98)
Dividends classified as interest expense and interest expense on intercompany loan	**36**	—
Consolidated Funds from Operations	**241**	242
FFO attributable to non-controlling interests[1]	**(137)**	(135)
FFO	**104**	107
Maintenance capital expenditures	**(2)**	(4)
AFFO	**$ 102**	$ 103

1. *By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned affiliates that is not attributable to the partnership. We believe our proportionate financial information, when read in conjunction with the reported results of our company under IFRS, provides the most meaningful assessment of how our operations are performing. Please refer to the discussion of limitations of the proportional results as an analytical tool within this section.*

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

For the three-month period ended March 31, 2021, the difference between net income and FFO is predominantly due to depreciation and amortization, remeasurement losses, and FFO attributable to non-controlling interests. Depreciation and amortization decreased from prior year due to the impact of foreign exchange. The remeasurement losses for the three-month period ended March 31, 2021 were due to revaluation of the exchangeable shares and class B shares classified as liabilities, based on the NYSE price of one partnership unit at the beginning and end of the period, to reflect the change in contractual cash flows associated with the shares. FFO attributable to non-controlling interests remained relatively consistent with the prior year as the benefit of organic growth was almost entirely offset by the impact of foreign exchange.

The difference between net income and AFFO is due to the aforementioned items in addition to maintenance capital expenditures of $2 million for the three-month period ended March 31, 2021 (2020: $4 million).

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

	For the three-month period ended March 31	
US$ MILLIONS[1]	**2021**	2020
Net (loss) income	**$ (86)**	$ 201
Add back or deduct the following:		
Depreciation and amortization	**75**	76
Interest expense	**63**	32
Income tax expense	**71**	93
Mark-to-market losses and other expenses	**24**	12
Remeasurement of exchangeable and class B shares	**173**	(98)
Consolidated Adjusted EBITDA	**320**	316
Adjusted EBITDA attributable to non-controlling interests	**(184)**	(180)
Adjusted EBITDA	**$ 136**	$ 136

1. *By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that is not attributable to the partnership. We believe our proportionate financial information, when read in conjunction with the reported results of our company under IFRS, provides the most meaningful assessment of how our operations are performing. Please refer to the discussion of the limitations of proportional results as an analytical tool within this section.*

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

For the three-month period ended March 31, 2021, the difference between net income and Adjusted EBITDA is predominantly due to depreciation and amortization, income tax expense, remeasurement losses, interest expense and Adjusted EBITDA attributable to non-controlling interests. Depreciation and amortization decreased from prior year due to the impact of foreign exchange. The remeasurement losses for the three-month period ended March 31, 2021 were due to revaluation of the exchangeable shares and class B shares classified as liabilities, based on the NYSE price of one partnership unit at the beginning and end of the period, to reflect the change in contractual cash flows associated with the shares. Interest expense increased compared to the prior year as a result of dividends, presented as interest expense, declared and paid on our company's exchangeable shares and interest incurred on related party loans, issued on March 30, 2020. For the three-month period ended March 31, 2021, our company declared and paid dividends totaling $23 million, while interest incurred on related party loans totaled $13 million. These increases were partially offset by a decrease in interest expense on our variable rate non-recourse debt at our Brazilian regulated gas transmission business. Adjusted EBITDA attributable to non-controlling interests remained relatively consistent with the prior year as the benefit of organic growth was almost entirely offset by the impact of foreign exchange.

LIQUIDITY AND CAPITAL RESOURCES

The nature of our asset base and the quality of our associated cash flows enable us to maintain a stable and low cost capital structure. We attempt to maintain sufficient financial liquidity at all times so that we are able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances and maintain our distributions to shareholders. Our principal sources of liquidity are cash flows from our operations, capital recycling, access to public and private capital markets, access to the partnership's undrawn credit facility and equity commitment and group wide liquidity. We structure the ownership of our assets to enhance our ability to monetize them to provide additional liquidity. In certain instances, subsidiaries may be subject to limitations on their ability to declare and pay dividends to our company. However, no significant limitations existed at March 31, 2021 and 2020.

Our company assesses liquidity on a group-wide basis, consistent with the partnership, because shareholders have exposure to a broader base of infrastructure investments by virtue of the exchange feature of our company's exchangeable shares. Our group-wide liquidity consisted of the following:

	As of	
US$ MILLIONS	March 31, 2021	December 31, 2020
Cash	$ 124	$ 192
Credit facilities	320	280
Drawn amounts	(138)	(109)
Company liquidity	306	363
Partnership liquidity	3,718	3,106
Total group liquidity	$ 4,024	$ 3,469

As of March 31, 2021, we believe that our company's liquidity is sufficient to meet its present requirements.

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

On a consolidated basis as of March 31, 2021, scheduled principal repayments over the next five years are as follows:

US$ MILLIONS	Average Term (years)	2021	2022	2023	2024	2025	Beyond	Total
Non-recourse borrowing	8	$ 11	$ —	$ 1,247	$ 138	$ 159	$ 1,888	$ 3,443

On a proportionate basis as of March 31, 2021, scheduled principal repayments over the next five years are as follows:

US$ MILLIONS	Average Term (years)	2021	2022	2023	2024	2025	Beyond	Total
Utilities	9	$ 3	$ —	$ 521	$ 110	$ 127	$1,511	$ 2,272
Total proportionate non-recourse borrowings[1]	9	$ 3	$ —	$ 521	$ 110	$ 127	$1,511	$ 2,272
Proportionate cash retained in businesses								
Utilities								$ 38
Total proportionate cash retained								$ 38
Proportionate net debt								
Utilities								$ 2,234
Total proportionate net debt								$ 2,234
Percentage of total proportionate non-recourse borrowings		— %	— %	23 %	5 %	6 %	66 %	100 %

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

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

Proportionate debt can be reconciled to consolidated debt as follows:

US$ MILLIONS	As of March 31, 2021	As of December 31, 2020
Consolidated debt	**$ 3,435**	$ 3,477
Less: borrowings attributable to non-controlling interest	**(1,171)**	(1,228)
Deferred financing costs	**8**	9
Proportionate debt	**$ 2,272**	$ 2,258

As discussed in the notes to our unaudited interim condensed and consolidated financial statements for the three-month period ended March 31, 2021 (our "unaudited interim financial statements"), our company entered into two credit agreements with Brookfield Infrastructure, one as borrower and one as lender, each providing for a ten-year revolving $1 billion credit facility for purposes of providing our company and Brookfield Infrastructure with access to debt financing on an as-needed basis and to maximize our flexibility and facilitate the movement of cash within our group. We intend to use the liquidity provided by the credit facilities for working capital purposes and to fund growth capital investments and acquisitions. The determination of which of these sources of funding our company will access in any particular situation will be a matter of optimizing needs and opportunities at that time.

FINANCIAL INSTRUMENTS

Foreign Currency Hedging Strategy

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

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

Most of the foreign exchange exposure of our group is hedged directly by the partnership and therefore, as of March 31, 2021, our company has $nil (2020: $nil) foreign exchange contracts in place to hedge against foreign currency risk.

The following table presents our exposure to foreign currencies as of March 31, 2021.

US$ MILLIONS	GBP	BRL
Equity Investment – US$	$ 1,529	$ 89
FX contracts – US$	—	—
Net unhedged – US$	$ 1,529	$ 89
% of equity investment hedged	— %	— %

For additional information, see Note 3, *Fair Value of Financial Instruments* in our unaudited interim financial statements.

OTHER MARKET RISKS

Inflation Risk

Certain of our operating entities are subject to inflation risk. However, we believe this is offset by the nature of our revenues which are in large part indexed to inflation. Our U.K. regulated distribution operations charge retailers' rates based on the tariff of the distribution utility with which we are interconnected. These tariffs are set on the basis of regulated asset base and escalates with inflation. Our Brazilian regulated gas transmission operation charges tariffs calculated on an inflation adjusted regulatory weighted average cost of capital.

Commodity Risk

Revenues from our Brazilian regulated gas transmission business are adjusted by a multi-factor inflation index that is designed to approximate changes in prices of the underlying components of the replacement cost of our transmission system. Due to the construction of the system, metals, such as aluminum, are a material percentage of replacement cost. Thus, changes in the price of these metals could impact future revenues.

CAPITAL REINVESTMENT

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

CAPITAL EXPENDITURES

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

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

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

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

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

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

We have completed reviews at our U.K. and Brazilian operations within the last four years. The results from both engagements conducted by the firms confirm that our stated ranges of annual sustaining maintenance capital expenditures are reasonable and in-line with industry standard for assets of a similar nature.

REVIEW OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the consolidated statements of cash flows:

US$ MILLIONS	For the three-month period ended March 31 2021	2020
Cash from operating activities	**$ 124**	$ 180
Cash used by investing activities	**(95)**	(121)
Cash used by financing activities	**(78)**	(79)

Three-month periods ended March 31, 2021 and 2020

Cash from operating activities

Cash from operating activities totaled $124 million during the three-month period ended March 31, 2021, a decrease of $56 million compared to the three-month period ended March 31, 2020. Operating cash flows decreased as the benefits of inflation indexation and capital commissioned into rate base were more than offset by $23 million of dividends declared and paid on our exchangeable shares, which are presented as interest expense, $13 million of interest expense paid on intercompany loans and the impact of foreign exchange which reduced our operating cash flows denominated in U.S. dollars by $16 million.

Cash used by investing activities

Cash used by investing activities was $95 million during the three-month period ended March 31, 2021 compared to $121 million during the three-month period ended March 31, 2020. The decrease was primarily due to fewer new connections and smart meter adoptions at our U.K. regulated distribution business compared to the same period in the prior year as a result of government imposed restrictions in light of COVID-19.

Cash used by financing activities

Cash used by financing activities was $78 million during the three-month period ended March 31, 2021, which was relatively consistent with the same period in 2020. Financing activities primarily comprise of additional borrowings to fund growth initiatives offset by distributions to non-controlling interest.

SHARE CAPITAL

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

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

	As of	
UNITS	**March 31, 2021**	December 31, 2020
Exchangeable shares	**44,953,247**	44,960,449
Class B shares	**1**	1
Class C shares	**1,402,451**	1,402,451

In conjunction with the special distribution, our company issued approximately 46.3 million exchangeable shares, 1 class B share and 1.4 million class C shares. Exchangeable shares are exchangeable at the option of the holder at any time at a price equal to the market price of a partnership unit. Our company has the option to satisfy the exchange either by delivering a unit or the cash equivalent of a unit. Our company intends to settle any exchange requests with units. During the three-month period ending March 31, 2021, our shareholders exchanged 7,202 exchangeable shares for an equal number of units. Class B shares and class C shares are redeemable for cash in an amount equal to the market price of a unit. There have been no redemptions of class B or class C shares to date. Due to the exchange feature of the exchangeable shares and the cash redemption feature of the class B and class C shares, the exchangeable shares, the class B shares, and class C shares are classified as financial liabilities. However, class C shares, the most subordinated class of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32.

PRICE RANGE AND TRADING VOLUME OF LISTED UNITS

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

	Units		
	High (C$)	**Low (C$)**	**Volume**
2021			
January 1, 2021 - March 31, 2021	69.47	62.15	20,229,490
2020			
January 1, 2020 - March 31, 2020	67.56	35.30	39,585,409
April 1, 2020 - June 30, 2020	59.56	49.07	31,084,436
July 1, 2020 - September 2020	63.95	53.74	20,641,486
October 1, 2020 - December 31, 2020	68.65	56.96	22,740,278
2019			
January 1, 2019 - March 31, 2019	50.55	43.10	29,127,353
April 1, 2019 - June 30, 2019	51.91	49.74	22,502,301
July 1, 2019 - September 30, 2019	59.41	51.00	22,378,844
October 1, 2019 - December 31, 2019	63.53	57.30	19,906,261
2018			
January 1, 2018 - March 31, 2018	50.56	46.01	14,752,921
April 1, 2018 - June 30, 2018	48.53	44.18	9,762,469
July 1, 2018 - September 30, 2018	48.71	45.16	10,938,673
October 1, 2018 - December 31, 2018	48.34	40.05	14,970,701

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

	Units		
	High ($)	**Low ($)**	**Volume**
2021			
January 1, 2021 - March 31, 2021	54.28	49.02	20,409,525
2020			
January 1, 2020 - March 31, 2020	50.56	24.36	32,598,382
April 1, 2020 - June 30, 2020	44.59	34.39	33,318,393
July 1, 2020 - September 2020	48.21	39.58	16,722,821
October 1, 2020 - December 31, 2020	52.59	42.82	16,756,129
2019			
January 1, 2019 - March 31, 2019	37.63	31.42	19,733,181
April 1, 2019 - June 30, 2019	38.59	36.94	15,302,587
July 1, 2019 - September 30, 2019	44.59	38.81	22,721,853
October 1, 2019 - December 31, 2019	47.35	43.00	16,413,269
2018			
January 1, 2018 - March 31, 2018	40.12	36.05	21,940,437
April 1, 2018 - June 30, 2018	37.72	33.86	17,313,360
July 1, 2018 - September 30, 2018	37.14	34.51	15,876,586
October 1, 2018 - December 31, 2018	36.29	29.23	19,637,088

TREND INFORMATION

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

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

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

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

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

RELATED PARTY TRANSACTIONS

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

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

For the periods prior to March 30, 2020, our company's financial statements include general corporate expenses of the parent company which were not historically allocated to our company's operations. These expenses relate to management fees payable to Brookfield. These allocated expenses have been included as appropriate in our company's Consolidated Statements of Operating Results. Key decision makers of our company are employees of Brookfield. However, the financial statements may not include all of the expenses that would have been incurred and may not reflect our company's combined results of operations, financial position and cash flows had it been a standalone company during the periods presented. It is not practicable to estimate the actual costs that would have been incurred had our company been a standalone company during the periods presented as this would depend on multiple factors, including organizational structure and infrastructure.

Subsequent to the special distribution on March 31, 2020, our company is no longer allocated general corporate expenses of the parent company as the functions which they relate to are now provided through the Master Services Agreement. The base management fee related to the services received under the Master Services Agreement has been recorded as part of general and administrative expenses in the interim condensed and consolidated financial statements.

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

The Base Management Fee attributable to our company was $9 million for the three-month period ended March 31, 2021 (2020: $6 million).

Our company's affiliates provide connection services in the normal course of operations on market terms to affiliates and associates of Brookfield Property Partners L.P. For the three-month period ended March 31, 2021, revenues of less than $1 million were generated (2020: less than $1 million) and $nil expenses were incurred (2020: $nil).

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

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

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

As of March 31, 2021, our company had loans payable of $1,153 million (2020: $1,143 million) to subsidiaries of Brookfield Infrastructure. The loans are payable within ten years and bear a weighted average interest of approximately 5% annually. Interest incurred during the three-month period ended March 31, 2021 was $13 million (2020: $nil). The carrying value of the loan approximates its fair value.

As at March 31, 2021, our company had accounts payable of $3 million (2020: $2 million) to subsidiaries of Brookfield Infrastructure and accounts receivable of $21 million (2020: $7 million) from subsidiaries of Brookfield Infrastructure.

On July 29, 2020, Brookfield completed a secondary offering of approximately 5 million exchangeable shares, inclusive of the over-allotment option, for net proceeds of approximately C$305 million. Subsequent to the offering, Brookfield holds approximately 19.3% of the issued and outstanding exchangeable shares of our company.

OFF-BALANCE SHEET ARRANGEMENTS

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

Prior to the completion of the special distribution, BIPC Holdings Inc., a wholly-owned subsidiary of our company, fully and unconditionally guaranteed (i) any unsecured debt securities issued by Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Limited and Brookfield Infrastructure Finance Pty Ltd., (collectively, the "Brookfield Infrastructure Debt Issuers"), in each case as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture dated October 10, 2012 among the Brookfield Infrastructure Debt Issuers and Computershare Trust Company of Canada under which such securities are issued, (ii) the senior preferred shares of BIP Investment Corporation ("BIPIC"), as to the payment of dividends when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BIPIC, (iii) from time to time, certain of the partnership's preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of the partnership, and (iv) the obligations of Brookfield Infrastructure under its bilateral credit facilities.

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

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The table below outlines our company's contractual obligations as at March 31, 2021:

	Payments due by period					
US$ MILLIONS	Less than 1 year	1-2 years	2-3 years	3-5 years	5+ years	Total contractual cash flows
Accounts payable and other liabilities	$ 262	$ 1	$ —	$ —	$ —	$ 263
Non-recourse borrowings	11	—	1,247	297	1,888	3,443
Financial liabilities	22	977	9	33	—	1,041
Exchangeable and class B shares	2,394	—	—	—	—	2,394
Loans payable to Brookfield Infrastructure	—	—	—	62	1,091	1,153
Interest expense:						
Non-recourse borrowings	91	83	70	131	441	816
Loans payable to Brookfield Infrastructure	52	52	52	103	204	463

In addition, pursuant to the Master Services Agreement, on a quarterly basis, the partnership pays a base management fee, referred to as the Base Management Fee, to the Service Provider equal to 0.3125% (1.25% annually) of the combined market value of the partnership and our company. For purposes of calculating the Base Management Fee, the market value of the partnership is equal to the aggregate value of all the outstanding units, plus all outstanding third party debt with recourse to a recipient of services under the Master Services Agreement, less all cash held by such entities. The Base Management Fee allocated to our company is estimated to be approximately $36 million per year based on the expense attributable to our company for the three-month period ended March 31, 2021.

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

Critical Accounting Policies and Estimates

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

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

Critical judgments and estimates made by management and utilized in the normal course of preparing our company's interim financial statements are outlined below.

i) Common control transactions

IFRS 3 (2008), *Business Combinations* does not include specific measurement guidance for transfers of businesses or subsidiaries between entities under common control. Accordingly, our company has developed a policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard-setting bodies. Our company's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying value on the transferor's financial statements, and to have the interim statements of financial position, operating results, changes in equity and cash flows reflect the results of combining entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place.

ii) Financial instruments

Our company's accounting policies relating to derivative financial instruments are described in Note 2(m), *Financial Instruments and Hedge Accounting*. The critical judgments inherent in these policies relate to applying the criteria to the assessment of the effectiveness of hedging relationships. Estimates and assumptions used in determining the fair value of financial instruments are equity and commodity prices; future interest rates; the credit worthiness of our company relative to its counterparties; the credit risk of our company and counterparty; estimated future cash flows; and discount rates.

iii) Revaluation of property, plant and equipment

Property, plant and equipment is revalued on a regular basis. Our company's property, plant, and equipment is measured at fair value on a recurring basis with an effective date of revaluation for all asset classes of December 31, 2020 and 2019. Our company determined fair value under the income method with due consideration to significant inputs such as the discount rate, terminal value multiple and overall investment horizon.

iv) Fair values in business combinations

Our company accounts for business combinations using the acquisition method of accounting. This method requires the application of fair values for both the consideration given and the assets and liabilities acquired. The calculation of fair values is often predicated on estimates and judgments including future cash flows discounted at an appropriate rate to reflect the risk inherent in the acquired assets and liabilities. The determination of the fair values may remain provisional for up to 12 months from the date of acquisition due to the time required to obtain independent valuations of individual assets and to complete assessments of provisions. When the accounting for a business combination has not been completed as at the reporting date, this is disclosed in the financial statements, including observations on the estimates and judgments made as of the reporting date.

v) Impairment of goodwill, intangibles with indefinite lives

The impairment assessment of goodwill and intangible assets with indefinite lives requires estimation of the value-in-use or fair value less costs of disposal of the cash-generating units or groups of cash generating units to which goodwill or the intangible asset has been allocated. Our company uses the following critical assumptions and estimates: the circumstances that gave rise to the goodwill, timing and amount of future cash flows expected from the cash-generating units; discount rates; terminal capitalization rates; terminal valuation dates and useful lives.

Other estimates utilized in the preparation of our company's financial statements are: depreciation and amortization rates and useful lives; recoverable amount of goodwill and intangible assets; ability to utilize tax losses and other tax measurements.

Other critical judgments utilized in the preparation of our company's financial statements include the methodologies for calculating amortization, determination of operating segments and determination of control.

CONTROLS AND PROCEDURES

No changes were made in our internal control over financial reporting during the three-month period ended March 31, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal control over financial reporting due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 pandemic on our internal controls to minimize the impact on their design and operating effectiveness.

Risks Associated with the COVID-19 Pandemic

The rapid spread of the COVID-19 virus, which was declared by the World Health Organization to be a pandemic on March 11, 2020, and actions taken globally in response to COVID-19, have significantly disrupted international business activities.

Our business relies, to a certain extent, on free movement of goods, services, and capital from around the world, which has been significantly restricted as a result of COVID-19. To date, the impact on our company's results has been substantially insulated by the contractual and regulated revenue frameworks of our business. While safeguarding the well-being of individuals is our paramount concern, we have implemented several measures designed to ensure continued operation at each of our businesses. Our company continues to monitor developments related to COVID-19, including the impact on global and local economies in the jurisdictions where we operate.

Given the ongoing and dynamic nature of the circumstances surrounding COVID-19, it is difficult to predict how significant the medium to long-term impacts of COVID-19, including any responses to it, will be on the global economy and our businesses or for how long any disruptions are likely to continue. The extent of such impacts will depend on future developments, which are highly uncertain, continuously evolving, and difficult to predict. Such developments could have an adverse effect on our assets, liabilities, business, financial condition, results of operations and cash flow. See "Cautionary statement regarding forward-looking statements".

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

Exhibit 99.2

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Brookfield Infrastructure Corporation (the “issuer”) for the interim period ended March 31, 2021.

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

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

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

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

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

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

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

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

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

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

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

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on January 1, 2021 and ended on March 31, 2021, that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: May 7, 2021

/s/ Samuel Pollock

Samuel Pollock
Chief Executive Officer,
Brookfield Infrastructure Corporation

Exhibit 99.3

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Brookfield Infrastructure Corporation (the "issuer") for the interim period ended March 31, 2021.

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

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

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

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

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

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

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

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

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

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

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

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2021 and ended on March 31, 2021, that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 7, 2021

/s/ David Krant

David Krant
Chief Financial Officer,
Brookfield Infrastructure Corporation

BROOKFIELD INFRASTRUCTURE CORPORATION

bip.brookfield.com/bipc

NYSE: BIPC
TSX: BIPC