

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

# Q2 2020 Supplemental --- Information

Second Quarter, June 30, 2020

**Brookfield**

# Cautionary Statement Regarding Forward-Looking Statements

*This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of certain securities laws including Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. We may make such statements in this report, in other filings with Canadian regulators or the SEC or in other communications. The words “expect”, “target”, “believe”, “objective”, “anticipate”, “plan”, “estimate”, “growth”, “increase”, “return”, “expand”, “maintain”, 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”, “could”, 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 Supplemental Information include among others, statements with respect to our assets tending to appreciate in value over time, current and proposed growth initiatives in our assets and operations, increases in FFO per unit and resulting capital appreciation, returns on capital and on equity, increasing demand for commodities and global movement of goods, volume increases in the businesses in which we operate, expected capital expenditures, the impact of planned capital projects by customers of our businesses, the extent of our corporate, general and administrative expenses, our ability to close acquisitions and the expected timing thereof, our capacity to take advantage of opportunities in the marketplace, the future prospects of the assets that Brookfield Infrastructure operates or will operate, ability to identify, acquire and integrate new acquisition opportunities, long-term targeted returns on our assets, sustainability of distribution levels, the level of distribution growth and payout ratios over the next several years and our expectations regarding returns to our unitholders as a result of such growth, operating results and margins for our business and each of our operations, future prospects for the markets for our products, Brookfield Infrastructure’s plans for growth through internal growth and capital investments, ability to achieve stated objectives, ability to drive operating efficiencies, return on capital expectations for the business, contract prices and regulated rates for our operations, our expected future maintenance and capital expenditures, commissioning of capital from our backlog, ability to deploy capital in accretive investments, impact on the business 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, financing plans for operating companies, foreign currency management activities and other statements with respect to our beliefs, outlooks, plans, expectations and intentions. Although we believe that Brookfield Infrastructure’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 Brookfield Infrastructure 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 forward-looking statements include: general economic and financial conditions in the countries in which we do business which may impact market demand for our products and services, foreign currency risk, the level of government regulation affecting our businesses, the outcome and timing of various regulatory, legal and contractual issues, global credit and financial markets, the competitive business environment in the industries in which we operate, the competitive market for acquisitions and other growth opportunities, availability of equity and debt financing, the completion of various large capital projects by customers of our businesses which themselves rely on access to capital and continued favourable commodity prices, weakening of demand for products and services in the markets for the commodities that underpin demand for our infrastructure, our ability to complete transactions in the competitive infrastructure space (including the transactions referred to in this presentation, some of which remain subject to the satisfaction of conditions precedent, and the inability to reach final agreement with counterparties to transactions referred to in this presentation as 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, our ability to complete large capital expansion projects on time and within budget, our ability to achieve the milestones necessary to deliver targeted returns to our unitholders, including targeted distribution growth, ability to negotiate favourable take-or-pay contractual terms, traffic volumes on our toll roads, our ability to obtain relevant regulatory approvals and satisfy conditions precedent required to complete acquisitions, acts of God, weather events, or similar events outside of our control, and other risks and factors detailed from time to time in documents filed by Brookfield Infrastructure with the securities regulators in Canada and the United States, including Brookfield Infrastructure’s most recent Annual Report on Form 20-F under the heading “Risk Factors”.*

*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 Brookfield Infrastructure, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Brookfield Infrastructure 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.*

## **CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS, ACCOUNTING MEASURES**

*Although our financial results are determined in accordance with International Financial Reporting Standards (IFRS), the basis of presentation throughout much of this report differs from IFRS in that it is organized by business segment and utilizes, funds from operations (FFO), adjusted funds from operations (AFFO), adjusted EBITDA and invested capital as important measures. This is reflective of how we manage the business and, in our opinion, enables the reader to better understand our affairs. We provide a reconciliation to the most directly comparable IFRS measure on pages 34-44 of this Supplemental Information. Readers are encouraged to consider both measures in assessing Brookfield Infrastructure’s results.*

## **BUSINESS ENVIRONMENT AND RISKS**

*Brookfield Infrastructure’s financial results are impacted by various factors, including the performance of each of our operations and various external factors influencing the specific segments and geographic locations in which we operate; macro-economic factors such as economic growth, changes in currency, inflation and interest rates; regulatory requirements and initiatives; and litigation and claims that arise in the normal course of business. These and other factors are described in Brookfield Infrastructure’s most recent Annual Report on Form 20-F which is available on our website at [www.brookfieldinfrastructure.com](http://www.brookfieldinfrastructure.com) and at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml) and [www.sedar.com](http://www.sedar.com).*

# Q2 2020 Highlights

Brookfield

## KEY PERFORMANCE METRICS

(See "Reconciliation of Non-IFRS Financial Measures")

US\$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED

|   | Three Months Ended June 30 |        | Six Months Ended June 30 |        |
|---|----------------------------|--------|--------------------------|--------|
|   | 2020                       | 2019   | 2020                     | 2019   |
| Funds from operations (FFO)                             | \$ 333                     | \$ 337 | \$ 691                   | \$ 688 |
| Per unit FFO <sup>1</sup>                               | 0.72                       | 0.76   | 1.49                     | 1.55   |
| Per unit FFO (prior to unit split) <sup>1</sup>         | 0.80                       | 0.85   | 1.65                     | 1.73   |
| Distributions per unit <sup>1</sup>                     | 0.485                      | 0.452  | 0.97                     | 0.904  |
| Payout ratio <sup>2</sup>                               | 85%                        | 74%    | 82%                      | 73%    |
| Growth of per unit FFO                                  | (5)%                       | 13%    | (4)%                     | 8%     |
| Adjusted funds from operations (AFFO)                   | 265                        | 264    | 566                      | 561    |
| Return on Invested Capital (ROIC) <sup>3</sup>          | 10%                        | 12%    | 11%                      | 12%    |
| Net (loss) income <sup>4</sup>                          | (61)                       | 98     | 58                       | 128    |
| Net (loss) income per limited partner unit <sup>5</sup> | (0.25)                     | 0.11   | (0.12)                   | 0.06   |
| Adjusted Earnings                                       | 139                        | 145    | 270                      | 309    |
| Adjusted Earnings per unit <sup>1</sup>                 | 0.30                       | 0.32   | 0.58                     | 0.69   |

## KEY BALANCE SHEET METRICS

US\$ MILLIONS, UNAUDITED

|                      | As of        |               |
|----------------------|--------------|---------------|
|                      | Jun 30, 2020 | Dec. 31, 2019 |
| Total assets         | \$ 51,322    | \$ 56,308     |
| Corporate borrowings | 3,088        | 2,475         |
| Invested capital     | 9,014        | 9,009         |

1. Average units, adjusted for BIPC share split, for the three and six-month periods ended June 30, 2020 of 464.9 million and 464.8 million (2019: 442.8 million and 442.9 million). Average units, prior to BIPC for the three and six-month periods ended June 30, 2020 of 418.4 million and 418.4 million, respectively (2019: 398.5 million and 398.6 million)

2. Payout ratio defined as distributions paid (inclusive of GP incentive and preferred unit distributions) divided by FFO

3. Return on invested capital is calculated as AFFO, adjusted for an estimate of returns of capital of \$30 million and \$61 million for the three and six-month periods ended June 30, 2020 (2019: \$27 million and \$53 million), divided by average invested capital

4. Includes net loss (income) attributable to non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP Units, general partner, limited partners and class A shares of BIPC

5. Average limited partnership units outstanding on a time weighted average basis for the three and six-month periods ended June 30, 2020 of 294.7 million and 294.1 million (2019: 279.7 million and 278.9 million). Net (loss) income per limited partnership unit has been adjusted to reflect the dilutive impact of the special distribution

# \$333

million of FFO

# \$0.485

Distribution per unit

## PERFORMANCE HIGHLIGHTS

- Second quarter FFO of \$333 million was relatively consistent with the prior year despite a challenging economic backdrop, demonstrating the resiliency of our business
  - Results for the quarter benefited from our asset rotation strategy; we deployed \$1.2 billion in the last 12 months
    - These transactions were primarily funded with \$1 billion of proceeds from asset sales and refinancing transactions at a much lower cost of capital
  - The largest impact on our quarterly results was a 27% decline in the BRL which reduced FFO by \$30 million compared to the prior year
  - Reported results were impacted by the global shutdown (predominantly temporary loss of earnings) which reduced FFO by \$27 million
- Split adjusted distribution of \$0.485 per unit represents an increase of 7% compared to the prior year
- ROIC decreased from the prior year due to the impact of a lower BRL and the economic shutdown; adjusting for these impacts our return was 13% for the quarter
- Net income decreased compared to the prior year as the benefits of inflation-indexation and capital commissioned into earnings in the last twelve months were more than offset by the impact of foreign exchange and mark-to-market losses on our corporate hedging program, which totaled nearly \$90 million for the quarter
- Total assets decreased primarily as a result of foreign exchange and asset sales, which decreased total assets by ~\$3.5 billion and ~\$2.0 billion, respectively

## OPERATIONS

- Deployed ~\$180 million in growth capital expenditures to increase rate base in utilities segment and add capacity at transport, energy and data operations
- Sales at our U.K. regulated distribution business totaled 65,000 and were highlighted by two large multi-utility wins; order book currently stands at all-time high of over 1.2 million connections
- Our North American residential infrastructure business benefited from the signing of 55,000 new long-term customers as a result of warm temperatures and success in our U.S. rental conversion program
- Completed tender offer at our Colombian gas distribution business; Brookfield now owns 75% and expects to complete the final steps to de-list the company in the coming weeks
- Commissioned approximately 400 km of transmission lines during the quarter at our Brazilian electricity transmission operation; construction of the remaining 3,300 km remains on plan
- Our South American data center business finalized an agreement to build two new hyperscale facilities in Mexico adding 36 MW of capacity over the next few years
  - Will require ~\$330 million (BIP's share - ~\$40 million) of capital and will contribute ~\$50 million (BIP's share - ~\$6 million) of EBITDA per annum on a run-rate basis

## BUSINESS DEVELOPMENT

- Continue to progress the acquisition of a large-scale portfolio of 130,000 telecom towers in India
  - We anticipate the transaction closing in Q3'20 and expect to invest approximately \$500 million of BIP's capital
- Continue to opportunistically deploy BIP's capital through our public securities investment program; however with the sharp recovery in public markets we have narrowed our focus to a few high quality opportunities

## FINANCING AND LIQUIDITY

- We are relaunching our asset monetization initiatives as market conditions improve and prospective buyers adapt to the "new normal" for conducting meetings and completing due diligence
  - Closed the sale of our North American transmission operation in July for net proceeds of \$60 million to BIP
  - Progressing two sale processes that we expect to sign or close by year-end that will generate over \$700 million of additional liquidity
  - Completed our first asset-level green bond issuance at the metered services operation of our North American residential energy infrastructure operation
    - The 10-year issuance of C\$150 million (BIP's share - \$30 million) priced at a coupon of approximately 3.8%
- Added ~\$1.3 billion of liquidity during the quarter; liquidity at the corporate level now stands at \$3.2 billion:
  - Raised C\$400 million of medium-term notes issuance
  - Secured a temporary \$1 billion bulge facility to provide additional liquidity for new investment opportunities
- Completed a secondary offering in July for ~5 million of BAM's BIPC shares which increased the public float by ~15%

## OUR MISSION

- To own and operate a globally diversified portfolio of high quality infrastructure assets that will generate sustainable and growing distributions over the long-term for our unitholders

## PERFORMANCE TARGETS AND KEY MEASURES

- Target a 12% to 15% total annual return on invested capital measured over the long term
- Expect to generate returns from in-place cash flows plus growth through investments in upgrades and expansions of our asset base
- Growth in FFO per unit is one of the key performance metrics that we use to assess our ability to sustainably increase distributions in future periods

## BASIS OF PRESENTATION

- Our consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)
- For each operating segment, this Supplemental Information outlines Brookfield Infrastructure's proportionate share of results in order to demonstrate the impact of key value drivers of each operating segment on the partnership's overall performance

*Our payout ratio is determined based on the amount of cash flow generated in our businesses that is available for distribution*

- Objective is to pay a distribution that is sustainable on a long-term basis while retaining sufficient liquidity within operations to fund recurring growth capital expenditures and general corporate requirements
- We fund all of our growth initiatives through a combination of issuances of common equity, preferred equity and corporate debt, proceeds of asset sales and retained cash flow
  - Available funding and assessment of corporate liquidity is undertaken prior to committing to all new investments and capital projects
- Distributions are determined on the basis of the proportionate cash flow generating capacity of our businesses. We monitor proportionate cash flow from operations rather than focusing exclusively on its consolidated equivalent, since we exercise co-control or significant influence over decision-making with respect to distributions from our unconsolidated subsidiaries:
  - Each of our businesses is required to distribute all of its available cash (generally defined as cash on hand less any amounts reserved for committed growth projects)
  - Our governance arrangements over these businesses effectively provide us with a veto over any decision not to distribute all available cash flow. That is, any decision not to distribute available cash flow in these businesses requires our consent

*BIP has a conservative payout ratio underpinned by stable, highly regulated or contracted cash flows generated from operations*

- We believe that a payout of 60-70% of FFO is appropriate
- Targeting 5% to 9% annual distribution growth, in light of expected per unit FFO growth
- Distribution payout is reviewed with the Board of Directors in the first quarter of each year
- The Board of Directors has declared a quarterly distribution in the amount of \$0.485 per unit, payable on September 30, 2020 to unitholders of record as at the close of business on August 31, 2020. This quarterly distribution represents a 7% increase compared to the prior year
  - Distributions have grown at a **compound annual growth rate of 10%** since inception of the partnership in 2008
- Below is a summary of our distribution history since the spin-off

| US\$, UNAUDITED                  | 2008                | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016  | 2017   | 2018   | 2019   | 2020   |
|----------------------------------|---------------------|--------|--------|--------|--------|--------|--------|--------|-------|--------|--------|--------|--------|
| Annual Distribution <sup>1</sup> | \$0.53 <sup>2</sup> | \$0.64 | \$0.66 | \$0.79 | \$0.90 | \$1.04 | \$1.15 | \$1.27 | \$1.4 | \$1.57 | \$1.69 | \$1.81 | \$1.94 |
| Growth                           | N/A                 | —      | 4%     | 20%    | 14%    | 15%    | 12%    | 10%    | 10%   | 12%    | 8%     | 7%     | 7%     |

1. Annual distribution amounts have been adjusted for the 3-for-2 stock split effective September 14, 2016 and the special distribution of BIPC shares effective March 31, 2020  
 2. 2008 distribution was prorated from spin-off

*Over the last 10 years, the Partnership has been able to achieve its target payout ratio of 60-70% of funds from operations while increasing its distribution by an average of 10%*

- Based on our distribution track record, the Partnership's average distribution payout ratio for the last 10 years is 67% of FFO, as shown below

| US\$ MILLIONS, UNAUDITED              | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017     | 2018     | 2019     | Total<br>2010-2019 |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|----------|----------|----------|--------------------|
| Funds from Operations (FFO)           | \$ 197 | \$ 392 | \$ 462 | \$ 682 | \$ 724 | \$ 808 | \$ 944 | \$ 1,170 | \$ 1,231 | \$ 1,384 | 7,994              |
| Adjusted Funds from Operations (AFFO) | 148    | 300    | 355    | 553    | 593    | 672    | 771    | 941      | 982      | 1,096    | 6,411              |
| Distributions                         | 117    | 222    | 304    | 388    | 448    | 546    | 628    | 794      | 919      | 1,027    | 5,393              |
| FFO payout ratio                      | 59%    | 57%    | 66%    | 57%    | 62%    | 68%    | 67%    | 68%      | 75%      | 74%      | 67%                |
| AFFO payout ratio                     | 79%    | 74%    | 86%    | 70%    | 76%    | 81%    | 81%    | 84%      | 94%      | 94%      | 84%                |

## *Organic growth demonstrates our ability to deliver sustainable cash flow growth*

- Our business is well-positioned to deliver per unit FFO organic growth of 6-9%
- The three principle drivers of recurring annual cash flow growth embedded in our businesses are:



- In order to showcase the sustainability of our cash flow growth year-over-year, we calculate organic growth prior to fees and corporate expenses and remove the following impacts:
  - Contributions from acquisitions and dispositions completed in the last twelve months
  - Impacts of foreign exchange since the previous period
  - Movements in results at our gas storage operations as cash flows can be impacted by volatility caused by movements in spreads relating to natural gas prices

- Own and operate a diversified portfolio of high-quality, long-life utilities, transport, energy and data infrastructure assets
- Generate stable cash flows with ~95% of adjusted EBITDA supported by regulated or long-term contracts
- Leverage Brookfield's best in-class operating segments to extract additional value from investments

| SEGMENT                    | DESCRIPTION  | ASSET TYPE   | PRIMARY LOCATION  |
|----------------------------|--|--|---|
| <b>Utilities</b>           | Regulated or contractual businesses which earn a return on their asset base          | <ul style="list-style-type: none"> <li>• Regulated Transmission</li> <li>• Regulated Distribution</li> <li>• Regulated Terminal</li> </ul> | <ul style="list-style-type: none"> <li>• North &amp; South America</li> <li>• Europe &amp; South America</li> <li>• Asia Pacific</li> </ul>   |
| <b>Transport</b>           | Provide transportation for freight, bulk commodities and passengers                  | <ul style="list-style-type: none"> <li>• Rail</li> <li>• Toll Roads</li> <li>• Ports</li> </ul>  | <ul style="list-style-type: none"> <li>• North &amp; South America, Asia Pacific</li> <li>• Asia Pacific &amp; South America</li> <li>• Europe, North America &amp; Asia Pacific</li> </ul> |
| <b>Energy</b>              | Systems that provide energy transmission, gathering, processing and storage services | <ul style="list-style-type: none"> <li>• Natural Gas Midstream</li> <li>• Distributed Energy</li> </ul>                                    | <ul style="list-style-type: none"> <li>• North America &amp; Asia Pacific</li> <li>• North America</li> </ul>   |
| <b>Data Infrastructure</b> | Provide critical infrastructure and services to global communication companies       | <ul style="list-style-type: none"> <li>• Data Transmission &amp; Distribution</li> <li>• Data Storage</li> </ul>                           | <ul style="list-style-type: none"> <li>• Europe, Asia Pacific</li> <li>• North &amp; South America, Asia Pacific</li> </ul>   |

# Selected Income Statement and Balance Sheet Information

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The following tables present selected income statement and balance sheet information by operating segment on a proportionate basis:

## STATEMENTS OF OPERATIONS

| US\$ MILLIONS, UNAUDITED     | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        |
|------------------------------|-------------------------------|--------|-----------------------------|--------|
|                              | 2020                          | 2019   | 2020                        | 2019   |
| Net income (loss) by segment |                               |        |                             |        |
| Utilities                    | \$ 60                         | \$ 116 | \$ 112                      | \$ 184 |
| Transport                    | 5                             | 9      | (23)                        | 23     |
| Energy                       | 18                            | 9      | 39                          | 41     |
| Data Infrastructure          | 16                            | (10)   | (8)                         | (9)    |
| Corporate                    | (160)                         | (26)   | (62)                        | (111)  |
| Net income                   | \$ (61)                       | \$ 98  | \$ 58                       | \$ 128 |

|                            |        |        |        |        |
|----------------------------|--------|--------|--------|--------|
| Adjusted EBITDA by segment |        |        |        |        |
| Utilities                  | \$ 174 | \$ 190 | \$ 367 | \$ 371 |
| Transport                  | 145    | 184    | 311    | 373    |
| Energy                     | 138    | 123    | 286    | 250    |
| Data Infrastructure        | 53     | 39     | 109    | 75     |
| Corporate                  | (72)   | (64)   | (133)  | (125)  |
| Adjusted EBITDA            | \$ 438 | \$ 472 | \$ 940 | \$ 944 |

|                     |        |        |        |        |
|---------------------|--------|--------|--------|--------|
| FFO by segment      |        |        |        |        |
| Utilities           | \$ 130 | \$ 143 | \$ 276 | \$ 280 |
| Transport           | 108    | 135    | 228    | 274    |
| Energy              | 106    | 96     | 221    | 203    |
| Data Infrastructure | 43     | 30     | 85     | 58     |
| Corporate           | (54)   | (67)   | (119)  | (127)  |
| FFO                 | \$ 333 | \$ 337 | \$ 691 | \$ 688 |

## STATEMENTS OF FINANCIAL POSITION

| US\$ MILLIONS, UNAUDITED | As of        |               |
|--------------------------|--------------|---------------|
|                          | Jun 30, 2020 | Dec. 31, 2019 |
| Assets by segment        |              |               |
| Utilities                | \$ 5,224     | \$ 5,825      |
| Transport                | 5,780        | 6,916         |
| Energy                   | 5,458        | 5,589         |
| Data Infrastructure      | 2,114        | 2,204         |
| Corporate                | (1,111)      | (1,284)       |
| Total assets             | \$ 17,465    | \$ 19,250     |

|                     |           |           |
|---------------------|-----------|-----------|
| Net debt by segment |           |           |
| Utilities           | \$ 3,439  | \$ 3,647  |
| Transport           | 2,566     | 2,925     |
| Energy              | 2,526     | 2,461     |
| Data Infrastructure | 897       | 886       |
| Corporate           | 2,089     | 2,202     |
| Net debt            | \$ 11,517 | \$ 12,121 |

|                                |          |          |
|--------------------------------|----------|----------|
| Partnership capital by segment |          |          |
| Utilities                      | \$ 1,785 | \$ 2,178 |
| Transport                      | 3,214    | 3,991    |
| Energy                         | 2,932    | 3,128    |
| Data Infrastructure            | 1,217    | 1,318    |
| Corporate                      | (3,200)  | (3,486)  |
| Partnership capital            | \$ 5,948 | \$ 7,129 |



# OPERATING SEGMENTS

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## SEGMENT OVERVIEW

- Businesses that generate long-term returns on regulated or contractual asset base (rate base)
- Rate base increases with capital that we invest to upgrade and/or expand our systems
- Virtually all of adjusted EBITDA supported by regulated or contractual revenues

## OBJECTIVES

- Invest capital to increase our rate base
- Earn an attractive return on rate base
- Provide safe and reliable service to our customers

## OPERATIONS

- Regulated Transmission – ~2,700 km of regulated natural gas pipelines and ~2,600 km of transmission lines in North and South America along with ~3,300 km of greenfield electricity transmission developments in South America
- Regulated Distribution – ~6.6 million electricity and natural gas connections and ~1.4 million installed smart meters
- Regulated Terminal – Australian-based terminal forming a critical component of the global steel production supply chain

The following table presents selected key performance metrics of our utilities segment:

| US\$ MILLIONS, UNAUDITED              | Three Months Ended<br>June 30 |          | Six Months Ended<br>June 30 |          |
|---------------------------------------|-------------------------------|----------|-----------------------------|----------|
|                                       | 2020                          | 2019     | 2020                        | 2019     |
| Rate base                             | \$ 4,602                      | \$ 4,770 | \$ 4,602                    | \$ 4,770 |
| Funds from operations (FFO)           | \$ 130                        | \$ 143   | \$ 276                      | \$ 280   |
| Maintenance capital                   | (4)                           | (5)      | (9)                         | (8)      |
| Adjusted funds from operations (AFFO) | \$ 126                        | \$ 138   | \$ 267                      | \$ 272   |
| Return on rate base <sup>1,2</sup>    | 12%                           | 12%      | 12%                         | 12%      |

1. Return on rate base is adjusted EBITDA divided by time weighted average rate base

2. Return on rate base excludes impact of connections revenue at our U.K. regulated distribution business, a return of capital component from earnings generated at our Brazilian regulated gas transmission business and foreign exchange

- FFO of \$130 million in Q2'20 compared to \$143 million in the prior year
  - FFO benefited from inflation-indexation, ~\$280 million of capital commissioned into rate base over the last 12 months and the contribution from a North American regulated gas transmission business acquired in October 2019
  - These positive impacts were more than offset by a delay in the recognition of connections revenue at our U.K. regulated distribution business, the loss of earnings associated with the sale of an electricity distribution utility in Colombia and the impact of a decline in the Brazilian real which reduced U.S. dollar results by \$16 million

The following table presents our utilities segment's proportionate share of financial results:

| US\$ MILLIONS, UNAUDITED       | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        |
|--------------------------------|-------------------------------|--------|-----------------------------|--------|
|                                | 2020                          | 2019   | 2020                        | 2019   |
| Revenue                        | \$ 230                        | \$ 250 | \$ 473                      | \$ 493 |
| Connections revenue            | 18                            | 28     | 50                          | 54     |
| Cost attributable to revenues  | (74)                          | (88)   | (156)                       | (176)  |
| Adjusted EBITDA                | 174                           | 190    | 367                         | 371    |
| Interest expense               | (34)                          | (38)   | (69)                        | (72)   |
| Other expenses                 | (10)                          | (9)    | (22)                        | (19)   |
| Funds from operations (FFO)    | 130                           | 143    | 276                         | 280    |
| Depreciation and amortization  | (42)                          | (44)   | (87)                        | (89)   |
| Deferred taxes and other items | (28)                          | 17     | (77)                        | (7)    |
| Net income                     | \$ 60                         | \$ 116 | \$ 112                      | \$ 184 |

The following table presents our proportionate adjusted EBITDA and FFO for this operating segment by business:

| US\$ MILLIONS, UNAUDITED | Adjusted EBITDA               |        |                             |        | FFO                           |        |                             |        |
|--------------------------|-------------------------------|--------|-----------------------------|--------|-------------------------------|--------|-----------------------------|--------|
|                          | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        |
|                          | 2020                          | 2019   | 2020                        | 2019   | 2020                          | 2019   | 2020                        | 2019   |
| Regulated Transmission   | \$ 67                         | \$ 77  | \$ 149                      | \$ 153 | \$ 51                         | \$ 59  | \$ 112                      | \$ 117 |
| Regulated Distribution   | 78                            | 85     | 160                         | 162    | 60                            | 66     | 126                         | 127    |
| Regulated Terminal       | 29                            | 28     | 58                          | 56     | 19                            | 18     | 38                          | 36     |
| Total                    | \$ 174                        | \$ 190 | \$ 367                      | \$ 371 | \$ 130                        | \$ 143 | \$ 276                      | \$ 280 |

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$174 million and \$130 million, respectively, versus \$190 million and \$143 million, respectively, in the prior year
  - Regulated Transmission: Adjusted EBITDA and FFO benefited from inflation-indexation and the contribution from the acquisition of a North American regulated gas transmission business in October 2019
    - These positive factors were offset by a decline in the Brazilian real
  - Regulated Distribution: Adjusted EBITDA and FFO benefited from inflation-indexation, capital commissioned into rate base in the last 12 months and higher exchange rates on our GBP hedge contracts
    - These positive factors were more than offset by lower connections activity at our U.K. regulated distribution business and the loss of earnings associated with the sale of our Colombian electricity distribution operation
  - Regulated Terminal: Adjusted EBITDA and FFO benefited from inflation-indexation and additions to rate base completed in the last 12 months

The following tables present our proportionate share of capital backlog and rate base:

| US\$ MILLIONS, UNAUDITED            | For the three-month period ended June 30, 2020 | For the six-month period ended June 30, 2020 | For the 12-month period ended December 31, 2019 |
|-------------------------------------|--|--|---|
| Capital backlog, start of period    | \$ 590   | \$ 718                                       | \$ 815  |
| Impact of asset sales               | —  | (5)  | —   |
| Additional capital project mandates | 67   | 157  | 432   |
| Less: capital expenditures          | (76)   | (198)  | (416)   |
| Foreign exchange and other          | (1)  | (92)   | (113)   |
| Capital backlog, end of period      | 580  | 580  | 718   |
| Construction work in progress       | 330  | 330  | 316   |
| Total capital to be commissioned    | \$ 910   | \$ 910                                       | 1,034   |

| US\$ MILLIONS, UNAUDITED          | For the three-month period ended June 30, 2020 | For the six-month period ended June 30, 2020 | For the 12-month period ended December 31, 2019 |
|-----------------------------------|--|--|---|
| Rate base, start of period        | \$ 4,507                                       | \$ 5,116                                     | \$ 4,511  |
| Acquisitions                      | —  | —  | 266   |
| Impact of asset sales             | —  | (82)   | —   |
| Capital expenditures commissioned | 33   | 109  | 302   |
| Inflation and other indexation    | 14   | 32   | 187   |
| Regulatory depreciation           | (11)   | (22)   | (86)  |
| Foreign exchange and other        | 59   | (551)  | (64)  |
| Rate base, end of period          | \$ 4,602                                       | \$ 4,602                                     | 5,116   |

## CAPITAL BACKLOG

*Projects that we have been awarded and/or filed with regulators with anticipated commissioning into rate base in the next two to three years*

- Ended the period with ~\$910 million of total capital to be commissioned into rate base; 12% decrease compared to year-end
  - New connection mandates awarded during the period were more than offset by commissioning 400 km of greenfield electricity transmission lines in Brazil and the impact of foreign exchange
  - Our U.K. regulated distribution business and Brazilian electricity transmission business are the largest contributors to our total capital expected to be commissioned into rate base; comprised of ~\$600 million and ~\$225 million of total projects, respectively

## RATE BASE

- Rate base decreased compared to year-end as new connections at our U.K. regulated distribution business and inflation-indexation at our Brazilian regulated gas transmission business were more than offset by the impact of asset sales and foreign exchange

## SEGMENT OVERVIEW

- Networks that provide transportation for freight, bulk commodities and passengers, for which we are paid an access fee
- Rail and toll road revenues are subject to regulatory price ceilings, while ports are primarily unregulated

## OBJECTIVES

- Increase throughput of existing assets
- Expand networks in a capital efficient manner to support incremental customer demand
- Provide safe and reliable service for our customers

## OPERATIONS

- Rail
  - 116 short line freight railroads comprising of over 22,000 km of track in North America and Europe
  - Sole provider of rail network in southern half of Western Australia with ~5,500 km of track and operator of ~4,800 km of rail in South America
- Toll Roads
  - ~4,000 km of motorways in Brazil, Chile, Peru and India
- Ports
  - 13 terminals in North America, U.K., and Australia

The following table presents selected key performance metrics for our transport segment:

| US\$ MILLIONS, UNAUDITED              | Three Months Ended<br>June 30 |       | Six Months Ended<br>June 30 |        |
|---------------------------------------|-------------------------------|-------|-----------------------------|--------|
|                                       | 2020                          | 2019  | 2020                        | 2019   |
| Growth capital expenditures           | \$ 21                         | \$ 41 | \$ 51                       | \$ 94  |
| Adjusted EBITDA margin <sup>1</sup>   | 51%                           | 48%   | 51%                         | 48%    |
| Funds from operations (FFO)           | 108                           | 135   | 228                         | 274    |
| Maintenance capital                   | (31)                          | (40)  | (63)                        | (81)   |
| Adjusted funds from operations (AFFO) | \$ 77                         | \$ 95 | \$ 165                      | \$ 193 |

- FFO of \$108 million in Q2'20 compared to \$135 million in the prior year
  - Results benefited from higher volumes on our Australian and Brazilian rail networks and the contribution from our North American rail operation acquired in December 2019
  - These positive factors were more than offset by:
    - lower volumes at our toll road businesses due to temporary government shutdowns and lower volumes at our ports operations due to a decline in global trading activity;
    - loss of earnings associated with the sale of a European port business and the partial sale of our interest in the Chilean toll road operation; and
    - decline in the Brazilian real which reduced results by \$14 million

The following table presents our transport segment's proportionate share of financial results:

| US\$ MILLIONS, UNAUDITED       | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        |
|--------------------------------|-------------------------------|--------|-----------------------------|--------|
|                                | 2020                          | 2019   | 2020                        | 2019   |
| Revenue                        | \$ 283                        | \$ 386 | \$ 608                      | \$ 775 |
| Cost attributable to revenues  | (138)                         | (202)  | (297)                       | (402)  |
| Adjusted EBITDA                | 145                           | 184    | 311                         | 373    |
| Interest expense               | (46)                          | (51)   | (91)                        | (100)  |
| Other income                   | 9                             | 2      | 8                           | 1      |
| Funds from operations (FFO)    | 108                           | 135    | 228                         | 274    |
| Depreciation and amortization  | (76)                          | (94)   | (166)                       | (185)  |
| Deferred taxes and other items | (27)                          | (32)   | (85)                        | (66)   |
| Net (loss) income              | \$ 5                          | \$ 9   | \$ (23)                     | \$ 23  |

The following table presents our proportionate adjusted EBITDA and FFO for this operating segment by business:

| US\$ MILLIONS, UNAUDITED | Adjusted EBITDA               |        |                             |        | FFO                           |        |                             |        |
|--------------------------|-------------------------------|--------|-----------------------------|--------|-------------------------------|--------|-----------------------------|--------|
|                          | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        |
|                          | 2020                          | 2019   | 2020                        | 2019   | 2020                          | 2019   | 2020                        | 2019   |
| Rail                     | \$ 81                         | \$ 72  | \$ 160                      | \$ 144 | \$ 65                         | \$ 55  | \$ 125                      | \$ 110 |
| Toll Roads               | 40                            | 75     | 107                         | 154    | 25                            | 54     | 70                          | 110    |
| Ports                    | 24                            | 37     | 44                          | 75     | 18                            | 26     | 33                          | 54     |
| Total                    | \$ 145                        | \$ 184 | \$ 311                      | \$ 373 | \$ 108                        | \$ 135 | \$ 228                      | \$ 274 |

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$145 million and \$108 million, respectively, versus \$184 million and \$135 million, respectively, in the prior year
  - Rail: Increase in adjusted EBITDA and FFO due to higher mineral volumes in Australia, record agricultural volumes moved across our network in Brazil and the contribution from our North American rail operation acquired in December 2019
    - These positive factors were partially offset by the impact of a lower Brazilian real
  - Toll roads: Adjusted EBITDA and FFO have decreased as a result of a partial sale of our interest in the Chilean toll road operation and a decline in commuter traffic levels following temporary government forced shutdowns and the impact of a lower BRL
    - Lower toll road volumes had a \$13 million impact during the quarter for which we expect to be compensated based on force majeure provisions and discussion with local regulators
  - Ports: Adjusted EBITDA and FFO have decreased primarily due to the loss of income associated with the sale of our European port operation which closed in June 2019, as well as a 3% decrease in container volumes as a result of lower global trading activity

## Capital Backlog

*We expect enhancements to our networks over the next two to three years to expand capacity and support additional volumes, leading to cash flow growth over the long term*

The following table presents our proportionate share of growth capital backlog:

| US\$ MILLIONS, UNAUDITED            | For the three-month<br>period ended<br>June 30, 2020 | For the six-month<br>period ended<br>June 30, 2020 | For the 12-month<br>period ended<br>December 31, 2019 |
|-------------------------------------|--|--|---|
| Capital backlog, start of period    | \$ 293   | \$ 357   | \$ 500  |
| Impact of acquisitions              | —  | 6  | —   |
| Additional capital project mandates | 32   | 40   | 77  |
| Less: capital expenditures          | (21)   | (51)   | (162)   |
| Foreign exchange and other          | (6)  | (54)   | (58)  |
| Capital backlog, end of period      | \$ 298   | \$ 298   | \$ 357  |
| Construction work in progress       | 163  | 163  | 184   |
| Total capital to be commissioned    | \$ 461   | \$ 461   | \$ 541  |

- Consists of the following types of projects:
  - Rail: Upgrading and expanding our network to capture volume growth from incremental activity in the sectors we serve
  - Toll roads: Increasing the capacity of our roads by increasing and widening lanes on certain routes to support traffic growth
  - Ports: Increasing capacity of our terminals by deepening the berths and enhancing and modernizing our existing infrastructure
- Largest contributors to capital to be commissioned over the next two to three years are our South American toll road businesses and our port operations with ~\$425 million and ~\$25 million, respectively

## SEGMENT OVERVIEW

- Systems that provide energy transmission and storage services
- Profitability based on the volume and price achieved for the provision of these services
- Businesses are typically unregulated or subject to price ceilings

## OBJECTIVES

- Satisfy customer growth requirements by increasing the utilization of our assets and expanding our capacity in a capital efficient manner
- Provide safe and reliable service to our customers

## OPERATIONS

- Natural Gas Midstream:
  - ~16,500 km of transmission pipelines
  - ~600 billion cubic feet of natural gas storage in the U.S. and Canada
  - 19 natural gas processing plants with ~3.3 Bcf per day of total processing capacity and ~3,550 km of raw gas gathering pipelines in Canada
- Distributed Energy:
  - Delivers 3,320,000 pounds per hour of heating and 310,000 tons of cooling capacity
  - Provides residential energy infrastructure services to ~1.6 million customers in the U.S. and Canada and delivers ~300,000 contract sub-metering services within Canada

The following table presents selected key performance metrics for our energy segment:

| US\$ MILLIONS, UNAUDITED              | Three Months Ended<br>June 30 |       | Six Months Ended<br>June 30 |        |
|---------------------------------------|-------------------------------|-------|-----------------------------|--------|
|                                       | 2020                          | 2019  | 2020                        | 2019   |
| Growth capital expenditures           | \$ 61                         | \$ 61 | \$ 129                      | \$ 83  |
| Adjusted EBITDA margin <sup>1</sup>   | 52%                           | 48%   | 53%                         | 50%    |
| Funds from operations (FFO)           | 106                           | 96    | 221                         | 203    |
| Maintenance capital                   | (28)                          | (26)  | (40)                        | (34)   |
| Adjusted funds from operations (AFFO) | \$ 78                         | \$ 70 | \$ 181                      | \$ 169 |

1. Adjusted EBITDA margin is adjusted EBITDA divided by revenues

- FFO of \$106 million in Q2'20 increased from \$96 million in the prior year
  - FFO increased over the prior year due to organic growth of 13% and the contribution from the acquisition of the federally regulated portion of our western Canadian midstream business
    - Strong organic growth was driven by higher demand for transport services at our North American natural gas pipeline and new long-term rental contracts secured at our North American residential infrastructure business
    - These positive factors were partially offset by the loss of income resulting from the sale of our Australian district energy operation which closed last November

The following table presents our energy segment's proportionate share of financial results:

| US\$ MILLIONS, UNAUDITED       | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        |
|--------------------------------|-------------------------------|--------|-----------------------------|--------|
|                                | 2020                          | 2019   | 2020                        | 2019   |
| Revenue                        | \$ 266                        | \$ 256 | \$ 543                      | \$ 501 |
| Cost attributable to revenues  | (128)                         | (133)  | (257)                       | (251)  |
| Adjusted EBITDA                | 138                           | 123    | 286                         | 250    |
| Interest expense               | (34)                          | (33)   | (70)                        | (61)   |
| Other income                   | 2                             | 6      | 5                           | 14     |
| Funds from operations (FFO)    | 106                           | 96     | 221                         | 203    |
| Depreciation and amortization  | (63)                          | (65)   | (127)                       | (124)  |
| Deferred taxes and other items | (25)                          | (22)   | (55)                        | (38)   |
| Net income                     | \$ 18                         | \$ 9   | \$ 39                       | \$ 41  |

The following table presents our proportionate adjusted EBITDA and FFO for this operating segment by business:

| US\$ MILLIONS, UNAUDITED | Adjusted EBITDA               |        |                             |        | FFO                           |       |                             |        |
|--------------------------|-------------------------------|--------|-----------------------------|--------|-------------------------------|-------|-----------------------------|--------|
|                          | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        | Three Months Ended<br>June 30 |       | Six Months Ended<br>June 30 |        |
|                          | 2020                          | 2019   | 2020                        | 2019   | 2020                          | 2019  | 2020                        | 2019   |
| Natural Gas Midstream    | \$ 96                         | \$ 81  | \$ 210                      | \$ 178 | \$ 70                         | \$ 60 | \$ 157                      | \$ 143 |
| Distributed Energy       | 42                            | 42     | 76                          | 72     | 36                            | 36    | 64                          | 60     |
| Total                    | \$ 138                        | \$ 123 | \$ 286                      | \$ 250 | \$ 106                        | \$ 96 | \$ 221                      | \$ 203 |

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$138 million and \$106 million, respectively, versus \$123 million and \$96 million, respectively, in the prior year
  - Natural Gas Midstream: Increase in adjusted EBITDA and FFO due to higher transport revenues at our North American natural gas pipeline and the incremental earnings associated with the acquisition of the federally regulated portion of our western Canadian midstream business
  - Distributed Energy: Adjusted EBITDA and FFO benefited from new long-term rental contracts secured at our North American residential infrastructure business and commissioning nine new customers to our district energy systems
    - This increase was offset by the loss of income associated with the sale of our Australian district energy operation

## Capital Backlog

*Enhancements to our systems over the next two to three years that are expected to expand capacity to support additional volumes, leading to cash flow growth over the long term*

The following table presents our proportionate share of growth capital backlog:

| US\$ MILLIONS, UNAUDITED            | For the three-month period ended June 30, 2020 |      | For the six-month period ended June 30, 2020 |       | For the 12-month period ended December 31, 2019 |
|-------------------------------------|--|------|--|-------|---|
| Capital backlog, start of period    | \$   | 271  | \$   | 317   | \$ 290  |
| Impact of acquisitions              |  | —    |  | —     | —   |
| Additional capital project mandates |  | 30   |  | 80    | 232   |
| Less: capital expenditures          |  | (61) |  | (129) | (187)   |
| Foreign exchange and other          |  | 9    |  | (19)  | (18)  |
| Capital backlog, end of period      | \$   | 249  | \$   | 249   | \$ 317  |
| Construction work in progress       |  | 193  |  | 193   | 132   |
| Total capital to be commissioned    | \$   | 442  | \$   | 442   | \$ 449  |

- Consists of the following energy projects:
  - Expanding systems to capture volume growth underpinned by long-term take-or-pay contracts
  - Upgrading systems to attain incremental volumes from increased demand in regions we serve
- Capital to be commissioned includes ~\$245 million within our Natural Gas Midstream operations and ~\$195 million in our Distributed Energy segment
  - Natural Gas Midstream projects include:
    - ~\$110 million related to the second phase of the Gulf Coast expansion project which is anchored by a 20-year, 300,000 dekatherms per day contract with a large LNG operator at our North American natural gas pipeline and is expected to be commissioned in mid-2021
    - ~\$65 million of contracted system expansion projects at our Western Canadian midstream energy business which are expected to be commissioned by the end of 2020
  - Distributed Energy projects include ~\$60 million of expansion projects in North American district energy systems and ~\$135 million of capital expenditures to grow the customer base at our North American residential infrastructure business

## SEGMENT OVERVIEW

- Businesses that provide essential services and critical infrastructure to media broadcasting and telecom sectors
- Adjusted EBITDA underpinned by both regulated and unregulated services, secured by long-term inflation-linked contracts

## OBJECTIVES

- Increase profitability through site rental revenue growth
- Maintain high level of service by managing availability and reliability of our customers network
- Deploy capital in response to customer demands for increased densification of their networks

## OPERATIONS

- Data Transmission & Distribution:
  - ~7,000 multi-purpose towers and active rooftop sites and 10,000 km of fiber backbone located in France and Brazil
  - ~1,600 cell sites and over 10,000 km of fibre optic cable in New Zealand
  - ~2,100 active telecom towers and 70 distributed antenna systems, primarily in the U.K
- Data Storage
  - 52 data centers, with ~1.6 million square feet of raised floors and 180 megawatts of critical load capacity

The following table presents selected key performance metrics for our data infrastructure segment:

| US\$ MILLIONS, UNAUDITED              | Three Months Ended<br>June 30 |       | Six Months Ended<br>June 30 |       |
|---------------------------------------|-------------------------------|-------|-----------------------------|-------|
|                                       | 2020                          | 2019  | 2020                        | 2019  |
| Growth capital expenditures           | \$ 26                         | \$ 28 | \$ 58                       | \$ 41 |
| Adjusted EBITDA margin <sup>1</sup>   | 51%                           | 58%   | 51%                         | 58%   |
| Funds from operations (FFO)           | 43                            | 30    | 85                          | 58    |
| Maintenance capital                   | (5)                           | (2)   | (13)                        | (4)   |
| Adjusted funds from operations (AFFO) | \$ 38                         | \$ 28 | \$ 72                       | \$ 54 |

1. Adjusted EBITDA margin is adjusted EBITDA divided by revenues.

- FFO of \$43 million in Q2'20 compared to \$30 million in prior year
  - Results increased due to inflation-indexation and capital commissioned at our French telecom operations, as well as the contribution from capital deployed in the last 12 months
    - In the second half of 2019 we completed the acquisitions of a data distribution business in New Zealand and a telecom tower business the U.K.

The following table presents our data infrastructure segment's proportionate share of financial results:

| US\$ MILLIONS, UNAUDITED       | Three Months Ended<br>June 30 |         | Six Months Ended<br>June 30 |        |
|--------------------------------|-------------------------------|---------|-----------------------------|--------|
|                                | 2020                          | 2019    | 2020                        | 2019   |
| Revenue                        | \$ 104                        | \$ 67   | \$ 213                      | \$ 129 |
| Cost attributable to revenues  | (51)                          | (28)    | (104)                       | (54)   |
| Adjusted EBITDA                | 53                            | 39      | 109                         | 75     |
| Interest expense               | (12)                          | (10)    | (24)                        | (19)   |
| Other income                   | 2                             | 1       | —                           | 2      |
| Funds from operations (FFO)    | 43                            | 30      | 85                          | 58     |
| Depreciation and amortization  | (41)                          | (30)    | (89)                        | (55)   |
| Deferred taxes and other items | 14                            | (10)    | (4)                         | (12)   |
| Net income (loss)              | \$ 16                         | \$ (10) | \$ (8)                      | \$ (9) |

The following table presents our proportionate adjusted EBITDA and FFO for this operating segment by business:

| US\$ MILLIONS, UNAUDITED         | Adjusted EBITDA               |       |                             |       | FFO                           |       |                             |       |
|----------------------------------|-------------------------------|-------|-----------------------------|-------|-------------------------------|-------|-----------------------------|-------|
|                                  | Three Months Ended<br>June 30 |       | Six Months Ended<br>June 30 |       | Three Months Ended<br>June 30 |       | Six Months Ended<br>June 30 |       |
|                                  | 2020                          | 2019  | 2020                        | 2019  | 2020                          | 2019  | 2020                        | 2019  |
| Data Transmission & Distribution | \$ 40                         | \$ 25 | \$ 83                       | \$ 50 | \$ 35                         | \$ 21 | \$ 69                       | \$ 42 |
| Data Storage                     | 13                            | 14    | 26                          | 25    | 8                             | 9     | 16                          | 16    |
| Total                            | \$ 53                         | \$ 39 | \$ 109                      | \$ 75 | \$ 43                         | \$ 30 | \$ 85                       | \$ 58 |

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$53 million and \$43 million, respectively, versus \$39 million and \$30 million, respectively, in the prior year
  - Data Transmission & Distribution: Adjusted EBITDA and FFO increased due to inflation-indexation and 200 new sites added from our build-to-suit tower program at our French telecom business, the contribution from recently acquired telecom businesses located in New Zealand and the U.K. and higher rates on Euro denominated FFO hedge contracts
  - Data Storage: Adjusted EBITDA and FFO decreased due to the timing of operating and maintenance costs at our U.S. data storage business

## Capital Backlog

*Additions and improvements to our networks and sites over the next two or three years that are expected to accommodate growing data consumption, leading to cash flow growth over the long term*

The following table presents our proportionate share of growth capital backlog:

| US\$ MILLIONS, UNAUDITED            | For the three-month<br>period ended<br>June 30, 2020 | For the six-month<br>period ended<br>June 30, 2020 | For the 12-month<br>period ended<br>December 31, 2019 |
|-------------------------------------|--|--|---|
| Capital backlog, start of period    | \$ 187   | \$ 152   | 200   |
| Impact of acquisitions              | —  | —  | 27  |
| Additional capital project mandates | 25   | 93   | 59  |
| Less: capital expenditures          | (26)   | (58)   | (104)   |
| Foreign exchange and other          | 5  | 4  | (30)  |
| Capital backlog, end of period      | \$ 191   | \$ 191   | 152   |
| Construction work in progress       | 52   | 52   | 41  |
| Total capital to be commissioned    | \$ 243   | \$ 243   | 193   |

- Capital to be commissioned includes ~\$215 million within our Data Transmission and Distribution segment and ~\$60 million at our Data Storage operations:
  - Data Transmission & Distribution: Includes ~\$145 million related to our fiber-to-the-home roll-out and ~\$30 million related to the addition of further sites associated with minimum coverage requirements
  - Data Storage: Increasing the capacity of our data storage network with the build-out of new sites or expansion of existing data centers, which are all underpinned by attractive long-term contracts
    - Total capital to be commissioned primarily relates to the construction of several new facilities at our South American operation, which are all underpinned by attractive long-term contracts to investment grade, global hyperscale customers

The following table presents the components of corporate on a proportionate basis:

| US\$ MILLIONS, UNAUDITED         | Three Months Ended<br>June 30 |         | Six Months Ended<br>June 30 |       |
|----------------------------------|-------------------------------|---------|-----------------------------|-------|
|                                  | 2020                          | 2019    | 2020                        | 2019  |
| General and administrative costs | \$ (3)                        | \$ (2)  | \$ (5)                      | (4)   |
| Base management fee              | (69)                          | (62)    | (128)                       | (121) |
| Adjusted EBITDA                  | (72)                          | (64)    | (133)                       | (125) |
| Other income                     | 40                            | 19      | 59                          | 40    |
| Financing costs                  | (22)                          | (22)    | (45)                        | (42)  |
| Funds from operations (FFO)      | (54)                          | (67)    | (119)                       | (127) |
| Deferred taxes and other items   | (106)                         | 41      | 57                          | 16    |
| Net (loss) income                | \$ (160)                      | \$ (26) | \$ (62)                     | (111) |

## FINANCIAL RESULTS

- General and administrative costs were relatively consistent with prior year
  - Anticipate corporate and administrative costs of \$8 to \$10 million per year, excluding the base management fee
- We pay Brookfield an annual base management fee equal to 1.25% of our market value, plus recourse debt net of cash
- Other income includes interest and dividend income, as well as realized gains or losses earned on corporate financial assets
  - During the second quarter we realized ~\$25 million of profits in our securities portfolio following a sharp recovery in public equity prices
- Corporate financing costs include interest expense and standby fees on our committed credit facility, less interest earned on cash balances

Total liquidity was \$4.3 billion at June 30, 2020, comprised of the following:

| US\$ MILLIONS, UNAUDITED                                      | As of           |                 |
|---|-----------------|-----------------|
|   | Jun 30, 2020    | Dec. 31, 2019   |
| Corporate cash and financial assets                           | \$ 999          | \$ 273          |
| Committed corporate credit facility <sup>1</sup>              | 2,975           | 1,975           |
| Subordinated corporate credit facility                        | 500             | 500             |
| Draws under corporate credit facility <sup>1</sup>            | (1,210)         | (820)           |
| Commitments under corporate credit facility                   | (55)            | (54)            |
| Proportionate cash retained in businesses                     | 390             | 406             |
| Proportionate availability under subsidiary credit facilities | 672             | 687             |
| <b>Total liquidity</b>  | <b>\$ 4,271</b> | <b>\$ 2,967</b> |

1. Includes a \$1,975 million committed corporate credit facility and a \$1,000 million temporary bulge facility. As of June 30, 2020, draws of \$1,210 million were outstanding under our committed corporate credit facility and our temporary bulge facility was undrawn.

- We maintain sufficient liquidity at all times to participate in attractive opportunities as they arise, withstand sudden adverse changes in economic circumstances and maintain a relatively high payout of our FFO to unitholders
- Principal sources of liquidity are cash flows from operations, undrawn credit facilities, proceeds from capital recycling and access to public and private capital markets
- We may, from time to time, invest in financial assets comprised mainly of liquid equity and debt infrastructure securities in order to earn attractive short-term returns and for strategic purpose

# Maturity Profile

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 Brookfield Infrastructure or our other operations.

On a proportionate basis as of June 30, 2020, scheduled principal repayments over the next five years are as follows:

| US\$ MILLIONS, UNAUDITED                     | Average Term (years) | 2020  | 2021   | 2022     | 2023     | 2024     | Beyond   | Total            |
|--|----------------------|-------|--------|----------|----------|----------|----------|------------------|
| <b>Recourse borrowings</b>                   |                      |       |        |          |          |          |          |                  |
| Net corporate borrowings <sup>1</sup>        | 6                    | \$ —  | —      | 331      | —        | 515      | 1,032    | <b>1,878</b>     |
| <b>Total recourse borrowings<sup>1</sup></b> | 6                    | —     | —      | 331      | —        | 515      | 1,032    | <b>1,878</b>     |
| <b>Utilities</b>                             |                      |       |        |          |          |          |          |                  |
| Regulated Transmission                       | 11                   | 8     | 25     | 19       | 290      | 72       | 385      | <b>799</b>       |
| Regulated Distribution                       | 11                   | 5     | 35     | —        | 261      | —        | 1,473    | <b>1,774</b>     |
| Regulated Terminal                           | 3                    | —     | 283    | 184      | 175      | 209      | 123      | <b>974</b>       |
|  | 9                    | 13    | 343    | 203      | 726      | 281      | 1,981    | <b>3,547</b>     |
| <b>Transport</b>                             |                      |       |        |          |          |          |          |                  |
| Rail   | 4                    | 7     | 134    | 163      | 185      | 244      | 538      | <b>1,271</b>     |
| Toll Roads                                   | 8                    | 33    | 154    | 145      | 103      | 119      | 514      | <b>1,068</b>     |
| Ports  | 4                    | 12    | 2      | 85       | —        | 46       | 287      | <b>432</b>       |
|  | 6                    | 52    | 290    | 393      | 288      | 409      | 1,339    | <b>2,771</b>     |
| <b>Energy</b>                                |                      |       |        |          |          |          |          |                  |
| Natural Gas Midstream                        | 6                    | 8     | 27     | 516      | 190      | 259      | 842      | <b>1,842</b>     |
| Distributed Energy                           | 17                   | 19    | 57     | 49       | 40       | 91       | 457      | <b>713</b>       |
|  | 9                    | 27    | 84     | 565      | 230      | 350      | 1,299    | <b>2,555</b>     |
| <b>Data Infrastructure</b>                   |                      |       |        |          |          |          |          |                  |
| Data Transmission & Distribution             | 5                    | —     | —      | 179      | 2        | 255      | 234      | <b>670</b>       |
| Data Storage                                 | 4                    | 1     | 49     | 24       | 53       | 2        | 146      | <b>275</b>       |
|  | 4                    | 1     | 49     | 203      | 55       | 257      | 380      | <b>945</b>       |
| <b>Total non-recourse borrowings</b>         | 8                    | 93    | 766    | 1,364    | 1,299    | 1,297    | 4,999    | <b>9,818</b>     |
| <b>Total borrowings<sup>2</sup></b>          | 8                    | \$ 93 | \$ 766 | \$ 1,695 | \$ 1,299 | \$ 1,812 | \$ 6,031 | <b>\$ 11,696</b> |
|  |                      | 1%    | 7%     | 14%      | 11%      | 15%      | 52%      | <b>100%</b>      |

1. Recourse borrowings and the average term to maturity are presented on a pro-forma basis to exclude draws of \$1,210 million on our corporate credit facilities as they are not a permanent source of capital

2. Total borrowings and the average term to maturity is presented on a pro-forma basis to exclude draws of \$1,210 million on our corporate credit facilities as they are not a permanent source of capital as well as several well-progressed asset-level financing initiatives

# Proportionate Net Debt

The following table presents proportionate net debt by operating segment:

| US\$ MILLIONS, UNAUDITED    | As of            |                  |
|-----------------------------|------------------|------------------|
|                             | Jun 30, 2020     | Dec. 31, 2019    |
| Non-recourse borrowings     |                  |                  |
| Utilities                   | \$ 3,547         | \$ 3,813         |
| Transport                   | 2,771            | 3,090            |
| Energy                      | 2,555            | 2,491            |
| Data Infrastructure         | 945              | 931              |
| Corporate                   | 3,088            | 2,475            |
| <b>Total borrowings</b>     | <b>\$ 12,906</b> | <b>\$ 12,800</b> |
| Cash retained in businesses |                  |                  |
| Utilities                   | \$ 108           | \$ 166           |
| Transport                   | 205              | 165              |
| Energy                      | 29               | 30               |
| Data Infrastructure         | 48               | 45               |
| Corporate                   | 999              | 273              |
| <b>Total cash retained</b>  | <b>\$ 1,389</b>  | <b>\$ 679</b>    |
| Net debt                    |                  |                  |
| Utilities                   | \$ 3,439         | \$ 3,647         |
| Transport                   | 2,566            | 2,925            |
| Energy                      | 2,526            | 2,461            |
| Data Infrastructure         | 897              | 886              |
| Corporate                   | 2,089            | 2,202            |
| <b>Total net debt</b>       | <b>\$ 11,517</b> | <b>\$ 12,121</b> |

- The weighted average cash interest rate payable was 4.1% for the overall business, in which our utilities, transport, energy, data infrastructure and corporate segments were 3.7%, 5.3%, 5.1%, 3.5% and 3.0%, respectively

# Supplemental Measures

The following table presents supplemental measures to assist users in understanding and evaluating the partnership's capital structure:

| US\$ MILLIONS, UNAUDITED   | As of         |               |
|--|---------------|---------------|
|  | June 30, 2020 | Dec. 31, 2019 |
| Partnership units outstanding, end of period <sup>1</sup>            | 419.9         | 418.3         |
| Price <sup>1</sup>   | \$ 41.11      | \$ 49.99      |
| Partnership Market Capitalization                                    | 17,262        | 20,911        |
| Class A Shares of BIPC outstanding                                   | 45.0          | —             |
| Price  | \$ 45.54      | \$ —          |
| BIPC Market Capitalization   | 2,049         | —             |
| Combined Market Capitalization                                       | 19,311        | 20,911        |
| Preferred units  | 1,007         | 1,007         |
| Proportionate net debt   | 11,517        | 12,121        |
| Enterprise Value (EV)  | \$ 31,835     | \$ 34,039     |
| Proportionate Net Debt to Capitalization (based on market value)     | 36%           | 36%           |
| Proportionate Net Debt to Capitalization (based on invested capital) | 56%           | 57%           |
| Corporate Borrowings to Capitalization (based on invested capital)   | 15%           | 12%           |

The following table provides the calculation of one of our performance measures, Return on Invested Capital:

| US\$ MILLIONS, UNAUDITED                       | Three Months Ended<br>June 30 |          | Six Months Ended<br>June 30 |          |
|--|-------------------------------|----------|-----------------------------|----------|
|  | 2020                          | 2019     | 2020                        | 2019     |
| FFO  | \$ 333                        | \$ 337   | \$ 691                      | \$ 688   |
| Maintenance Capital                            | (68)                          | (73)     | (125)                       | (127)    |
| Return of Capital                              | (30)                          | (27)     | (61)                        | (53)     |
| Adjusted AFFO                                  | 235                           | 237      | 505                         | 508      |
| Weighted Average Invested Capital              | \$ 9,011                      | \$ 8,202 | \$ 9,010                    | \$ 8,192 |
| Return on Invested Capital (ROIC) <sup>2</sup> | 10%                           | 12%      | 11%                         | 12%      |

1. Partnership units outstanding and unit price as at December 31, 2019 are presented prior to the dilutive impact of the BIPC special distribution

2. Return on invested capital is calculated as adjusted AFFO divided by weighted averaged invested capital.

We fund growth initiatives with proceeds from capital recycling, capital market issuances and retained operating cash flows

- We target retaining 15% of our operating cash flows (FFO) for the equity component of recurring growth capital expenditures
- We look to fund new investment opportunities and large-scale growth capital expenditure projects with proceeds from capital recycling and capital market issuances

Over the last 3 years, we have deployed \$6.0 billion in acquisitions and organic growth initiatives of which \$5.0 billion has been funded through our capital recycling program and capital market issuances

## For the year ended December 31

US\$ MILLIONS, UNAUDITED

|  |    | 2017     | 2018     | 2019 <sup>1</sup> | 2017-2019 |
|--|----|----------|----------|-------------------|-----------|
| Capital deployed in new investments                              | \$ | 1,902 \$ | 1,040 \$ | 1,761 \$          | 4,703     |
| Growth capital expenditures (net of non-recourse debt financing) |    | 420      | 441      | 471               | 1,332     |
| Total Growth Initiatives   |    | 2,322    | 1,481    | 2,232             | 6,035     |
| Cash raised in capital markets                                   |    | (1,341)  | (608)    | (940)             | (2,889)   |
| Proceeds from asset sales  |    | —        | (1,033)  | (1,050)           | (2,083)   |
| Net funding from retained cash flows and credit facility draws   | \$ | 981 \$   | (160) \$ | 242 \$            | 1,063     |

1. Proceeds raised from asset sales incorporates the sale of a Colombian regulated distribution business and a partial interest in a Chilean toll road operation, which closed subsequent to December 31, 2019

To the extent that it is economic to do so, we hedge a portion of our equity investments and/or cash flows exposed to foreign currencies. The following 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

The following table presents our hedged position in foreign currencies as at June 30, 2020:

| US\$ MILLIONS, UNAUDITED      | Net Investment Hedges |       |       |       |       |                  |       |      |     |       |
|-------------------------------|-----------------------|-------|-------|-------|-------|------------------|-------|------|-----|-------|
|                               | USD                   | AUD   | NZD   | GBP   | BRL   | CAD <sup>1</sup> | EUR   | PEN  | INR | Other |
| Net equity investment – US\$  | \$ 448                | 1,075 | 149   | 1,465 | 1,571 | 1,163            | 700   | 110  | 147 | 127   |
| FX contracts – US\$           | 3,520                 | (900) | (149) | (681) | —     | (1,009)          | (673) | (12) | —   | (96)  |
| Net unhedged – US\$           | \$ 3,968              | 175   | —     | 784   | 1,571 | 154              | 27    | 98   | 147 | 31    |
| % of equity investment hedged | N/A                   | 84%   | 100%  | 46%   | —%    | 87%              | 96%   | 11%  | —%  | 76%   |

1. CAD net equity investment excludes \$1,007 million of preferred units and preferred shares

- As at June 30, 2020, 57% of overall net equity is USD functional
- We have implemented a strategy to hedge all of our expected FFO generated in AUD, GBP, EUR, CAD, CLP, COP, PEN and NZD for the next 24 months
- For the three months ended June 30, 2020, 21%, 17%, 17%, 20% and 25% of our pre-corporate FFO was generated in USD, AUD, GBP, BRL, and other, respectively
- Due to our FFO hedging program approximately 77% of our pre-corporate FFO is effectively generated in USD and the balance in BRL and INR

# Capital Reinvestment

The following table highlights the sources and uses of cash during the year:

| US\$ MILLIONS, UNAUDITED                                       | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |       |
|--|-------------------------------|--------|-----------------------------|-------|
|  | 2020                          | 2019   | 2020                        | 2019  |
| Funds from operations (FFO)                                    | \$ 333                        | \$ 337 | \$ 691                      | 688   |
| Maintenance capital  | (68)                          | (73)   | (125)                       | (127) |
| Funds available for distribution (AFFO)                        | 265                           | 264    | 566                         | 561   |
| Distributions paid   | (283)                         | (251)  | (565)                       | (501) |
| Funds available for reinvestment                               | (18)                          | 13     | 1                           | 60    |
| Growth capital expenditures                                    | (184)                         | (230)  | (436)                       | (410) |
| Debt funding of growth capex                                   | 95                            | 74     | 238                         | 153   |
| Non-recourse debt issuances (repayments)                       | (14)                          | (34)   | 126                         | (82)  |
| Proceeds from capital recycling                                | —                             | 137    | 258                         | 502   |
| New investments  | —                             | —      | —                           | (474) |
| Draws (net of repayments) on corporate credit facility         | (3)                           | (965)  | 391                         | (510) |
| Partnership unit issuances, net of repurchases                 | 3                             | 2      | 5                           | (24)  |
| Proceeds from debt issuances                                   | 275                           | —      | 275                         | —     |
| Preferred unit and preferred shares issued, net of repurchases | —                             | —      | —                           | 72    |
| Repayment of deposit from parent                               | —                             | 823    | —                           | 823   |
| Impact of foreign currency movements                           | (2)                           | 38     | (52)                        | 10    |
| Changes in working capital and other                           | 5                             | (30)   | (96)                        | (54)  |
| Change in proportionate cash                                   | 157                           | (172)  | 710                         | 66    |
| Opening, proportionate cash                                    | 1,232                         | 880    | 679                         | 642   |
| Closing, proportionate cash                                    | \$ 1,389                      | \$ 708 | \$ 1,389                    | 708   |

- Financing plan: We fund recurring growth capital expenditures with cash flow generated by operations, as well as debt financing that is sized to maintain credit profile
- To fund large scale development projects and acquisitions, we will evaluate a number of capital sources including proceeds from the sale of non-core assets as well as equity and debt financings

# Capital Reinvestment (cont'd)

The following tables present the components of growth and maintenance capital expenditures by operating segment:

| US\$ MILLIONS, UNAUDITED               | Three Months Ended<br>June 30 |               | Six Months Ended<br>June 30 |               |
|--|-------------------------------|---------------|-----------------------------|---------------|
|  | 2020                          | 2019          | 2020                        | 2019          |
| Growth capital expenditures by segment |                               |               |                             |               |
| Utilities                              | \$ 76                         | \$ 100        | \$ 198                      | \$ 192        |
| Transport                              | 21                            | 41            | 51                          | 94            |
| Energy                                 | 61                            | 61            | 129                         | 83            |
| Data Infrastructure                    | 26                            | 28            | 58                          | 41            |
| <b>Total</b>                           | <b>\$ 184</b>                 | <b>\$ 230</b> | <b>\$ 436</b>               | <b>\$ 410</b> |

| US\$ MILLIONS, UNAUDITED                    | Three Months Ended<br>June 30 |              | Six Months Ended<br>June 30 |               |
|---|-------------------------------|--------------|-----------------------------|---------------|
|   | 2020                          | 2019         | 2020                        | 2019          |
| Maintenance capital expenditures by segment |                               |              |                             |               |
| Utilities                                   | \$ 4                          | \$ 5         | \$ 9                        | \$ 8          |
| Transport                                   | 31                            | 40           | 63                          | 81            |
| Energy                                      | 28                            | 26           | 40                          | 34            |
| Data Infrastructure                         | 5                             | 2            | 13                          | 4             |
| <b>Total</b>                                | <b>\$ 68</b>                  | <b>\$ 73</b> | <b>\$ 125</b>               | <b>\$ 127</b> |

- We estimate annual maintenance capital expenditures for the upcoming year will be \$20-25 million, \$170-180 million, \$110-120 million and \$10-15 million for our utilities, transport, energy and data infrastructure segments, respectively, for a total range of \$310-340 million

The total number of partnership units outstanding consisted of the following:

| MILLIONS OF PARTNERSHIP UNITS, UNAUDITED   | As of        |               |
|--|--------------|---------------|
|  | Jun 30, 2020 | Dec. 31, 2019 |
| Redeemable partnership units               | 122.0        | 122.0         |
| Limited partnership units                  | 295.2        | 293.5         |
| Exchange LP units <sup>1</sup>             | 1.1          | 1.2           |
| General partnership units                  | 1.6          | 1.6           |
| Class A shares of BIPC                     | 45.0         | —             |
| <b>Total partnership units<sup>2</sup></b> | <b>464.9</b> | <b>418.3</b>  |

- On March 31, 2020, the partnership completed a special distribution whereby unitholders as of March 20, 2020 received one class A exchangeable subordinate voting share for every nine units held
  - On March 31, 2020, 46.3 million class A shares of BIPC were issued; as at June 30, 2020, 1.3 million shares had been exchanged into limited partnership units
- The general partner may be entitled to incentive distribution rights, as follows:
  - To the extent distributions on partnership units are greater than \$0.183<sup>3</sup>, the general partner is entitled to 15% of incremental distributions above this threshold until distributions reach \$0.198<sup>3</sup> per unit
  - To the extent distributions on partnership units are greater than \$0.198<sup>3</sup>, the general partner is entitled to 25% of incremental distributions above this threshold
- Incentive distributions of \$46 million were paid during the quarter versus \$38 million in the prior year as a result of the 7% increase in our distribution on partnership units since 2019
- 54 million preferred units outstanding at June 30, 2020, were issued at par value of C\$25 per unit
  - During the three months ended June 30, 2020, preferred unit distributions of \$12 million were paid

1. As at June 30, 2020, 4.7 million exchangeable limited partnership units had been exchanged into limited partnership units

2. Units outstanding as at December 31, 2019 adjusted for the impact of the BIPC special distribution were 464.8 million

3. Thresholds for incentive distribution have been adjusted to account for the impact of the special distribution



## APPENDIX – RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

# Reconciliation of Non-IFRS Measures to IFRS Measures

## RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS

| US\$ MILLIONS, UNAUDITED                            | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        |
|---|-------------------------------|--------|-----------------------------|--------|
|   | 2020                          | 2019   | 2020                        | 2019   |
| Net income attributable to partnership <sup>1</sup> | \$ (61)                       | \$ 98  | \$ 58                       | \$ 128 |
| Add back or deduct the following:                   |                               |        |                             |        |
| Depreciation and amortization                       | 222                           | 234    | 469                         | 454    |
| Deferred income taxes                               | (4)                           | 19     | 35                          | 21     |
| Mark-to-market on hedging items and other           | 176                           | (14)   | 129                         | 85     |
| FFO   | 333                           | 337    | 691                         | 688    |
| Maintenance capital expenditures                    | (68)                          | (73)   | (125)                       | (127)  |
| AFFO  | \$ 265                        | \$ 264 | \$ 566                      | \$ 561 |

1. Includes net income (loss) attributable to non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP Units, general partner, limited partners and class A shares of BIPC

## RECONCILIATION OF NET INCOME TO ADJUSTED EARNINGS

| US\$ MILLIONS, UNAUDITED   | Three Months Ended<br>June 30 |        | Six Months Ended<br>June 30 |        |
|--|-------------------------------|--------|-----------------------------|--------|
|  | 2020                          | 2019   | 2020                        | 2019   |
| Net (loss) income attributable to partnership <sup>1</sup>   | \$ (61)                       | \$ 98  | \$ 58                       | \$ 128 |
| Add back or deduct the following:  |                               |        |                             |        |
| Depreciation and amortization expense due to application of revaluation model and acquisition accounting | 111                           | 104    | 236                         | 206    |
| Mark-to-market on hedging items and other  | 89                            | (36)   | 12                          | (4)    |
| Gain on sale of subsidiaries or ownership changes  | —                             | (21)   | (36)                        | (21)   |
| Adjusted Earnings  | \$ 139                        | \$ 145 | \$ 270                      | \$ 309 |

1. Includes net (loss) income attributable to non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP Units, general partner, limited partners and class A shares of BIPC

- Adjusted Earnings provides a supplemental understanding of the performance of our underlying operations and also gives users enhanced comparability of our ongoing performance relative to peers; defined as net income attributable to our partnership, excluding the following:
  - Incremental depreciation and amortization expense associated with the revaluation of our property, plant and equipment and the impact of purchase price accounting to reflect historical depreciation levels
  - Non-cash fair value changes relating to hedging activities, as we believe these items are not reflective of the ongoing performance of our operations
  - Disposition gains or losses recorded in net income as these items by definition are non-recurring in nature

# Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

## RECONCILIATION OF NET INCOME TO ADJUSTED EARNINGS PER UNIT

| US\$ MILLIONS, UNAUDITED   | Three Months Ended<br>June 30 |         | Six Months Ended<br>June 30 |         |
|--|-------------------------------|---------|-----------------------------|---------|
|  | 2020                          | 2019    | 2020                        | 2019    |
| Net (loss) income per limited partnership unit <sup>1</sup>  | \$ (0.25)                     | \$ 0.11 | \$ (0.12)                   | \$ 0.06 |
| Add back or deduct the following:  |                               |         |                             |         |
| Depreciation and amortization expense due to application of revaluation model and acquisition accounting | 0.24                          | 0.23    | 0.51                        | 0.46    |
| Mark-to-market on hedging items and other  | 0.31                          | 0.03    | 0.27                        | 0.22    |
| Gain on sale of subsidiaries or ownership changes  | —                             | (0.05)  | (0.08)                      | (0.05)  |
| Adjusted Earnings per unit <sup>2</sup>  | \$ 0.30                       | \$ 0.32 | \$ 0.58                     | \$ 0.69 |

1. Average limited partnership units outstanding on a time weighted average basis for the three and six-month periods ended June 30, 2020 of 294.7 million and 294.1 million, respectively (2019: 279.7 million and 278.9 million for the three and six-month periods). Net (loss) income per limited partnership unit has been adjusted to reflect the dilutive impact of the special distribution
2. Average units, adjusted for the special distribution, for the three and six-month periods ended June 30, 2020 of 464.9 million and 464.8 million, respectively (2019: 442.8 million and 442.9 million for the three and six-month periods)

# Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

## RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

### Brookfield Infrastructure's Share

FOR THE THREE MONTHS ENDED  
JUNE 30, 2020  
US\$ MILLIONS, UNAUDITED

|  | Utilities    | Transport   | Energy       | Data Infrastructure | Corporate       | Total          | Contribution from investments in associates | Attributable to non-controlling interest | As per IFRS financials |
|--|--------------|-------------|--------------|---------------------|-----------------|----------------|---|--|------------------------|
| Revenues   | \$ 248       | \$ 283      | \$ 266       | \$ 104              | \$ —            | \$ 901         | \$ (298)                                    | \$ 1,343                                 | \$ 1,946               |
| Costs attributed to revenues                                     | (74)         | (138)       | (128)        | (51)                | —               | (391)          | 130   | (802)                                    | (1,063)                |
| General and administrative costs                                 | —            | —           | —            | —                   | (72)            | (72)           | —   | —  | (72)                   |
| <b>Adjusted EBITDA</b>   | <b>174</b>   | <b>145</b>  | <b>138</b>   | <b>53</b>           | <b>(72)</b>     | <b>438</b>     | <b>(168)</b>                                | <b>541</b>                               |                        |
| Other (expense) income   | (10)         | 9           | 2            | 2                   | 40              | 43             | (7)   | (40)                                     | (4)                    |
| Interest expense   | (34)         | (46)        | (34)         | (12)                | (22)            | (148)          | 46  | (145)                                    | (247)                  |
| <b>FFO</b>   | <b>130</b>   | <b>108</b>  | <b>106</b>   | <b>43</b>           | <b>(54)</b>     | <b>333</b>     | <b>(129)</b>                                | <b>356</b>                               |                        |
| Depreciation and amortization                                    | (42)         | (76)        | (63)         | (41)                | —               | (222)          | 92  | (245)                                    | (375)                  |
| Deferred taxes   | (15)         | 5           | (1)          | 19                  | (4)             | 4              | (12)  | —  | (8)                    |
| Mark-to-market on hedging items and other                        | (13)         | (32)        | (24)         | (5)                 | (102)           | (176)          | 38  | (16)                                     | (154)                  |
| Share of earnings from associates                                | —            | —           | —            | —                   | —               | —              | 11  | —  | 11                     |
| Net income attributable to non-controlling interest              | —            | —           | —            | —                   | —               | —              | —   | (95)                                     | (95)                   |
| <b>Net income (loss) attributable to partnership<sup>1</sup></b> | <b>\$ 60</b> | <b>\$ 5</b> | <b>\$ 18</b> | <b>\$ 16</b>        | <b>\$ (160)</b> | <b>\$ (61)</b> | <b>\$ —</b>                                 | <b>\$ —</b>                              | <b>\$ (61)</b>         |

1. Includes net income (loss) attributable to non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP Units, general partner, limited partners and class A shares of BIPC

# Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

## RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

### Brookfield Infrastructure's Share

| FOR THE THREE MONTHS ENDED<br>JUNE 30, 2019<br>US\$ MILLIONS, UNAUDITED | Utilities | Transport | Energy | Data<br>Infrastructure | Corporate | Total  | Contribution from<br>investments in<br>associates | Attributable to<br>non-controlling<br>interest | As per IFRS<br>financials |
|---|-----------|-----------|--------|------------------------|-----------|--------|---|--|---------------------------|
| Revenues  | \$ 278    | \$ 386    | \$ 256 | \$ 67                  | \$ —      | \$ 987 | \$ (369)  | \$ 1,067                                       | \$ 1,685                  |
| Costs attributed to revenues  | (88)      | (202)     | (133)  | (28)                   | —         | (451)  | 180   | (569)  | (840)                     |
| General and administrative costs  | —         | —         | —      | —                      | (64)      | (64)   | —   | —  | (64)                      |
| <b>Adjusted EBITDA</b>  | 190       | 184       | 123    | 39                     | (64)      | 472    | (189)   | 498  |                           |
| Other (expense) income  | (9)       | 2         | 6      | 1                      | 19        | 19     | (1)   | (15)   | 3                         |
| Interest expense  | (38)      | (51)      | (33)   | (10)                   | (22)      | (154)  | 46  | (133)  | (241)                     |
| <b>FFO</b>  | 143       | 135       | 96     | 30                     | (67)      | 337    | (144)   | 350  |                           |
| Depreciation and amortization   | (44)      | (94)      | (65)   | (30)                   | (1)       | (234)  | 105   | (194)  | (323)                     |
| Deferred taxes  | (27)      | 5         | 3      | (1)                    | 1         | (19)   | 14  | 6  | 1                         |
| Mark-to-market on hedging items<br>and other                            | 44        | (37)      | (25)   | (9)                    | 41        | 14     | (9)   | (6)  | (1)                       |
| Share of earnings from associates                                       | —         | —         | —      | —                      | —         | —      | 34  | —  | 34                        |
| Net income attributable to non-<br>controlling interest                 | —         | —         | —      | —                      | —         | —      | —   | (156)  | (156)                     |
| <b>Net income (loss) attributable to<br/>partnership<sup>1</sup></b>    | \$ 116    | \$ 9      | \$ 9   | \$ (10)                | \$ (26)   | \$ 98  | \$ —  | \$ —   | \$ 98                     |

1. Includes net income (loss) attributable to non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP Units, general partner, limited partners and class A shares of BIPC

# Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

## RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

### Brookfield Infrastructure's Share

FOR THE SIX MONTHS ENDED  
JUNE 30, 2020  
US\$ MILLIONS, UNAUDITED

|  | Utilities     | Transport      | Energy       | Data<br>Infrastructure | Corporate      | Total        | Contribution from<br>investments in<br>associates | Attributable to<br>non-controlling<br>interest | As per IFRS<br>financials |
|--|---------------|----------------|--------------|------------------------|----------------|--------------|---|--|---------------------------|
| Revenues   | \$ 523        | \$ 608         | \$ 543       | \$ 213                 | \$ —           | \$ 1,887     | \$ (627)  | \$ 2,882                                       | \$ 4,142                  |
| Costs attributed to revenues                                     | (156)         | (297)          | (257)        | (104)                  | —              | (814)        | 267   | (1,755)  | (2,302)                   |
| General and administrative costs                                 | —             | —              | —            | —                      | (133)          | (133)        | —   | —  | (133)                     |
| <b>Adjusted EBITDA</b>   | <b>367</b>    | <b>311</b>     | <b>286</b>   | <b>109</b>             | <b>(133)</b>   | <b>940</b>   | <b>(360)</b>                                      | <b>1,127</b>                                   |                           |
| Other (expense) income   | (22)          | 8              | 5            | —                      | 59             | 50           | (3)   | (69)   | (22)                      |
| Interest expense   | (69)          | (91)           | (70)         | (24)                   | (45)           | (299)        | 88  | (318)  | (529)                     |
| <b>FFO</b>   | <b>276</b>    | <b>228</b>     | <b>221</b>   | <b>85</b>              | <b>(119)</b>   | <b>691</b>   | <b>(275)</b>                                      | <b>740</b>                                     |                           |
| Depreciation and amortization                                    | (87)          | (166)          | (127)        | (89)                   | —              | (469)        | 203   | (509)  | (775)                     |
| Deferred taxes   | (54)          | 13             | (6)          | 19                     | (7)            | (35)         | (2)   | (19)   | (56)                      |
| Mark-to-market on hedging items and other                        | (23)          | (98)           | (49)         | (23)                   | 64             | (129)        | 15  | (88)   | (202)                     |
| Share of earnings from associates                                | —             | —              | —            | —                      | —              | —            | 59  | —  | 59                        |
| Net income attributable to non-controlling interest              | —             | —              | —            | —                      | —              | —            | —   | (124)  | (124)                     |
| <b>Net income (loss) attributable to partnership<sup>1</sup></b> | <b>\$ 112</b> | <b>\$ (23)</b> | <b>\$ 39</b> | <b>\$ (8)</b>          | <b>\$ (62)</b> | <b>\$ 58</b> | <b>\$ —</b>                                       | <b>\$ —</b>                                    | <b>\$ 58</b>              |

1. Includes net income (loss) attributable to non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP Units, general partner, limited partners and class A shares of BIPC

# Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

## RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

### Brookfield Infrastructure's Share

FOR THE SIX MONTHS ENDED  
JUNE 30, 2019  
US\$ MILLIONS, UNAUDITED

|  | Utilities | Transport | Energy | Data<br>Infrastructure | Corporate | Total    | Contribution from<br>investments in<br>associates | Attributable to<br>non-controlling<br>interest | As per IFRS<br>financials |
|--|-----------|-----------|--------|------------------------|-----------|----------|---|--|---------------------------|
| Revenues   | \$ 547    | \$ 775    | \$ 501 | \$ 129                 | \$ —      | \$ 1,952 | \$ (737)  | \$ 2,063                                       | \$ 3,278                  |
| Costs attributed to revenues                                     | (176)     | (402)     | (251)  | (54)                   | —         | (883)    | 357   | (1,112)  | (1,638)                   |
| General and administrative costs                                 | —         | —         | —      | —                      | (125)     | (125)    | —   | —  | (125)                     |
| <b>Adjusted EBITDA</b>   | 371       | 373       | 250    | 75                     | (125)     | 944      | (380)   | 951  |                           |
| Other (expense) income   | (19)      | 1         | 14     | 2                      | 40        | 38       | 2   | (53)   | (13)                      |
| Interest expense   | (72)      | (100)     | (61)   | (19)                   | (42)      | (294)    | 87  | (246)  | (453)                     |
| <b>FFO</b>   | 280       | 274       | 203    | 58                     | (127)     | 688      | (291)   | 652  |                           |
| Depreciation and amortization                                    | (89)      | (185)     | (124)  | (55)                   | (1)       | (454)    | 203   | (364)  | (615)                     |
| Deferred taxes   | (40)      | 11        | 1      | 3                      | 4         | (21)     | 10  | —  | (11)                      |
| Mark-to-market on hedging items and other                        | 33        | (77)      | (39)   | (15)                   | 13        | (85)     | 26  | 3  | (56)                      |
| Share of earnings from associates                                | —         | —         | —      | —                      | —         | —        | 52  | —  | 52                        |
| Net income attributable to non-controlling interest              | —         | —         | —      | —                      | —         | —        | —   | (291)  | (291)                     |
| <b>Net income (loss) attributable to partnership<sup>1</sup></b> | \$ 184    | \$ 23     | \$ 41  | \$ (9)                 | \$ (111)  | \$ 128   | \$ —  | \$ —   | \$ 128                    |

1. Includes net income (loss) attributable to non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP Units, general partner, limited partners and class A shares of BIPC

# Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

## RECONCILIATION OF PARTNERSHIP CAPITAL TO INVESTED CAPITAL

| US\$ MILLIONS, UNAUDITED            | For the three months ended June 30 |          |                  |          | For the six months ended June 30 |          |                  |          |
|-------------------------------------|------------------------------------|----------|------------------|----------|----------------------------------|----------|------------------|----------|
|                                     | Partnership Capital                |          | Invested Capital |          | Partnership Capital              |          | Invested Capital |          |
|                                     | 2020                               | 2019     | 2020             | 2019     | 2020                             | 2019     | 2020             | 2019     |
| Opening balance <sup>1</sup>        | \$ 6,272                           | \$ 6,541 | \$ 9,011         | \$ 8,202 | \$ 7,129                         | \$ 6,429 | \$ 9,009         | \$ 8,156 |
| Items impacting Partnership Capital |                                    |          |                  |          |                                  |          |                  |          |
| Net income                          | (61)                               | 98       | —                | —        | 58                               | 128      | —                | —        |
| Other comprehensive loss            | 17                                 | (18)     | —                | —        | (818)                            | (14)     | —                | —        |
| Ownership changes and other         | —                                  | 8        | —                | —        | 139                              | 362      | —                | —        |
| Distributions to unitholders        | (283)                              | (251)    | —                | —        | (565)                            | (501)    | —                | —        |
| Items impacting Invested Capital    |                                    |          |                  |          |                                  |          |                  |          |
| Preferred unit issuances, net       | —                                  | —        | —                | —        | —                                | —        | —                | 72       |
| Items impacting both metrics        |                                    |          |                  |          |                                  |          |                  |          |
| Equity issuances, net               | 3                                  | 2        | 3                | 2        | 5                                | (24)     | 5                | (24)     |
| Ending balance                      | \$ 5,948                           | \$ 6,380 | \$ 9,014         | \$ 8,204 | \$ 5,948                         | \$ 6,380 | \$ 9,014         | \$ 8,204 |
| Weighted averaged Invested Capital  | \$ —                               | \$ —     | \$ 9,011         | \$ 8,202 | \$ —                             | \$ —     | \$ 9,010         | \$ 8,192 |

1. Invested Capital includes a cumulative opening balance difference of \$2,739 and \$1,880 for the three and six-month periods ended June 30, 2020 (2019: \$1,661 and 1,727 for the three and six-month periods) due to maintenance capital expenditures, other comprehensive income and non-cash statement of operating results items since inception of the partnership

# Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

## RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF JUNE 30, 2020

| US\$ MILLIONS, UNAUDITED | Total Attributable to Brookfield Infrastructure |           |         |                     |           |                           | Contribution from investment in associates | Attributable to non-controlling interest | Working capital adjustment | As per IFRS financials <sup>1</sup> |
|--------------------------|---|-----------|---------|---------------------|-----------|---------------------------|--|--|----------------------------|-------------------------------------|
|                          | Utilities                                       | Transport | Energy  | Data Infrastructure | Corporate | Brookfield Infrastructure |  |  |                            |                                     |
| <b>Total assets</b>      | \$5,224   | \$5,780   | \$5,458 | \$2,114             | \$(1,111) | \$17,465                  | \$(2,762)                                  | \$28,970                                 | \$7,649                    | \$51,322                            |

## RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF DECEMBER 31, 2019

| US\$ MILLIONS, UNAUDITED | Total Attributable to Brookfield Infrastructure |           |         |                     |           |                           | Contribution from investment in associates | Attributable to non-controlling interest | Working capital adjustment | As per IFRS financials <sup>1</sup> |
|--------------------------|---|-----------|---------|---------------------|-----------|---------------------------|--|--|----------------------------|-------------------------------------|
|                          | Utilities                                       | Transport | Energy  | Data Infrastructure | Corporate | Brookfield Infrastructure |  |  |                            |                                     |
| <b>Total assets</b>      | \$5,825   | \$6,916   | \$5,589 | \$2,204             | \$(1,284) | \$19,250                  | \$(2,884)                                  | \$32,621                                 | \$7,321                    | \$56,308                            |

1. The above tables provide each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the Partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate assets to total assets presented on the Partnership's consolidated statements of financial position by removing net liabilities contained within investments in associates, reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities

# Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

## RECONCILIATION OF CONSOLIDATED DEBT TO PROPORTIONATE DEBT

| US\$ MILLIONS, UNAUDITED   | As of        |               |
|--|--------------|---------------|
|  | Jun 30, 2020 | Dec. 31, 2019 |
| Consolidated debt  | \$ 20,934    | \$ 21,019     |
| Add: proportionate share of debt of investment in associates                   |              |               |
| Utilities  | 420          | 455           |
| Transport  | 956          | 1,158         |
| Energy   | 968          | 972           |
| Data Infrastructure  | 711          | 688           |
| Add: proportionate share of debt directly associated with assets held for sale | 72           | 104           |
| Less: debt attributable to non-controlling interest <sup>1</sup>               | (10,115)     | (11,094)      |
| Premium on debt and cross currency swaps                                       | (1,040)      | (502)         |
| Proportionate debt   | \$ 12,906    | \$ 12,800     |

1. Includes draws made under Brookfield's private funds credit facility used to bridge acquisitions over period-end. Borrowings made under the facility are secured by limited partner commitments and are non-recourse to the Partnership

- **Funds from operations (FFO), adjusted funds from operations (AFFO), adjusted EBITDA, adjusted earnings, invested capital** and their per share equivalents, where applicable, are non-IFRS measures which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies
  - FFO, AFFO, adjusted earnings and invested capital are reconciled to Net Income and Partnership capital, respectively, the closest measures determined under IFRS on pages 35, 36 and 42, respectively
- **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
  - Brookfield Infrastructure uses FFO to assess its operating results
- **Adjusted EBITDA** is defined as FFO excluding the impact of interest expense, and other income or expenses
  - Brookfield Infrastructure uses Adjusted EBITDA as a measure of operating performance
- **Adjusted Earnings** is defined as net income attributable to our partnership, excluding the impact of depreciation and amortization expense from revaluing property, plant and equipment and the effects of purchase price accounting, mark-to-market on hedging items and disposition gains or losses
- **AFFO** is a measure of our long-term sustainable performance and is calculated as FFO less capital expenditures required to maintain the current performance of our operations (maintenance capital expenditures)
- **Invested capital** tracks the initial investment that we make in a business plus all cash flow that we re-invest in the business