

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

# Q3 2020 Supplemental --- Information

Third Quarter, September 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).*

# Q3 2020 Highlights

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## KEY PERFORMANCE METRICS

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

US\$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Funds from operations (FFO)	\$ 365	\$ 338	\$ 1,056	\$ 1,026
Per unit FFO <sup>1</sup>	0.79	0.73	2.27	2.29
Per unit FFO (prior to unit split) <sup>1</sup>	0.87	0.82	2.52	2.54
Distributions per unit <sup>1</sup>	0.485	0.452	1.455	1.356
Payout ratio <sup>2</sup>	78%	78%	80%	74%
Growth of per unit FFO	8%	15%	(1)%	10%
Adjusted funds from operations (AFFO)	285	261	851	822
Return on Invested Capital (ROIC) <sup>3</sup>	11%	11%	11%	12%
Net (loss) income <sup>4</sup>	5	82	63	210
Net (loss) income per limited partner unit <sup>5</sup>	(0.12)	0.06	(0.22)	0.13
Adjusted Earnings	144	126	414	435
Adjusted Earnings per unit <sup>1</sup>	0.31	0.27	0.89	0.97

## KEY BALANCE SHEET METRICS

US\$ MILLIONS, UNAUDITED	As of	
	Sep. 30, 2020	Dec. 31, 2019
Total assets	\$ 58,140	\$ 56,308
Corporate borrowings	2,897	2,475
Invested capital	9,211	9,009

1. Average units, adjusted for BIPC share split, for the three and nine-month periods ended September 30, 2020 of 464.9 million and 464.9 million (2019: 460.7 million and 448.9 million). Average units, prior to BIPC for the three and nine-month periods ended September 30, 2020 of 418.5 million and 418.4 million, respectively (2019: 414.6 million and 404.0 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 \$91 million for the three and nine-month periods ended September 30, 2020 (2019: \$28 million and \$81 million), divided by average invested capital

4. Includes net 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 nine-month periods ended September 30, 2020 of 295.3 million and 294.5 million (2019: 290.9 million and 282.9 million). Net (loss) income per limited partnership unit has been adjusted to reflect the dilutive impact of the special distribution

\$365

million of FFO

\$0.485

Distribution per unit

## PERFORMANCE HIGHLIGHTS

- Third quarter FFO of \$365 million, or \$0.79 per unit, increased 8% over the prior year
  - Results for the quarter benefited from strong operating results, capital deployed into each of our segments and realized gains on our financial asset portfolio
  - Ongoing economic recovery has benefited our U.K. regulated distribution business and toll road operations as volumes averaged 90-95% of planned levels
  - Quarterly results were impacted by a 26% decline in the Brazilian real which reduced FFO by \$30 million compared to the prior year
  - Payout ratio would have been 72% adjusting for the impact of a lower Brazilian real
- Split adjusted distribution of \$0.485 per unit represents an increase of 7% compared to prior year
- Net income decreased compared to the prior year as the benefits from organic growth and the contribution from recently completed acquisitions were more than offset by the impacts of a weaker Brazilian real and fair value adjustments related to our corporate hedging program
  - These mark-to-market adjustments reduced net income by ~\$60 million during the quarter, compared to gains of ~\$60 million recorded in the same period of 2019
- Total assets increased primarily as a result of recent acquisitions, which contributed ~\$6.4 billion, partially offset by the impacts foreign exchange and dispositions which reduced assets by ~\$2.8 billion and ~\$2.4 billion, respectively

## OPERATIONS

- Deployed ~\$230 million in growth capital expenditures to increase rate base in our utilities segment and add capacity at transport, energy and data operations
- Connection activity at our U.K. regulated distribution business averaged ~90% of planned levels as homebuilder activity continued to recover
  - The business also secured a major capital project of 9,500 new connections across our five utility offerings, and its largest district energy project to-date
- Traffic volumes at our toll roads continue to recover from economic shutdown related impacts; traffic was 5% below prior year, a significant improvement over the 25% year-over-year decline in the second quarter
  - Traffic volumes in October have fully recovered and are operating at pre-shutdown levels
- Our U.K. port operation received a favorable ruling in connection with an arbitration process with a large tenant, which increased annual rent by almost four times
- Received a positive draft regulatory decision at our Australian regulated terminal which proposes a transition to a more "light-handed" regime that would allow us to directly negotiate access charges with our users
- Our North American district energy operation closed several new growth initiatives during the quarter: (i) an exclusive agreement with Syracuse University, (ii) a large convention center in Denver, and (iii) five new capacity-based customer connections
  - These long-term contracts should provide incremental annual EBITDA of \$25 million (BIP's share – \$9 million) once fully commissioned

## GROWTH INITIATIVES

- Closed the acquisition of a newly constructed portfolio of 135,000 telecom towers in India for \$3.4 billion (BIP's share - ~\$600 million)
  - We expect to add 40,000 towers over the next two years as they are constructed
- Acquired an interest in world class U.S. LNG export facility for ~\$1.5 billion (BIP's share - ~\$425 million)

## FINANCING AND LIQUIDITY

- Liquidity at the corporate level currently stands at \$2.4 billion
- Progressing several sale processes that we expect to generate ~\$1.5 billion of additional liquidity
- Completed two corporate level financing initiatives which generated ~\$220 million of net proceeds
  - Raised C\$500 million of medium term-notes to opportunistically refinance a C\$450 million series of notes maturing in 2022
  - Completed the inaugural issuance of \$200 million of green preferred units

## 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 flows
  - 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 December 31, 2020 to unitholders of record as at the close of business on November 30, 2020. This quarterly distribution represents a 7% increase compared to the prior year
  - Distributions have grown at a **compound annual growth rate of 11%** over the last 10 years
- 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	\$1.40	\$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

## Distribution Profile (cont'd)

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*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 11%*

- 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 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 12 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, 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 &amp; Asia Pacific</li> <li>• North &amp; South America, Asia Pacific</li> </ul>

# Selected Income Statement and Balance Sheet Information

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 September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Net income by segment				
Utilities	\$ 71	\$ 85	\$ 183	\$ 269
Transport	44	16	21	39
Energy	13	18	52	59
Data Infrastructure	1	—	(7)	(9)
Corporate	(124)	(37)	(186)	(148)
Net income	\$ 5	\$ 82	\$ 63	\$ 210

### Adjusted EBITDA by segment

Utilities	\$ 185	\$ 190	\$ 552	\$ 561
Transport	171	174	482	547
Energy	150	128	441	378
Data Infrastructure	65	46	174	121
Corporate	(86)	(75)	(219)	(200)
Adjusted EBITDA	\$ 485	\$ 463	\$ 1,430	\$ 1,407

### FFO by segment

Utilities	\$ 139	\$ 145	\$ 415	\$ 425
Transport	135	128	363	402
Energy	115	100	336	303
Data Infrastructure	50	36	135	94
Corporate	(74)	(71)	(193)	(198)
FFO	\$ 365	\$ 338	\$ 1,056	\$ 1,026

## STATEMENTS OF FINANCIAL POSITION

US\$ MILLIONS, UNAUDITED	As of	
	Sep. 30, 2020	Dec. 31, 2019
Assets by segment		
Utilities	\$ 5,330	\$ 5,825
Transport	7,650	6,916
Energy	5,559	5,589
Data Infrastructure	3,141	2,204
Corporate	(1,959)	(1,284)
Total assets	\$ 19,721	\$ 19,250

### Net debt by segment

Utilities	\$ 3,528	\$ 3,647
Transport	4,072	2,925
Energy	2,606	2,461
Data Infrastructure	1,309	886
Corporate	2,462	2,202
Net debt	\$ 13,977	\$ 12,121

### Partnership capital by segment

Utilities	\$ 1,802	\$ 2,178
Transport	3,578	3,991
Energy	2,953	3,128
Data Infrastructure	1,832	1,318
Corporate	(4,421)	(3,486)
Partnership capital	\$ 5,744	\$ 7,129



# OPERATING SEGMENTS



## 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 ~5,300 km of transmission lines in Brazil, of which ~2,000 km are operational
- Regulated Distribution – ~6.7 million electricity and natural gas connections and ~1.5 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 September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Rate base	\$ 4,697	\$ 4,542	\$ 4,697	\$ 4,542
Funds from operations (FFO)	\$ 139	\$ 145	\$ 415	\$ 425
Maintenance capital	(2)	(4)	(11)	(12)
Adjusted funds from operations (AFFO)	\$ 137	\$ 141	\$ 404	\$ 413
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 transmission businesses and foreign exchange

- FFO of \$139 million in Q3'20 compared to \$145 million in the prior year
  - FFO benefited from inflation-indexation and capital commissioned into rate base over the last 12 months, as well as the contribution from a North American regulated 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, loss of earnings associated with two asset sales and the impact of a decline in the Brazilian real, which reduced U.S. dollar results by \$14 million

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

US\$ MILLIONS, UNAUDITED	Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Revenue	\$ 261	\$ 253	\$ 734	\$ 746
Connections revenue	23	32	73	86
Cost attributable to revenues	(99)	(95)	(255)	(271)
Adjusted EBITDA	185	190	552	561
Interest expense	(33)	(33)	(102)	(105)
Other expenses	(13)	(12)	(35)	(31)
Funds from operations (FFO)	139	145	415	425
Depreciation and amortization	(45)	(43)	(132)	(132)
Deferred taxes and other items	(23)	(17)	(100)	(24)
Net income	\$ 71	\$ 85	\$ 183	\$ 269

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$185 million and \$139 million, respectively, versus \$190 million and \$145 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 more than offset by the loss of earnings from the sale of our North American transmission operation and the impact of a decline in the Brazilian real
- Regulated Distribution: Adjusted EBITDA and FFO benefited from inflation-indexation and capital commissioned into rate base in the last 12 months
  - 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

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 September 30		Nine-Months Ended September 30		Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019	2020	2019	2020	2019
Regulated Transmission	\$ 69	\$ 75	\$ 218	\$ 228	\$ 52	\$ 58	\$ 164	\$ 175
Regulated Distribution	87	87	247	249	68	69	194	196
Regulated Terminal	29	28	87	84	19	18	57	54
Total	\$ 185	\$ 190	\$ 552	\$ 561	\$ 139	\$ 145	\$ 415	\$ 425

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

US\$ MILLIONS, UNAUDITED	For the three-month period ended September 30, 2020	For the nine-month period ended September 30, 2020	For the 12-month period ended December 31, 2019
Capital backlog, start of period	\$ 580	\$ 718	\$ 815
Impact of asset sales	(14)	(19)	—
Additional capital project mandates	26	183	432
Less: capital expenditures	(119)	(317)	(416)
Foreign exchange and other	35	(57)	(113)
Capital backlog, end of period	508	508	718
Construction work in progress	348	348	316
Total capital to be commissioned	\$ 856	\$ 856	1,034

US\$ MILLIONS, UNAUDITED	For the three-month period ended September 30, 2020	For the nine-month period ended September 30, 2020	For the 12-month period ended December 31, 2019
Rate base, start of period	\$ 4,602	\$ 5,116	\$ 4,511
Acquisitions	—	—	266
Impact of asset sales	(80)	(162)	—
Capital expenditures commissioned	97	206	302
Inflation and other indexation	13	45	187
Regulatory depreciation	(10)	(32)	(86)
Foreign exchange and other	75	(476)	(64)
Rate base, end of period	\$ 4,697	\$ 4,697	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 ~\$855 million of total capital to be commissioned into rate base; 17% decrease compared to year-end
  - New connection mandates awarded during the period and the impact of foreign exchange were more than offset by capital projects commissioned into rate base
  - 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 ~\$580 million and ~\$215 million of total projects, respectively

## RATE BASE

- Rate base decreased compared to year-end as the impact of 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 foreign exchange and asset sales

## SEGMENT OVERVIEW

- Provide transportation for freight, commodities and passengers
- 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 and an LNG export facility in the U.S.

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

US\$ MILLIONS, UNAUDITED	Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Growth capital expenditures	\$ 27	\$ 33	\$ 78	\$ 127
Adjusted EBITDA margin	54 %	56 %	52 %	51 %
Funds from operations (FFO)	135	128	363	402
Maintenance capital	(30)	(35)	(93)	(116)
Adjusted funds from operations (AFFO)	\$ 105	\$ 93	\$ 270	\$ 286

- FFO of \$135 million in Q3'20 compared to \$128 million in the prior year
  - Results benefited from higher volumes on our Australian and Brazilian rail networks, a favorable arbitration settlement at our U.K. port operation and the contribution from our North American rail operation acquired in December 2019
  - These positive factors were partially offset by economic shutdown related traffic declines at our toll road businesses, the loss of earnings associated with the partial sale of our Chilean toll road operation and a decline in the Brazilian real, which reduced results by \$16 million

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

US\$ MILLIONS, UNAUDITED	Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Revenue	\$ 319	\$ 312	\$ 927	\$ 1,087
Cost attributable to revenues	(148)	(138)	(445)	(540)
Adjusted EBITDA	171	174	482	547
Interest expense	(30)	(47)	(121)	(147)
Other (expense) income	(6)	1	2	2
Funds from operations (FFO)	135	128	363	402
Depreciation and amortization	(86)	(79)	(252)	(264)
Deferred taxes and other items	(5)	(33)	(90)	(99)
Net income	\$ 44	\$ 16	\$ 21	\$ 39

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$171 million and \$135 million, respectively, versus \$174 million and \$128 million, respectively, in the prior year
  - Rail: Adjusted EBITDA and FFO increased due to higher volumes moved on our rail networks in Brazil and Australia, in addition to 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 decreased as a result of a partial sale of our Chilean toll road operation, the planned hand-back of a state concession at our Brazilian toll road operation, government restrictions on traffic flows and the impact of a lower Brazilian real
  - Ports: Adjusted EBITDA and FFO benefited from strong shipping volumes at our North American port operation and a favorable arbitration with a large tenant at our U.K. operations that increased annual rent by almost four times

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 September 30		Nine-Months Ended September 30		Three-Months Ended September 30		Nine-months ended September 30	
	2020	2019	2020	2019	2020	2019	2020	2019
Rail	\$ 85	\$ 67	\$ 245	\$ 211	\$ 71	\$ 51	\$ 196	\$ 161
Toll Roads	52	82	159	236	34	58	104	168
Ports	34	25	78	100	30	19	63	73
Total	\$ 171	\$ 174	\$ 482	\$ 547	\$ 135	\$ 128	\$ 363	\$ 402

## 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 period ended September 30, 2020	For the nine-month period ended September 30, 2020	For the 12-month period ended December 31, 2019
Capital backlog, start of period	\$ 298	\$ 357	\$ 500
Impact of acquisitions	61	67	—
Additional capital project mandates	30	70	77
Less: capital expenditures	(27)	(78)	(162)
Foreign exchange and other	—	(54)	(58)
Capital backlog, end of period	\$ 362	\$ 362	\$ 357
Construction work in progress	294	294	184
Total capital to be commissioned	\$ 656	\$ 656	\$ 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 expanding, 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 ~\$415 million and ~\$225 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 3,290,000 pounds per hour of heating and 320,000 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 September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Growth capital expenditures	\$ 56	\$ 55	\$ 185	\$ 138
Adjusted EBITDA margin <sup>1</sup>	54 %	49 %	54 %	50 %
Funds from operations (FFO)	115	100	336	303
Maintenance capital	(42)	(34)	(82)	(68)
Adjusted funds from operations (AFFO)	\$ 73	\$ 66	\$ 254	\$ 235

1. Adjusted EBITDA margin is adjusted EBITDA divided by revenues

- FFO of \$115 million in Q3'20 increased from \$100 million in the prior year
  - FFO increased over the prior year due to new long-term rental contracts secured at our North American residential infrastructure business, higher spreads at our gas storage operations and the contribution from the acquisition of the federally regulated portion of our western Canadian midstream 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 September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Revenue	\$ 280	\$ 260	\$ 823	\$ 761
Cost attributable to revenues	(130)	(132)	(382)	(383)
Adjusted EBITDA	150	128	441	378
Interest expense	(35)	(33)	(105)	(94)
Other income	—	5	—	19
Funds from operations (FFO)	115	100	336	303
Depreciation and amortization	(63)	(62)	(190)	(186)
Deferred taxes and other items	(39)	(20)	(94)	(58)
Net income	\$ 13	\$ 18	\$ 52	\$ 59

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$150 million and \$115 million, respectively, versus \$128 million and \$100 million, respectively, in the prior year
  - Natural Gas Midstream: Increase in adjusted EBITDA and FFO due to incremental earnings associated with the acquisition of the federally regulated portion of our western Canadian midstream business and higher spreads at our storage operations
  - Distributed Energy: Adjusted EBITDA and FFO were flat as the benefit from new long-term rental contracts secured at our North American residential infrastructure business was offset by the loss of income associated with the sale of our Australian district energy operation

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 September 30		Nine-Months Ended September 30		Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019	2020	2019	2020	2019
Natural Gas Midstream	\$ 103	\$ 83	\$ 318	\$ 261	\$ 76	\$ 61	\$ 233	\$ 204
Distributed Energy	47	45	123	117	39	39	103	99
Total	\$ 150	\$ 128	\$ 441	\$ 378	\$ 115	\$ 100	\$ 336	\$ 303

## 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 September 30, 2020	For the nine-month period ended September 30, 2020	For the 12-month period ended December 31, 2019
Capital backlog, start of period	\$ 249	\$ 317	\$ 290
Additional capital project mandates	28	108	232
Less: capital expenditures	(56)	(185)	(187)
Foreign exchange and other	(5)	(24)	(18)
Capital backlog, end of period	\$ 216	\$ 216	\$ 317
Construction work in progress	177	177	132
Total capital to be commissioned	\$ 393	\$ 393	\$ 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 ~\$175 million within our Natural Gas Midstream operations and ~\$215 million in our Distributed Energy segment
  - Natural Gas Midstream projects include:
    - ~\$115 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
    - ~\$60 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 ~\$80 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 fiber optic cable in New Zealand
  - ~2,100 active telecom towers and 70 distributed antenna systems, primarily in the U.K. and 135,000 operational telecom towers in India
- Data Storage
  - 53 data centers, with ~1.6 million square feet of raised floors and 191 megawatts of critical load capacity

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

US\$ MILLIONS, UNAUDITED	Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Growth capital expenditures	\$ 26	\$ 33	\$ 84	\$ 74
Adjusted EBITDA margin <sup>1</sup>	53 %	51 %	52 %	55 %
Funds from operations (FFO)	50	36	135	94
Maintenance capital	(6)	(4)	(19)	(8)
Adjusted funds from operations (AFFO)	\$ 44	\$ 32	\$ 116	\$ 86

1. Adjusted EBITDA margin is adjusted EBITDA divided by revenues

- FFO of \$50 million in Q3'20 compared to \$36 million in prior year
  - Results increased due to inflation-indexation and new points-of-presence added at our French telecom operations, as well as the contribution from capital deployed in the last 12 months
    - Results include the initial contribution from our Indian telecom acquisition, which closed on August 30, 2020, and the impacts from the acquisition of a data distribution business in New Zealand and a telecom tower business the U.K., completed in the second half of 2019

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

US\$ MILLIONS, UNAUDITED	Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Revenue	\$ 122	\$ 91	\$ 335	\$ 220
Cost attributable to revenues	(57)	(45)	(161)	(99)
Adjusted EBITDA	65	46	174	121
Interest expense	(15)	(12)	(39)	(31)
Other income	—	2	—	4
Funds from operations (FFO)	50	36	135	94
Depreciation and amortization	(45)	(35)	(134)	(90)
Deferred taxes and other items	(4)	(1)	(8)	(13)
Net income (loss)	\$ 1	\$ —	\$ (7)	\$ (9)

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$65 million and \$50 million, respectively, versus \$46 million and \$36 million, respectively, in the prior year
  - Data Transmission & Distribution: Adjusted EBITDA and FFO increased due to inflation-indexation and 230 new sites added from our build-to-suit tower program at our French telecom business, the contribution from recently acquired telecom businesses located in India, New Zealand and the U.K. and higher rates on Euro denominated FFO hedge contracts
  - Data Storage: Adjusted EBITDA and FFO decreased as the contribution from capital commissioned within our South American operation was more than offset by lower sales at our U.S. operation

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 September 30		Nine-Months Ended September 30		Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019	2020	2019	2020	2019
Data Transmission & Distribution	\$ 52	\$ 32	\$ 135	\$ 82	\$ 42	\$ 27	\$ 111	\$ 69
Data Storage	13	14	39	39	8	9	24	25
Total	\$ 65	\$ 46	\$ 174	\$ 121	\$ 50	\$ 36	\$ 135	\$ 94

## 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 period ended September 30, 2020	For the nine-month period ended September 30, 2020	For the 12-month period ended December 31, 2019
Capital backlog, start of period	\$ 191	\$ 152	200
Impact of acquisitions	144	144	27
Additional capital project mandates	36	129	59
Less: capital expenditures	(26)	(84)	(104)
Foreign exchange and other	12	16	(30)
Capital backlog, end of period	\$ 357	\$ 357	152
Construction work in progress	48	48	41
Total capital to be commissioned	\$ 405	\$ 405	193

- Capital to be commissioned includes ~\$345 million within our Data Transmission and Distribution segment and ~\$60 million at our Data Storage operations:
  - Data Transmission & Distribution: Includes ~\$155 million related to our fiber-to-the-home roll-out and ~\$145 million related to the build-out of additional contracted towers at our Indian telecom towers business
  - 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 September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
General and administrative costs	\$ (3)	\$ (2)	\$ (8)	(6)
Base management fee	(83)	(73)	(211)	(194)
Adjusted EBITDA	(86)	(75)	(219)	(200)
Other income	35	24	94	64
Financing costs	(23)	(20)	(68)	(62)
Funds from operations (FFO)	(74)	(71)	(193)	(198)
Deferred taxes and other items	(50)	34	7	50
Net loss	\$ (124)	\$ (37)	\$ (186)	(148)

## 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
  - Base management fee increased over the prior year due to a higher unit price and capital market activity used to fund new growth initiatives
- Other income includes interest and dividend income, as well as realized gains or losses earned on corporate financial assets
- Corporate financing costs include interest expense and standby fees on our committed credit facility, less interest earned on cash balances

Total liquidity was \$3.9 billion at September 30, 2020, comprised of the following:

US\$ MILLIONS, UNAUDITED	As of	
	Sep. 30, 2020	Dec. 31, 2019
Corporate cash and financial assets	\$ 435	\$ 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>	(607)	(820)
Commitments under corporate credit facility	(58)	(54)
Deposit from parent <sup>2</sup>	(545)	—
Proportionate cash retained in businesses	492	406
Proportionate availability under subsidiary credit facilities	748	687
<b>Total liquidity</b>	<b>\$ 3,940</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 September 30, 2020, draws of \$607 million were outstanding under our committed corporate credit facility and our temporary bulge facility was undrawn
2. Brookfield Infrastructure, from time to time, will place deposits with, or receive deposits from Brookfield. The deposit bears interest at market rates and was provided to Brookfield Infrastructure to utilize excess cash held by the parent to repay Brookfield Infrastructure's draws on the corporate credit facility

- 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
- Following the redemption of C\$450 million of medium term notes on October 6, 2020 our current liquidity is \$3.6 billion, including \$2.4 billion at the corporate level

# 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 September 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>	8	\$ —	—	—	—	525	1,427	<b>1,952</b>
<b>Total recourse borrowings<sup>1</sup></b>	<b>8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>525</b>	<b>1,427</b>	<b>1,952</b>
<b>Utilities</b>								
Regulated Transmission	11	5	33	19	278	53	358	<b>746</b>
Regulated Distribution	10	—	41	—	286	31	1,541	<b>1,899</b>
Regulated Terminal <sup>2</sup>	6	—	—	92	182	217	521	<b>1,012</b>
	9	5	74	111	746	301	2,420	<b>3,657</b>
<b>Transport</b>								
Rail	4	5	134	167	189	250	548	<b>1,293</b>
Toll Roads	8	19	171	143	102	118	517	<b>1,070</b>
Ports <sup>2</sup>	5	1	5	150	101	678	1,049	<b>1,984</b>
	5	25	310	460	392	1,046	2,114	<b>4,347</b>
<b>Energy</b>								
Natural Gas Midstream <sup>2</sup>	6	5	30	376	190	284	1,003	<b>1,888</b>
Distributed Energy	17	33	57	53	40	90	468	<b>741</b>
	9	38	87	429	230	374	1,471	<b>2,629</b>
<b>Data Infrastructure</b>								
Data Transmission & Distribution	7	—	—	196	42	307	556	<b>1,101</b>
Data Storage	4	—	50	24	49	2	148	<b>273</b>
	6	—	50	220	91	309	704	<b>1,374</b>
<b>Total non-recourse borrowings<sup>2,3</sup></b>	<b>7</b>	<b>68</b>	<b>521</b>	<b>1,220</b>	<b>1,459</b>	<b>2,030</b>	<b>6,709</b>	<b>12,007</b>
<b>Total borrowings<sup>1,2</sup></b>	<b>8</b>	<b>\$ 68</b>	<b>\$ 521</b>	<b>\$ 1,220</b>	<b>\$ 1,459</b>	<b>\$ 2,555</b>	<b>\$ 8,136</b>	<b>\$ 13,959</b>
		— %	4 %	9 %	10 %	18 %	59 %	100 %

1. Total borrowings, recourse borrowings and the average term to maturity are presented on a pro-forma basis to exclude draws of \$607 million on our corporate credit facilities and following the October 2020 redemption of a C\$450 million medium-term note

2. Borrowings and average term to maturity within our regulated terminal, ports and natural gas midstream sub-segments are presented on a pro-forma basis to reflect refinancings completed subsequent to quarter-end

# Proportionate Net Debt

The following table presents proportionate net debt by operating segment:

US\$ MILLIONS, UNAUDITED	As of	
	Sep. 30, 2020	Dec. 31, 2019
Non-recourse borrowings		
Utilities	\$ 3,657	\$ 3,813
Transport	4,347	3,090
Energy	2,629	2,491
Data Infrastructure	1,374	931
Corporate	2,897	2,475
<b>Total borrowings</b>	<b>\$ 14,904</b>	<b>\$ 12,800</b>
Cash retained in businesses		
Utilities	\$ 129	\$ 166
Transport	275	165
Energy	23	30
Data Infrastructure	65	45
Corporate	435	273
<b>Total cash retained</b>	<b>\$ 927</b>	<b>\$ 679</b>
Net debt		
Utilities	\$ 3,528	\$ 3,647
Transport	4,072	2,925
Energy	2,606	2,461
Data Infrastructure	1,309	886
Corporate	2,462	2,202
<b>Total net debt</b>	<b>\$ 13,977</b>	<b>\$ 12,121</b>

- The weighted average cash interest rate payable was 4.6% for the overall business, in which our utilities, transport, energy, data infrastructure and corporate segments were 3.8%, 5.2%, 5.1%, 4.8% and 4.0%, 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	
	Sep. 30, 2020	Dec. 31, 2019
Partnership units outstanding, end of period <sup>1</sup>	420.0	418.3
Price <sup>1</sup>	\$ 47.62	\$ 49.99
Partnership Market Capitalization	20,000	20,911
Class A Shares of BIPC outstanding	44.9	—
Price	\$ 55.39	\$ —
BIPC Market Capitalization	2,487	—
Combined Market Capitalization	22,487	20,911
Preferred units	1,202	1,007
Proportionate net debt	13,977	12,121
Enterprise Value (EV)	\$ 37,666	\$ 34,039
Proportionate Net Debt to Capitalization (based on market value)	37 %	36 %
Proportionate Net Debt to Capitalization (based on invested capital)	60 %	57 %
Corporate Borrowings to Capitalization (based on invested capital)	12 %	12 %

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

US\$ MILLIONS, UNAUDITED	Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
FFO	\$ 365	\$ 338	\$ 1,056	\$ 1,026
Maintenance Capital	(80)	(77)	(205)	(204)
Return of Capital	(30)	(28)	(91)	(81)
Adjusted AFFO	255	233	760	741
Weighted Average Invested Capital	\$ 9,034	\$ 8,855	\$ 9,018	\$ 8,414
Return on Invested Capital (ROIC) <sup>2</sup>	11 %	11 %	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	<b>4,703</b>
Growth capital expenditures (net of non-recourse debt financing)	420	441	372	<b>1,233</b>
Total Growth Initiatives	2,322	1,481	2,133	<b>5,936</b>
Cash raised in capital markets	(1,341)	(608)	(940)	<b>(2,889)</b>
Proceeds from asset sales	—	(1,033)	(1,040)	<b>(2,073)</b>
Net funding from retained cash flows and credit facility draws	\$ <b>981</b>	\$ <b>(160)</b>	\$ <b>153</b>	<b>974</b>

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

# Foreign Currency Hedging Strategy

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 September 30, 2020:

US\$ MILLIONS, UNAUDITED	Net Investment Hedges									
	USD <sup>1</sup>	AUD	NZD	GBP	BRL	CAD <sup>1</sup>	EUR	PEN	INR	Other
Gross equity investment – US\$	\$ 3,476	1,098	152	1,602	1,526	1,189	780	109	736	124
Corporate Items – US\$	(3,846)	—	—	—	—	—	—	—	—	—
Equity investment	(370)	1,098	152	1,602	1,526	1,189	780	109	736	124
FX contracts – US\$	\$ 3,844	(987)	(152)	(783)	—	(1,092)	(713)	(12)	—	(105)
Net unhedged – US\$	3,474	111	—	819	1,526	97	67	97	736	19
% of equity investment hedged	N/A	90%	100%	49%	—%	92%	91%	11%	—%	85%

1. USD corporate items this includes medium-term notes, draws on our revolving credit facility, U.S. denominated preferred shares and the deposit from our parent

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

- As at September 30, 2020, 50% 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 threemonths ended September 30, 2020, 21%, 16%, 19%, 20% and 24% of our pre-corporate FFO was generated in USD, AUD, GBP, BRL, and other, respectively
- Due to our FFO hedging program approximately 75% 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 September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Funds from operations (FFO)	\$ 365	\$ 338	\$ 1,056	\$ 1,026
Maintenance capital	(80)	(77)	(205)	(204)
Funds available for distribution (AFFO)	285	261	851	822
Distributions paid	(283)	(263)	(848)	(764)
Funds available for reinvestment	2	(2)	3	58
Growth capital expenditures	(228)	(236)	(664)	(646)
Debt funding of growth capex	139	124	377	277
Non-recourse debt issuances (repayments)	4	40	130	(42)
Proceeds from capital recycling	57	—	315	502
New investments	(976)	(257)	(976)	(731)
Draws (net of repayments) on corporate credit facility	(603)	578	(212)	68
Partnership unit issuances, net of repurchases	2	803	7	779
Proceeds from debt issuances	382	—	657	—
Preferred unit and preferred shares issued, net of repurchases	195	—	195	72
Deposit received from (repaid to) parent	545	(823)	545	—
Impact of foreign currency movements	(2)	(27)	(54)	(17)
Changes in working capital and other	21	(218)	(75)	(272)
Change in proportionate cash	(462)	(18)	248	48
Opening, proportionate cash	1,389	708	679	642
Closing, proportionate cash	\$ 927	\$ 690	\$ 927	\$ 690

- 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 September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Growth capital expenditures by segment				
Utilities	\$ 119	\$ 115	\$ 317	\$ 307
Transport	27	33	78	127
Energy	56	55	185	138
Data Infrastructure	26	33	84	74
<b>Total</b>	<b>\$ 228</b>	<b>\$ 236</b>	<b>\$ 664</b>	<b>\$ 646</b>

US\$ MILLIONS, UNAUDITED	Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Maintenance capital expenditures by segment				
Utilities	\$ 2	\$ 4	\$ 11	\$ 12
Transport	30	35	93	116
Energy	42	34	82	68
Data Infrastructure	6	4	19	8
<b>Total</b>	<b>\$ 80</b>	<b>\$ 77</b>	<b>\$ 205</b>	<b>\$ 204</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	
	Sep. 30, 2020	Dec. 31, 2019
Redeemable partnership units	122.0	122.0
Limited partnership units	295.3	293.5
Exchange LP units <sup>1</sup>	1.1	1.2
General partnership units	1.6	1.6
Class A shares of BIPC	44.9	—
<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 September 30, 2020, 1.4 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 \$41 million in the prior year as a result of the 7% increase in our distribution on partnership units since 2019
- 62 million preferred units outstanding at September 30, 2020; 54 million were issued at par value of C\$25 per unit, 8 million were issued at par value of USD \$25
  - During the three-months ended September 30, 2020, preferred unit distributions of \$12 million were paid

1. As at September 30, 2020, 4.8 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 September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Net income attributable to partnership <sup>1</sup>	\$ 5	\$ 82	\$ 63	\$ 210
Add back or deduct the following:				
Depreciation and amortization	239	219	708	673
Deferred income taxes	3	10	38	31
Mark-to-market on hedging items and other	118	27	247	112
FFO	365	338	1,056	1,026
Maintenance capital expenditures	(80)	(77)	(205)	(204)
AFFO	\$ 285	\$ 261	\$ 851	\$ 822

1. Includes net 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

## RECONCILIATION OF NET INCOME TO ADJUSTED EARNINGS

US\$ MILLIONS, UNAUDITED	Three-Months Ended September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Net (loss) income attributable to partnership <sup>1</sup>	\$ 5	\$ 82	\$ 63	\$ 210
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting	118	102	354	308
Mark-to-market on hedging items and other	49	(58)	61	(62)
Gain on sale of subsidiaries or ownership changes	(28)	—	(64)	(21)
Adjusted Earnings	\$ 144	\$ 126	\$ 414	\$ 435

1. Includes net 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 September 30		Nine-Months Ended September 30	
	2020	2019	2020	2019
Net (loss) income per limited partnership unit <sup>1</sup>	\$ (0.12)	\$ 0.06	\$ (0.22)	\$ 0.13
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting	0.25	0.23	0.76	0.69
Mark-to-market on hedging items and other	0.24	(0.02)	0.49	0.20
Gain on sale of subsidiaries or ownership changes	(0.06)	—	(0.14)	(0.05)
Adjusted Earnings per unit <sup>2</sup>	\$ 0.31	\$ 0.27	\$ 0.89	\$ 0.97

1. Average limited partnership units outstanding on a time weighted average basis for the three and nine-month periods ended September 30, 2020 of 295.3 million and 294.5 million, respectively (2019: 290.9 million and 282.9 million for the three and nine-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 nine-month periods ended September 30, 2020 of 464.9 million and 464.9 million, respectively (2019: 460.7 million and 448.9 million for the three and nine-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 SEPTEMBER 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	\$ 284	\$ 319	\$ 280	\$ 122	\$ —	\$ 1,005	\$ (314)	\$ 1,518	\$ 2,209
Costs attributed to revenues	(99)	(148)	(130)	(57)	—	(434)	134	(885)	(1,185)
General and administrative costs	—	—	—	—	(86)	(86)	—	—	(86)
<b>Adjusted EBITDA</b>	<b>185</b>	<b>171</b>	<b>150</b>	<b>65</b>	<b>(86)</b>	<b>485</b>	<b>(180)</b>	<b>633</b>	
Other (expense) income	(13)	(6)	—	—	35	16	14	(35)	(5)
Interest expense	(33)	(30)	(35)	(15)	(23)	(136)	27	(169)	(278)
<b>FFO</b>	<b>139</b>	<b>135</b>	<b>115</b>	<b>50</b>	<b>(74)</b>	<b>365</b>	<b>(139)</b>	<b>429</b>	
Depreciation and amortization	(45)	(86)	(63)	(45)	—	(239)	98	(270)	(411)
Deferred taxes	(16)	(5)	(5)	8	15	(3)	3	2	2
Mark-to-market on hedging items and other	(7)	—	(34)	(12)	(65)	(118)	21	(18)	(115)
Share of earnings from associates	—	—	—	—	—	—	17	—	17
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(143)	(143)
<b>Net income (loss) attributable to partnership<sup>1</sup></b>	<b>\$ 71</b>	<b>\$ 44</b>	<b>\$ 13</b>	<b>\$ 1</b>	<b>\$ (124)</b>	<b>\$ 5</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 5</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 THREE-MONTHS ENDED SEPTEMBER 30, 2019 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	\$ 285	\$ 312	\$ 260	\$ 91	\$ —	\$ 948	\$ (329)	\$ 1,045	\$ 1,664
Costs attributed to revenues	(95)	(138)	(132)	(45)	—	(410)	139	(579)	(850)
General and administrative costs	—	—	—	—	(75)	(75)	—	—	(75)
<b>Adjusted EBITDA</b>	190	174	128	46	(75)	463	(190)	466	
Other (expense) income	(12)	1	5	2	24	20	4	(25)	(1)
Interest expense	(33)	(47)	(33)	(12)	(20)	(145)	41	(125)	(229)
<b>FFO</b>	145	128	100	36	(71)	338	(145)	316	
Depreciation and amortization	(43)	(79)	(62)	(35)	—	(219)	92	(190)	(317)
Deferred taxes	(12)	3	(3)	2	—	(10)	6	1	(3)
Mark-to-market on hedging items and other	(5)	(36)	(17)	(3)	34	(27)	11	(4)	(20)
Share of earnings from associates	—	—	—	—	—	—	36	—	36
Net income attributable to non- controlling interest	—	—	—	—	—	—	—	(123)	(123)
<b>Net income (loss) attributable to partnership<sup>1</sup></b>	\$ 85	\$ 16	\$ 18	\$ —	\$ (37)	\$ 82	\$ —	\$ —	\$ 82

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 NINE-MONTHS ENDED  
SEPTEMBER 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	\$ 807	\$ 927	\$ 823	\$ 335	\$ —	\$ 2,892	\$ (941)	\$ 4,400	\$ 6,351
Costs attributed to revenues	(255)	(445)	(382)	(161)	—	(1,243)	401	(2,645)	(3,487)
General and administrative costs	—	—	—	—	(219)	(219)	—	—	(219)
<b>Adjusted EBITDA</b>	<b>552</b>	<b>482</b>	<b>441</b>	<b>174</b>	<b>(219)</b>	<b>1,430</b>	<b>(540)</b>	<b>1,755</b>	
Other (expense) income	(35)	2	—	—	94	61	11	(99)	(27)
Interest expense	(102)	(121)	(105)	(39)	(68)	(435)	115	(487)	(807)
<b>FFO</b>	<b>415</b>	<b>363</b>	<b>336</b>	<b>135</b>	<b>(193)</b>	<b>1,056</b>	<b>(414)</b>	<b>1,169</b>	
Depreciation and amortization	(132)	(252)	(190)	(134)	—	(708)	301	(779)	(1,186)
Deferred taxes	(70)	8	(11)	27	8	(38)	1	(17)	(54)
Mark-to-market on hedging items and other	(30)	(98)	(83)	(35)	(1)	(247)	36	(106)	(317)
Share of earnings from associates	—	—	—	—	—	—	76	—	76
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(267)	(267)
<b>Net income (loss) attributable to partnership<sup>1</sup></b>	<b>\$ 183</b>	<b>\$ 21</b>	<b>\$ 52</b>	<b>\$ (7)</b>	<b>\$ (186)</b>	<b>\$ 63</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 63</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 NINE-MONTHS ENDED  
SEPTEMBER 30, 2019  
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	\$ 832	\$ 1,087	\$ 761	\$ 220	\$ —	\$ 2,900	\$ (1,066)	\$ 3,108	\$ 4,942
Costs attributed to revenues	(271)	(540)	(383)	(99)	—	(1,293)	496	(1,691)	(2,488)
General and administrative costs	—	—	—	—	(200)	(200)	—	—	(200)
<b>Adjusted EBITDA</b>	561	547	378	121	(200)	1,407	(570)	1,417	
Other (expense) income	(31)	2	19	4	64	58	6	(78)	(14)
Interest expense	(105)	(147)	(94)	(31)	(62)	(439)	128	(371)	(682)
<b>FFO</b>	425	402	303	94	(198)	1,026	(436)	968	
Depreciation and amortization	(132)	(264)	(186)	(90)	(1)	(673)	295	(554)	(932)
Deferred taxes	(52)	14	(2)	5	4	(31)	16	1	(14)
Mark-to-market on hedging items and other	28	(113)	(56)	(18)	47	(112)	37	(1)	(76)
Share of earnings from associates	—	—	—	—	—	—	88	—	88
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(414)	(414)
<b>Net income (loss) attributable to partnership<sup>1</sup></b>	\$ 269	\$ 39	\$ 59	\$ (9)	\$ (148)	\$ 210	\$ —	\$ —	\$ 210

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 September 30				For the nine-months ended September 30			
	Partnership Capital		Invested Capital		Partnership Capital		Invested Capital	
	2020	2019	2020	2019	2020	2019	2020	2019
Opening balance <sup>1</sup>	\$ 5,948	\$ 6,380	\$ 9,014	\$ 8,204	\$ 7,129	\$ 6,429	\$ 9,009	\$ 8,156
Items impacting Partnership Capital								
Net income	5	82	—	—	63	210	—	—
Other comprehensive income (loss)	82	(312)	—	—	(736)	(326)	—	—
Ownership changes and other	(10)	—	—	—	129	362	—	—
Distributions to unitholders	(283)	(263)	—	—	(848)	(764)	—	—
Items impacting Invested Capital								
Preferred unit issuances, net	—	—	195	—	—	—	195	72
Items impacting both metrics								
Equity issuances, net	2	803	2	803	7	779	7	779
Ending balance	\$ 5,744	\$ 6,690	\$ 9,211	\$ 9,007	\$ 5,744	\$ 6,690	\$ 9,211	\$ 9,007
Weighted averaged Invested Capital	\$ —	\$ —	\$ 9,034	\$ 8,855	\$ —	\$ —	\$ 9,018	\$ 8,414

1. Invested Capital includes a cumulative opening balance difference of \$3,066 and \$1,880 for the three and nine-month periods ended September 30, 2020 (2019: \$1,824 and 1,727 for the three and nine-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 SEPTEMBER 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>	\$5,330	\$7,650	\$5,559	\$3,141	\$(1,959)	\$19,721	\$(4,149)	\$35,417	\$7,151	\$58,140

## 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 CONSOLIDATED DEBT TO PROPORTIONATE DEBT

US\$ MILLIONS, UNAUDITED	As of	
	Sep. 30, 2020	Dec. 31, 2019
Consolidated debt	\$ 23,486	\$ 21,019
Add: proportionate share of debt of investment in associates		
Utilities	445	455
Transport	2,480	1,158
Energy	987	972
Data Infrastructure	738	688
Add: proportionate share of debt directly associated with assets held for sale	—	104
Less: debt attributable to non-controlling interest <sup>1</sup>	(12,751)	(11,094)
Premium on debt and cross currency swaps	(481)	(502)
Proportionate debt	\$ 14,904	\$ 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