

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF JUNE 30, 2025 AND DECEMBER 31, 2024 AND
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is the responsibility of management of Brookfield Infrastructure Corporation (our "company"). This MD&A is dated August 6, 2025 and has been approved by the Board of Directors of our company for issuance as of that date. The Board of Directors carries out its responsibility for review of this document principally through its audit committee, comprised exclusively of independent directors. The audit committee reviews and, prior to its publication, approves this MD&A, pursuant to the authority delegated to it by the Board of Directors. The terms "we," "us" and "our" refer to Brookfield Infrastructure Corporation, and our company's direct and indirect operating entities as a group. This MD&A should be read in conjunction with our company's most recently issued annual and interim financial statements. Additional information is available on our website at bip.brookfield.com/bipc, on SEDAR+'s website at www.sedarplus.com and on EDGAR's website at www.sec.gov.

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

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

Basis of Presentation

Our unaudited interim condensed and consolidated financial statements as of June 30, 2025 and December 31, 2024 and for the three and six-month periods ended June 30, 2025 and 2024 ("interim financial statements") are prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Our interim financial statements include the accounts of our company and the entities over which it has control. Our company accounts for investments over which it exercises significant influence, but does not control, using the equity method. All dollar references, unless otherwise stated, are in millions of United States dollars ("USD").

Overview of our Company

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

Our business is comprised of a U.K. regulated distribution operation, a Brazilian regulated natural gas transmission operation and a global intermodal logistics operation. These businesses earn a return on a regulated or notionally stipulated asset base, which we refer to as rate base, or from revenues in accordance with long-term agreements. Our rate base increases with capital that we invest to upgrade and expand our systems. Depending on the jurisdiction, our rate base may also increase by inflation and maintenance capital expenditures and decrease by regulatory depreciation. The return that we earn is typically determined by a regulator for prescribed periods of time. Thereafter, it may be subject to customary reviews based upon established criteria. Our diversified portfolio of assets allows us to mitigate exposure to any single regulatory regime. In addition, due to the franchise frameworks and economies of scale of our businesses, we often have significant competitive advantages in competing for projects to expand our rate base and earn incremental revenues. Accordingly, we expect our business to produce stable revenue and margins over time that should increase with investment of additional capital and inflation. Nearly all of our revenues are regulated or contractual.

Our company, our subsidiaries and Brookfield Infrastructure (collectively, our “group”), target a total return of 12% to 15% per annum on the infrastructure assets that it owns, measured over the long term. Our group intends to generate this return from the in-place cash flows from our operations plus growth through investments in upgrades and expansions of our asset base, as well as acquisitions.

Dividend Policy

The partnership’s distributions are underpinned by stable, highly regulated and contracted cash flows generated from operations. The board of directors of the general partner of the partnership approved a 6% increase in the partnership’s quarterly distribution to \$0.43 per unit (or \$1.72 per unit annualized), starting with the distribution paid in March 2025. This increase reflects the forecasted contribution from the partnership’s recently commissioned capital projects, as well as, the expected cash yield on recent acquisitions. The partnership targets 5% to 9% annual distribution increase in light of growth it foresees in its operations.

Our board may declare dividends at its discretion. However, each of our exchangeable shares has been structured with the intention of providing an economic return equivalent to one unit of the partnership. It is expected that dividends on our exchangeable shares will be declared and paid at the same time and in the same amount as distributions are declared and paid on the units of the partnership. Accordingly, our board approved an equivalent quarterly dividend of \$0.43 per exchangeable share (or \$1.72 per exchangeable share annualized), starting with the dividend to be paid in March 2025.

RESULTS OF OPERATIONS

The following table summarizes the key financial results of our company for the three and six-month periods ended June 30, 2025 and 2024:

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2025	2024	2025	2024
Summary Statements of Operating Results				
Revenues	\$ 866	\$ 908	\$ 1,795	\$ 1,810
Direct operating costs	(303)	(329)	(658)	(668)
Interest expense	(267)	(259)	(540)	(498)
Remeasurement of financial liability associated with our exchangeable shares	(550)	498	(243)	535
Other (expense) income	(14)	(44)	255	(70)
Income tax expense	(102)	(99)	(197)	(198)
Net (loss) income	(309)	643	453	840
Net (loss) income attributable to the partnership	(477)	491	(88)	519

Three-month periods ended June 30, 2025 and 2024

For the three-month period ended June 30, 2025, our company reported net loss of \$309 million, of which \$477 million was attributable to the partnership. This compares to net income of \$643 million for the three-month period ended June 30, 2024, of which \$491 million was attributable to the partnership. Net income benefited from inflation-indexation at our Brazilian regulated gas transmission business and capital commissioned into rate base at our U.K. regulated distribution business. These benefits were more than offset by remeasurement losses of \$550 million recognized on our company's exchangeable shares that are classified as liabilities under IFRS Accounting Standards, compared to remeasurement gains of \$498 million for the three-month period ended June 30, 2024. Additionally, net income was impacted by our global intermodal logistics operation's sale of its 33% interest in a stabilized container subsidiary and an increase in interest expense from an increase in interest rates on our variable rate non-recourse borrowings and an increase in dividends paid on our exchangeable shares.

Total revenues decreased by \$42 million relative to the same period during the prior year. Underlying gas transmission revenues in Brazil increased by \$46 million due to inflation-indexation and distribution revenues in the U.K. increased due to higher volumes and inflation-indexation which contributed additional revenues of \$5 million. These benefits were more than offset by our global intermodal logistics operation's sale of its 33% interest in a stabilized container subsidiary, which decreased our revenues by \$75 million, and the impact of foreign exchange which decreased net income in U.S. dollars by \$20 million compared to the prior year.

Direct operating costs for the three-month period ended June 30, 2025 were \$303 million, a decrease of \$26 million compared to the prior year. Direct costs increased due to inflation, organic growth, and incremental depreciation on capital expenditures made over the last year, which was more than offset by lower depreciation expense as a result of the our global intermodal logistics operation's sale of its 33% interest in a stabilized container subsidiary.

Interest expense for the three-month period ended June 30, 2025 was \$267 million, an increase of \$8 million compared to the same period in 2024. Interest expense increased primarily due to an increase in interest rates on our variable rate non-recourse borrowings and an increase in dividends paid on our exchangeable shares, which are classified as interest expense. Dividends on our exchangeable shares increased due to a 6% increase in our company's quarterly dividends compared to the prior year.

Remeasurement losses, which relate to the revaluation of our shares classified as financial liability, were \$550 million for the three-month period ended June 30, 2025 compared to gains of \$498 million in the prior year. The remeasurement losses reflect the increase in the market price of partnership units based on the NYSE closing price.

Other income for the three-month period ended June 30, 2025 increased by \$30 million compared to the same period during the prior year. The increase was primarily driven by lower accretion expenses related to other long-term liabilities as a result of our global intermodal logistics operation's sale of its 33% interest in a stabilized container subsidiary.

Income tax expense for the three-month period ended June 30, 2025 increased by \$3 million compared to the prior year as incremental income tax expense associated with higher earnings across our businesses was partially offset by the impact of foreign exchange.

Six-month periods ended June 30, 2025 and 2024

For the six-month period ended June 30, 2025, our company reported net income of \$453 million, of which a loss of \$88 million was attributable to the partnership. This compares to net income of \$840 million for the six-month period ended June 30, 2024, of which \$519 million was attributable to the partnership. Net income benefited from inflation-indexation at our Brazilian regulated gas transmission business, capital commissioned into rate base at our U.K. regulated distribution business, and a gain recognized on our global intermodal logistics operation's sale of its 33% interest in a stabilized container subsidiary. These benefits were partially offset by remeasurement losses of \$243 million recognized on our company's exchangeable shares that are classified as liabilities under IFRS Accounting Standards, compared to remeasurement gains of \$535 million for the six-month period ended June 30, 2024. Additionally, net income was impacted by an increase in interest expense from an increase in interest rates on our variable rate non-recourse borrowings and an increase in dividends paid on our exchangeable shares.

Total revenues decreased by \$15 million relative to the same period during the prior year. Underlying gas transmission revenues in Brazil increased by \$100 million due to inflation-indexation and distribution revenues in the U.K. increased due to higher volumes and inflation-indexation which contributed additional revenues of \$35 million. These benefits were more than offset by our global intermodal logistics operation's sale of its 33% interest in a stabilized container subsidiary, which decreased our revenues by \$75 million, and the impact of foreign exchange which decreased our revenues in U.S. dollars by \$84 million compared to the prior year.

Direct operating costs for the six-month period ended June 30, 2025 were \$658 million, a decrease of \$10 million compared to the prior year. Direct costs increased due to inflation, organic growth, and incremental depreciation on capital expenditures made over the last year, which was more than offset by lower depreciation expense as a result of our global intermodal logistics operation's sale of its 33% interest in a stabilized container subsidiary.

Interest expense for the six-month period ended June 30, 2025 was \$540 million, an increase of \$42 million compared to the same period in 2024. Interest expense increased primarily due to an increase in interest rates on our variable rate non-recourse borrowings and an increase in dividends paid on our exchangeable shares, which are classified as interest expense. Dividends on our exchangeable shares increased due to a 6% increase in our company's quarterly dividends compared to the prior year.

Remeasurement losses, which relate to the revaluation of our shares classified as financial liability, were \$243 million for the six-month period ended June 30, 2025 compared to gains of \$535 million in the prior year. The remeasurement losses reflect the increase in the market price of partnership units based on the NYSE closing price.

Other income for the six-month period ended June 30, 2025 increased by \$325 million compared to the same period during the prior year. The increase was primarily driven by our global intermodal logistics operation's sale of its 33% interest in a stabilized container subsidiary.

Income tax expense for the six-month period ended June 30, 2025 remained relatively consistent with the prior year as incremental income tax expense associated with higher earnings across our businesses was offset by the impact of foreign exchange.

Summary of Quarterly Financial Information

US\$ MILLIONS	2025		2024				2023	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	\$ 866	\$ 929	\$ 944	\$ 912	\$ 908	\$ 902	\$ 917	\$ 551
Net (loss) income	(309)	762	40	(808)	643	197	(54)	1,009
Net (loss) income attributable to the partnership	(477)	389	(150)	(977)	491	28	(227)	913

Our businesses, given their regulated and contractual nature, provide stable, predictable revenues and margins. Quarterly variances in our company's revenues are primarily due to inflation-indexation at our Brazilian regulated gas transmission business and the impact of foreign exchange. Quarterly variances in our company's net income and net income attributable to the partnership are primarily due to revaluation gains and losses recognized on our company's exchangeable shares that are classified as liabilities under IFRS Accounting Standards. During the three-month period ended June 30, 2025, revaluation losses totaled \$550 million.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table summarizes the statements of financial position of our company as at June 30, 2025 and December 31, 2024:

Summary Statements of Financial Position Key Metrics	As of	
	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 1,217	\$ 674
Due from Brookfield Infrastructure	1,468	1,278
Property, plant and equipment	13,218	12,572
Intangible assets	3,149	2,892
Investment in associates	615	—
Total assets	23,910	23,587
Loans payable to Brookfield Infrastructure	100	102
Shares classified as financial liability	4,888	4,644
Non-recourse borrowings	13,151	12,178
Total liabilities	21,699	21,365
Equity in net assets attributable to the partnership	(1,238)	(1,253)
Total equity	2,211	2,222

Total assets were \$23.9 billion as at June 30, 2025, compared to \$23.6 billion at December 31, 2024. The increase in assets was primarily driven by a \$0.5 billion increase in cash as cash held on hand at our global intermodal logistics operation to fund the acquisition of a container portfolio from Global Container International LLC (“GCI”) was partially offset by the settlement of income tax liabilities. Total assets further benefited due to the impact of foreign exchange, which increased total assets by \$1.2 billion. These increases were partially offset by our global intermodal logistics operation’s sale of its 33% interest in a stabilized container subsidiary, which decreased total assets by \$1.4 billion net of the 67% interest retained as an investment in associate.

Our accounting policy is to carry property, plant and equipment at fair value and intangible assets at amortized cost. Our last revaluation date for the measurement of property, plant and equipment, as well as the testing of intangible assets and goodwill for impairment, was performed as of December 31, 2024. Our valuation of property, plant and equipment is underpinned by regulated or long-term contracted cash flows. Our local revenues have been largely unaffected by the recent changes in the macroeconomic environment as we earn a regulated return on an asset base for making the infrastructure available to users with minimal volume and price risk. Given the stable cash flows generated by our business, we believe the long-term value of these assets has not changed significantly from our most recent valuation.

On December 24, 2024, our company completed the Arrangement. As a result, (i) holders of the BIHC exchangeable shares, other than Brookfield, received BIPC’s exchangeable shares in exchange for their BIHC exchangeable shares on a one-for-one basis; (ii) Brookfield transferred their exchangeable shares of BIHC to BIPC in exchange for class A.2 exchangeable shares on a one-for-one basis. The exchangeable shares, class A.2 exchangeable shares and class C shares, upon consolidation into BIPC, are classified as liabilities due to their exchangeable and cash redemption features. Upon issuance, these shares were recognized at their fair value. Subsequent to initial recognition, these shares were recognized at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows were based on the price of one unit of the partnership. As at June 30, 2025, the shares were remeasured to reflect the NYSE closing price of one unit, \$33.50 per share.

Non-recourse borrowings increased by \$1.0 billion to \$13.2 billion as at June 30, 2025 as a result of incremental net borrowings and the impact of foreign exchange of \$0.6 billion primarily driven by the appreciation of the Brazilian real and British pound relative to the U.S. dollar.

Total equity remained fairly consistent as at June 30, 2025 as income generated from operations and the gain generated on our global intermodal logistics operation’s sale of its 33% interest in a stabilized container subsidiary were offset by remeasurement losses associated with our shares classified as liabilities, and distributions paid to non-controlling interests during the year.

Foreign Currency Translation

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

	Period End Rate			Average Rate					
	As of			For the three-month period ended June 30			For the six-month period ended June 30		
	June 30, 2025	December 31, 2024	Change	2025	2024	Change	2025	2024	Change
Brazilian real	0.1832	0.1615	13 %	0.1765	0.1918	(8)%	0.1736	0.1967	(12)%
British pound	1.3732	1.2516	10 %	1.3356	1.2622	6 %	1.2982	1.2652	3 %

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

US\$ MILLIONS	For the three-month period ended June 30			For the six-month period ended June 30		
	2025	2024		2025	2024	
Brazilian real	\$ (45)	\$ 103		\$ (98)	\$ 101	
British pound	124	3		184	(12)	
	<u>\$ 79</u>	<u>\$ 106</u>		<u>\$ 86</u>	<u>\$ 89</u>	
Attributable to:						
The partnership	\$ 83	\$ 35		\$ 112	\$ 22	
Non-controlling interests	(4)	71		(26)	67	
	<u>\$ 79</u>	<u>\$ 106</u>		<u>\$ 86</u>	<u>\$ 89</u>	

The impact of foreign currency translation on our company's equity, including those attributable to non-controlling interests, for the three and six-month periods ended June 30, 2025, was an increase of \$79 million and \$86 million, respectively (2024: increase of \$106 million and \$89 million).

Average currency exchange rates impact the U.S. dollar equivalents of revenues and net income from non-U.S. operations on a comparative basis. During the three and six-month periods ended June 30, 2025, the average exchange rate of the Brazilian real depreciated relative to the U.S. dollar while the British pound appreciated relative to the U.S. dollar.

Summary Financial Information Related to the Partnership

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

US\$ MILLIONS IFRS measures	For the three-month period ended June 30		For the six-month period ended June 30	
	2025	2024	2025	2024
Revenue	\$ 5,429	\$ 5,138	\$ 10,821	\$ 10,325
Net income	252	184	778	998

US\$ MILLIONS IFRS measures	As of	
	June 30, 2025	December 31, 2024
Total assets	\$ 108,691	\$ 104,590
Total liabilities	79,042	74,737
Total partnership capital	29,649	29,853

LIQUIDITY AND CAPITAL RESOURCES

The nature of our asset base and the quality of our associated cash flows enable us to maintain a stable and low-cost capital structure. We attempt to maintain sufficient financial liquidity at all times so that we are able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances and maintain our distributions to shareholders. Our principal sources of liquidity are cash flows from our operations, capital recycling, access to public and private capital markets, access to the partnership's undrawn credit facility and equity commitment and group wide liquidity. We structure the ownership of our assets to enhance our ability to monetize them to provide additional liquidity. In certain instances, subsidiaries may be subject to limitations on their ability to declare and pay dividends to our company. However, no significant limitations existed as of June 30, 2025 and 2024.

As of June 30, 2025, we believe that our company's liquidity is sufficient to meet its present requirements. Our company's liquidity consisted of the following:

<u>US\$ MILLIONS</u>	As of	
	June 30, 2025	December 31, 2024
Cash	\$ 364	\$ 213
Credit facilities	662	664
Company liquidity	<u>\$ 1,026</u>	<u>\$ 877</u>

Our company assesses liquidity on a group-wide basis, consistent with the partnership, because shareholders have exposure to a broader base of infrastructure investments by virtue of the exchange feature of our company's exchangeable shares. As at June 30, 2025, our group's total liquidity was \$5,731 million (December 31, 2024: \$5,483 million).

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

On a consolidated basis as of June 30, 2025, scheduled principal repayments over the next five years are as follows:

<u>US\$ MILLIONS</u>	Average Term (years)	2025	2026	2027	2028	2029	Beyond	Total
Non-recourse borrowing	6	\$ 231	\$1,275	\$ 665	\$1,131	\$3,384	\$6,869	\$ 13,555

As discussed in the notes to our interim financial statements, in connection with the Arrangement, our company as borrower, entered into a credit agreement with Brookfield Infrastructure, as lender, pursuant to which Brookfield Infrastructure established a revolving credit facility in the aggregate principal amount of \$150 million in favor of our company. The credit agreement has a ten-year term, subject to automatic one-year extensions occurring annually unless terminated by the lender. Additionally, a subsidiary of BIHC is party to two credit agreements with Brookfield Infrastructure, one as borrower and one as lender, each providing for a ten-year revolving \$1 billion credit facility for purposes of providing our company and Brookfield Infrastructure with access to debt financing on an as-needed basis and to maximize our flexibility and facilitate the movement of cash within our group. We intend to use the liquidity provided by the foregoing credit facilities for working capital purposes and to fund growth capital investments and acquisitions. The determination of which of these sources of funding our company will access in any particular situation will be a matter of optimizing needs and opportunities at that time.

FINANCIAL INSTRUMENTS

Foreign Currency Hedging Strategy

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

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

Most of the foreign exchange exposure of our group is hedged directly by the partnership and therefore, as of June 30, 2025, our company has \$nil (December 31, 2024: \$nil) corporate foreign exchange contracts in place to hedge against foreign currency risk.

The following table presents our exposure to foreign currencies as of June 30, 2025:

US\$ MILLIONS	Equity Investment - US\$
GBP	\$ 2,079
BRL	(870)
EUR & Others	16
	<u>\$ 1,225</u>

For additional information, see Note 4, *Fair Value of Financial Instruments* in our unaudited interim condensed and consolidated financial statements.

CAPITAL REINVESTMENT

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

CAPITAL EXPENDITURES

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

- Growth capital expenditures: capital outlays underpinned by incremental revenues that will enhance our company's returns. These projects are eligible for inclusion in the rate base of our businesses; and
- Maintenance capital expenditures: required capital outlays to maintain the current operating state and reliability of the system while ensuring regulatory and safety requirements are upheld.

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

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

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

Our group has completed reviews at our U.K. regulated distribution operation, Brazilian regulated gas transmission operation and global intermodal logistics operation within the last five years. The results from the engagements conducted by the firms confirm that our stated ranges of annual sustaining maintenance capital expenditures are reasonable and in-line with industry standards for assets of a similar nature.

REVIEW OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the consolidated statements of cash flows:

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2025	2024	2025	2024
Cash from operating activities	\$ 478	\$ 511	\$ 721	\$ 789
Cash from (used by) investing activities	195	(248)	163	(314)
Cash from (used by) financing activities	257	(118)	(400)	(506)

Three-month period ended June 30, 2025 and 2024

Cash from operating activities

Cash from operating activities totaled \$478 million during the three-month period ended June 30, 2025, compared to \$511 million of cash from operating activities during the same period in the prior year. Current period operating cash flows benefited from inflation and capital commissioned into the rate base. These increases were more than offset by the impact of our global intermodal logistics operation's sale of its 33% interest in a stabilized container subsidiary, an increase in dividends paid on our exchangeable shares, which are presented as interest expense, and an increase in interest paid on non-recourse borrowings.

Cash from investing activities

Cash from investing activities was \$195 million during the three-month period ended June 30, 2025, compared to cash used by investing activities of \$248 million during the same period in the prior year. Current period investing activities includes proceeds from the settlement of a deposit with a subsidiary of Brookfield Infrastructure, which was partially offset by additional investments in long-lived assets at our U.K. regulated distribution business and our global intermodal logistics operation.

Cash from financing activities

Cash from financing activities was \$257 million during the three-month period ended June 30, 2025, compared to cash used by financing activities of \$118 million during the same period in the prior year. Cash from financing activities in the current year is primarily driven by incremental net borrowings, partially offset by distributions paid to non-controlling interests.

SHARE CAPITAL

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

As of June 30, 2025, our company's share capital is comprised of exchangeable shares and class B shares. As part of the Arrangement, BN transferred their exchangeable shares of BIHC to BIPC in exchange for class A.2 exchangeable shares on a one-for-one basis, which are exchangeable for exchangeable shares (subject to a restriction that limits the exchange by Brookfield and its subsidiaries of class A.2 exchangeable shares such that exchanges by Brookfield and its subsidiaries may not result in Brookfield and its subsidiaries owning 9.5% of more of the aggregate fair market value of all issued and outstanding shares of our company) or units.

UNITS	As of	
	June 30, 2025	December 31, 2024
Exchangeable shares and class A.2 exchangeable shares ⁽¹⁾	132,064,238	132,051,909
Class B shares	31,909	31,909

(1) Includes 119,051,449 exchangeable shares (2024: 119,039,120) and 13,012,789 class A.2 exchangeable shares (2024: 13,012,789).

In August 2021, Brookfield Infrastructure acquired a controlling interest in IPL for consideration comprised of cash, exchangeable shares and exchangeable limited partnership units ("BIPC Exchangeable LP Units") of Brookfield Infrastructure Corporation Exchange Limited Partnership ("BIPC Exchange LP"). BIPC Exchange LP is a subsidiary of the partnership and holders of BIPC Exchangeable LP Units have the right to require the partnership to purchase BIPC Exchangeable LP Units and deliver one exchangeable share for each BIPC Exchangeable LP Unit purchased. During the six-month period ended June 30, 2025, our company issued 54,440 exchangeable shares in connection with exchange requests from BIPC Exchange LP unitholders.

Exchangeable shares are exchangeable at the option of the holder at any time at a price equal to the market price of a unit. Our company has the option to satisfy the exchange either by delivering a unit or the cash equivalent of a unit. Our company intends to settle any exchange requests with units. During the six-month period ended June 30, 2025, our shareholders exchanged 42,111 exchangeable shares for an equal number of partnership units. Class B shares are redeemable for cash in an amount equal to the market price of a unit. There have been no redemptions of class B shares to date. Due to the exchange feature of the exchangeable shares and the cash redemption feature of the class B shares, the exchangeable shares and the class B shares are classified as financial liabilities. However, class B shares, the most subordinated class of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32.

During the three and six-month period ended June 30, 2025, our company declared and paid dividends on our exchangeable shares at a rate of \$0.430 per share resulting in total dividends paid of \$57 million and \$114 million, respectively. Dividends paid on our exchangeable shares are presented as interest expense in our audited consolidated financial statements. No dividends were declared on our class B shares or class C shares during the year.

PRICE RANGE AND TRADING VOLUME OF LISTED UNITS

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

	Units		
	High (C\$)	Low (C\$)	Volume
2025			
January 1, 2025 - March 31, 2025	48.54	39.68	27,097,862
April 1, 2025 - June 30, 2025	46.22	38.30	30,151,936
2024			
January 1, 2024 - March 31, 2024	43.09	37.54	28,068,653
April 1, 2024 - June 30, 2024	41.98	34.61	35,483,118
July 1, 2024 - September 30, 2024	47.63	38.02	31,098,913
October 1, 2024 - December 31, 2024	50.28	43.95	24,660,757
2023			
January 1, 2023 - March 31, 2023	48.12	42.91	24,027,799
April 1, 2023 - June 30, 2023	50.09	45.05	17,739,905
July 1, 2023 - September 30, 2023	48.71	39.39	24,196,988
October 1, 2023 - December 31, 2023	42.03	29.65	35,356,692

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

	Units		
	High (\$)	Low (\$)	Volume
2025			
January 1, 2025 - March 31, 2025	33.60	27.52	29,885,953
April 1, 2025 - June 30, 2025	33.86	26.99	34,866,426
2024			
January 1, 2024 - March 31, 2024	31.95	27.64	31,192,792
April 1, 2024 - June 30, 2024	30.75	25.05	29,357,547
July 1, 2024 - September 30, 2024	35.19	27.14	24,284,595
October 1, 2024 - December 31, 2024	36.42	30.42	21,892,473
2023			
January 1, 2023 - March 31, 2023	36.03	31.32	23,218,111
April 1, 2023 - June 30, 2023	37.07	33.48	21,498,725
July 1, 2023 - September 30, 2023	36.72	29.16	21,282,609
October 1, 2023 - December 31, 2023	31.84	21.39	54,495,963

TREND INFORMATION

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

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

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

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

Notwithstanding the benefits for our business, expectations of quantitative tightening and a rising interest rate environment have recently caused significant stock market volatility. This volatility has been most pronounced in the technology sector, where we have seen a large pullback in valuations to start the year. Although we expect our unit price to move with broader market sentiment, we believe the underlying value of our privately owned infrastructure assets will be less impacted. We expect that private buyers of infrastructure assets, especially those for high-quality, de-risked essential infrastructure, take a longer-term view and are less influenced by short-term economic conditions or sentiment.

RELATED PARTY TRANSACTIONS

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

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

Pursuant to the Master Services Agreement, on a quarterly basis, we, together with Brookfield Infrastructure, pay a base management fee to the Service Providers equal to 0.3125% per quarter (1.25% annually) of the combined market value of our group. Our company pays for, or reimburses the partnership for, our proportionate share of the management fee. For purposes of calculating the base management fee, the market value of our group is equal to the aggregate value of all the outstanding units (assuming full conversion of BN's limited partnership interests in Holding LP into units), preferred units and securities of the other Service Recipients (including the Exchangeable units and exchangeable shares, calculated on a fully-diluted basis assuming full conversion of any class A.2 exchangeable shares into exchangeable shares) that are not held by Brookfield Infrastructure, plus all outstanding third-party debt with recourse to a Service Recipient, less all cash held by such entities. The amount attributable to our company is based on the weighted average number of exchangeable shares and class A.2 exchangeable shares outstanding relative to units.

The base management fee attributable to our company was \$18 million and \$34 million, respectively, for the three and six-month periods ended June 30, 2025 (2024: \$15 million and \$31 million) and has been recorded as part of general and administrative expenses in the interim financial statements.

Our company's affiliates provide connection services in the normal course of operations on market terms to affiliates and associates of Brookfield Property Partners L.P. For the three and six-month periods ended June 30, 2025 revenues of less than \$1 million were generated (2024: less than \$1 million) and \$nil expenses were incurred (2024: \$nil).

A subsidiary of BIHC is party to two credit agreements with Brookfield Infrastructure, one as borrower and one as lender, each providing for a ten-year revolving \$1 billion credit facility for purposes of providing BIHC and Brookfield Infrastructure with access to debt financing on an as-needed basis and to maximize our flexibility and facilitate the movement of cash within our group. Such credit agreements terminate on March 31, 2030. We intend to use the liquidity provided by the foregoing credit facilities for working capital purposes and to fund growth capital investments and acquisitions. The determination of which of these sources of funding we will access in any particular situation will be a matter of optimizing needs and opportunities at that time.

In addition, each such credit facility contemplates potential deposit arrangements pursuant to which the lender thereunder would, with the consent of a borrower, deposit funds on a demand basis to such borrower's account at market interest rate. As at June 30, 2025, \$nil (December 31, 2024: \$nil) was drawn on the credit facilities under the credit agreements with Brookfield Infrastructure.

On December 24, 2024, the partnership, BIHC and our company completed the Arrangement pursuant to which (i) holders of the exchangeable shares of BIHC, other than Brookfield, received exchangeable shares of our company in exchange for their BIHC exchangeable shares on a one-for-one basis; (ii) Brookfield transferred their exchangeable shares of BIHC to our company in exchange for class A.2 exchangeable shares on a one-for-one basis; (iii) the exchangeable shares of BIHC were delisted; and (iv) the exchangeable shares of our company were listed on the NYSE and TSX.

In connection with the Arrangement, our company entered into two deposit agreements with Canada Holdco, one as depositor/lender and one as depositor/borrower. Each deposit agreement contemplates potential deposit arrangements pursuant to which the parties thereunder would mutually agree to deposit funds thereunder from time to time on a demand basis at a specified rate of interest. Additionally, our company, as borrower, entered into a credit agreement with Canada Holdco, as lender, pursuant to which Canada Holdco established a revolving credit facility in the aggregate principal amount of \$150 million in favor of our company. The credit agreement has a ten-year term, subject to automatic one-year extensions occurring annually unless terminated by the lender.

The credit facilities are available in U.S. or Canadian dollars, and advances will be made by way of SOFR, base rate, CORRA, or prime rate loans. Each of the credit facilities bears interest at the benchmark rate plus an applicable spread, in each case subject to adjustment from time to time as the parties may agree.

Brookfield Infrastructure provided BIHC an equity commitment in the amount of \$1 billion. The equity commitment may be called by BIHC in exchange for the issuance of a number of class C shares or preferred shares, as the case may be, to Brookfield Infrastructure, corresponding to the amount of the equity commitment called divided (i) in the case of a subscription for class C shares, by the fair market value of a class C share, and (ii) in the case of a subscription for preferred shares, \$25.00. The equity commitment will be reduced permanently by the amount so called. As at June 30, 2025, \$nil (December 31, 2024: \$nil) was called on the equity commitment.

BIPC Holdings Inc., a wholly owned subsidiary of BIHC, fully and unconditionally guaranteed (i) any unsecured debt securities issued by Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Limited and Brookfield Infrastructure Finance Pty Ltd., which we refer to collectively as the “Co-Issuers”, in each case as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture dated October 10, 2012 among the Co-Issuers and Computershare Trust Company of Canada under which such securities are issued, (ii) certain of the partnership’s preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of the partnership, and (iii) the obligations of Brookfield Infrastructure under its bilateral credit facilities. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. In addition, BIPC Holdings Inc. guaranteed (i) subordinated debt securities issued by Brookfield Infrastructure Finance ULC or BIP Bermuda Holdings I Limited on a subordinated basis, as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture under which such securities are issued, and (ii) the obligations of Brookfield Infrastructure Holdings (Canada) Inc. under its commercial paper program.

On March 28, 2023, our company entered into a loan agreement (as lender) with Brookfield Infrastructure for \$250 million. On May 24, 2024, the loan was partially settled as part of a non-cash transaction for \$200 million and had a balance outstanding of \$57 million as of June 30, 2025 (December 31, 2024: \$57 million). The loan is presented as amounts due from Brookfield Infrastructure on the consolidated statements of financial position. The loan was extended to a maturity date of May 24, 2029 and accrues interest at SOFR plus 210 basis points per annum until May 24, 2026, and thereafter accrues interest at SOFR plus 475 basis points per annum until the maturity date. Interest accrued during the three and six-month periods ended June 30, 2025 was \$1 million and \$2 million (2024: \$3 million and \$8 million), respectively.

On May 24, 2024, our company entered into an additional loan agreement (as lender) with Brookfield Infrastructure as part of a non-cash transaction for \$24 million. The loan agreement was subsequently amended on December 27, 2024 to extend an additional \$17 million to Brookfield Infrastructure. As of June 30, 2025, the balance outstanding on this loan was \$43 million (December 31, 2024: \$43 million). The loan is presented as amounts due from Brookfield Infrastructure on the consolidated statements of financial position and accrues interest at SOFR plus 210 basis points per annum until May 24, 2026, and thereafter accrues interest at SOFR plus 475 basis points per annum until May 24, 2029, the maturity date. Interest accrued during the three and six-month periods ended June 30, 2025 was \$1 million (2024: less than \$1 million).

As at June 30, 2025, the balance outstanding on our deposit with Brookfield Infrastructure was \$1,367 million (December 31, 2024: \$1,178 million). The deposit arrangement accrues interest at 0.2% per annum. During the three and six-month periods ended June 30, 2025, interest accrued on the deposit with Brookfield Infrastructure was \$1 million and \$2 million (2024: less than \$1 million), respectively.

On May 24, 2024, our company entered into loan agreements with Brookfield Infrastructure as part of a non-cash transaction for total cumulative proceeds of \$100 million. The loans are presented as loans payable to Brookfield Infrastructure on the unaudited interim and condensed consolidated statements of financial position and accrue interest at SOFR plus 210 basis points per annum until May 24, 2026, and thereafter accrue interest at SOFR plus 475 basis points per annum until May 24, 2029, the maturity date. Interest accrued during the three and six-month periods ended June 30, 2025 was \$2 million and \$4 million (2024: less than \$1 million), respectively.

As at June 30, 2025, our company had accounts payable of \$36 million (December 31, 2024: \$30 million) to Brookfield and subsidiaries of Brookfield Infrastructure, and accounts receivable of \$21 million (December 31, 2024: \$19 million) from subsidiaries of Brookfield Infrastructure.

OFF-BALANCE SHEET ARRANGEMENTS

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

BIPC Holdings Inc., a wholly owned subsidiary of BIHC, fully and unconditionally guaranteed (i) any unsecured debt securities issued by Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Limited and Brookfield Infrastructure Finance Pty Ltd., which we refer to collectively as the “Co-Issuers”, in each case as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture dated October 10, 2012 among the Co-Issuers and Computershare Trust Company of Canada under which such securities are issued, (ii) certain of the partnership’s preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of the partnership, and (iii) the obligations of Brookfield Infrastructure under its bilateral credit facilities. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. In addition, BIPC Holdings Inc. guaranteed (i) subordinated debt securities issued by Brookfield Infrastructure Finance ULC or BIP Bermuda Holdings I Limited on a subordinated basis, as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture under which such securities are issued, and (ii) the obligations of Brookfield Infrastructure Holdings (Canada) Inc. under its commercial paper program.

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

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The table below outlines our company’s contractual obligations as at June 30, 2025:

US\$ MILLIONS	Payments due by period					Total contractual cash flows
	Less than 1 year	1-2 years	2-3 years	3-5 years	5+ years	
Accounts payable and other liabilities	\$ 868	\$ 9	\$ 5	\$ 5	\$ 6	\$ 893
Non-recourse borrowings	1,207	754	1,117	4,677	5,800	13,555
Financial liabilities	23	4	1	1	—	29
Loans payable to Brookfield Infrastructure	100	—	—	—	—	100
Shares classified as financial liability	4,888	—	—	—	—	4,888
Interest expense:						
Non-recourse borrowings	946	846	752	1,065	1,370	4,979

In addition, pursuant to the Master Services Agreement, on a quarterly basis, we, together with Brookfield Infrastructure, pay a base management fee to the Service Providers equal to 0.3125% (1.25% annually) of the combined market value of our group. Our company pays for, or reimburses the partnership for, our proportionate share of the management fee. For purposes of calculating the base management fee, the market value of our group is equal to the aggregate value of all the outstanding units (assuming full conversion of BN’s limited partnership interests in Holding LP into units), preferred units and securities of the other Service Recipients (including the Exchangeable units and our exchangeable shares, calculated on a fully-diluted basis assuming full conversion of any class A.2 exchangeable shares into exchangeable shares) that are not held by Brookfield Infrastructure, plus all outstanding third-party debt with recourse to a Service Recipient, less all cash held by such entities. The Base Management Fee allocated to our company is estimated to be approximately \$72 million per year based on the expense attributable to our company for the three-month period ended June 30, 2025.

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

Critical Accounting Estimates

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

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

Significant judgments and estimates made by management and utilized in the normal course of preparing our company's consolidated financial statements, which we consider to be critical, are outlined below.

i) Revaluation of property, plant and equipment

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

CONTROLS AND PROCEDURES

No changes were made in our internal control over financial reporting during the six-month period ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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