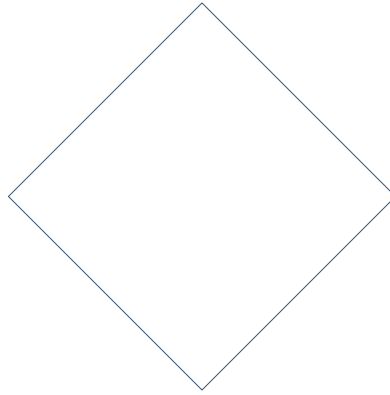


Brookfield



2023
Q2 INTERIM
REPORT

Brookfield Infrastructure
Corporation

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

FORM 6-K

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

For the month of August 2023

Commission file number 001-39250

**BROOKFIELD INFRASTRUCTURE
CORPORATION**

(Exact name of Registrant as specified in its charter)

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

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

Form 20-F Form 40-F

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

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

<u>Exhibit</u>	<u>Title</u>
99.1	Brookfield Infrastructure Corporation's interim report for the quarter ended June 30, 2023
99.2	Certification of Samuel Pollock, Chief Executive Officer, Brookfield Infrastructure Corporation, pursuant to Canadian law
99.3	Certification of David Krant, Chief Financial Officer, Brookfield Infrastructure Corporation, pursuant to Canadian law

SIGNATURES

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

Date: August 11, 2023

BROOKFIELD INFRASTRUCTURE CORPORATION

By: /s/ MICHAEL RYAN

Name: Michael Ryan

Title: Corporate Secretary

Brookfield Infrastructure Corporation

Interim Report Q2 2023

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS OF BROOKFIELD INFRASTRUCTURE CORPORATION

*AS OF JUNE 30, 2023 AND DECEMBER 31, 2022 AND
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022*

INDEX

	Page
Unaudited Interim Condensed and Consolidated Statements of Financial Position of Brookfield Infrastructure Corporation	2
Unaudited Interim Condensed and Consolidated Statements of Operating Results of Brookfield Infrastructure Corporation	3
Unaudited Interim Condensed and Consolidated Statements of Comprehensive Income of Brookfield Infrastructure Corporation	4
Unaudited Interim Condensed and Consolidated Statements of Equity of Brookfield Infrastructure Corporation	5
Unaudited Interim Condensed and Consolidated Statements of Cash Flows of Brookfield Infrastructure Corporation	7
Notes to Unaudited Interim Condensed and Consolidated Financial Statements of Brookfield Infrastructure Corporation	8
Management's Discussion & Analysis	20

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

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

US\$ MILLIONS	Notes	As of	
		June 30, 2023	December 31, 2022
Assets			
Cash and cash equivalents	3	\$ 356	\$ 445
Financial assets	3	—	57
Accounts receivable and other	3	554	499
Due from Brookfield Infrastructure	3, 13	820	566
Current assets		1,730	1,567
Property, plant and equipment	4	5,149	4,718
Intangible assets	5	3,043	2,847
Investments in associates	6	417	428
Goodwill	7	566	518
Financial assets	3	—	40
Other assets		26	17
Deferred income tax asset		42	43
Total assets		\$ 10,973	\$ 10,178
Liabilities and Equity			
Liabilities			
Accounts payable and other	3	\$ 756	\$ 781
Non-recourse borrowings	3, 8, 13	247	328
Financial liabilities	3, 9	71	72
Loans payable to Brookfield Infrastructure	3, 13	26	26
Exchangeable and class B shares	3, 9	4,040	3,426
Current liabilities		5,140	4,633
Non-recourse borrowings	3, 8	4,810	4,249
Financial liabilities	3, 9	36	—
Other liabilities		114	119
Deferred income tax liability		1,637	1,538
Total liabilities		11,737	10,539
Equity			
Brookfield Infrastructure Partners L.P.	12	(1,630)	(1,119)
Non-controlling interest		866	758
Total equity		(764)	(361)
Total liabilities and equity		\$ 10,973	\$ 10,178

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

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATING RESULTS

US\$ MILLIONS	Notes	For the three-month period ended June 30		For the six-month period ended June 30	
		2023	2022	2023	2022
Revenues	10	\$ 538	\$ 479	\$ 1,035	\$ 940
Direct operating costs	4, 5, 11	(149)	(131)	(296)	(265)
General and administrative expenses		(17)	(17)	(33)	(37)
		372	331	706	638
Interest expense	9, 14	(161)	(143)	(314)	(245)
Share of earnings (losses) from investments in associates	6	3	2	4	(4)
Remeasurement of exchangeable and class B shares	9	(301)	656	(608)	259
Mark-to-market and foreign currency revaluation	3	12	(19)	12	82
Other income		16	14	26	14
(Loss) income before income tax		(59)	841	(174)	744
Income tax (expense) recovery					
Current		(89)	(110)	(169)	(200)
Deferred		(6)	111	(6)	82
Net (loss) income		\$ (154)	\$ 842	\$ (349)	\$ 626
Attributable to:					
Brookfield Infrastructure Partners L.P.		\$ (274)	\$ 673	\$ (575)	\$ 300
Non-controlling interest		120	169	226	326

1. Earnings per share have not been presented in the financial statements, as the underlying shares do not constitute "ordinary shares" under IAS 33 Earnings per share.

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

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<u>US\$ MILLIONS</u>	<u>Notes</u>	<u>For the three-month period ended June 30</u>		<u>For the six-month period ended June 30</u>	
		2023	2022	2023	2022
Net (loss) income		\$ (154)	\$ 842	\$ (349)	\$ 626
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation		81	(231)	119	(146)
Cash flow hedges	3	(7)	(1)	(12)	(3)
Taxes on the above items		(1)	—	5	1
Share of income (losses) from investments in associates	6	13	(8)	(3)	4
Total other comprehensive income (loss)		<u>86</u>	<u>(240)</u>	<u>109</u>	<u>(144)</u>
Comprehensive (loss) income		<u>\$ (68)</u>	<u>\$ 602</u>	<u>\$ (240)</u>	<u>\$ 482</u>
Attributable to:					
Brookfield Infrastructure Partners L.P.		\$ (219)	\$ 507	\$ (511)	\$ 164
Non-controlling interests		151	95	271	318

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

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF EQUITY

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2023 \$US MILLIONS	Share capital	Retained earnings	Ownership changes	Accumulated other comprehensive income	Brookfield Infrastructure Partners L.P.	Non-controlling interest	Total equity
Balance as at April 1, 2023	\$ 53	\$ 600	\$ (2,379)	\$ 315	\$ (1,411)	\$ 763	\$ (648)
Net (loss) income	—	(274)	—	—	(274)	120	(154)
Other comprehensive income	—	—	—	55	55	31	86
Comprehensive (loss) income	—	(274)	—	55	(219)	151	(68)
Distributions to non-controlling interest	—	—	—	—	—	(48)	(48)
Balance as at June 30, 2023	\$ 53	\$ 326	\$ (2,379)	\$ 370	\$ (1,630)	\$ 866	\$ (764)

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2022 \$US MILLIONS	Share capital	Retained earnings	Ownership changes	Accumulated other comprehensive income	Brookfield Infrastructure Partners L.P.	Non-controlling interest	Total equity
Balance as at April 1, 2022	\$ 53	\$ (566)	\$ (2,379)	\$ 422	\$ (2,470)	\$ 907	\$ (1,563)
Net income	—	673	—	—	673	169	842
Other comprehensive income	—	—	—	(166)	(166)	(74)	(240)
Comprehensive income (loss)	—	673	—	(166)	507	95	602
Distributions to non-controlling interest	—	—	—	—	—	(117)	(117)
Balance as at June 30, 2022	\$ 53	\$ 107	\$ (2,379)	\$ 256	\$ (1,963)	\$ 885	\$ (1,078)

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

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF EQUITY

**FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2023
\$US MILLIONS**

	Share capital	Retained earnings	Ownership changes	Accumulated other comprehensive income	Brookfield Infrastructure Partners L.P.	Non-controlling interest	Total equity
Balance as at January 1, 2023	\$ 53	\$ 901	\$ (2,379)	\$ 306	\$ (1,119)	\$ 758	\$ (361)
Net (loss) income	—	(575)	—	—	(575)	226	(349)
Other comprehensive income	—	—	—	64	64	45	109
Comprehensive (loss) income	—	(575)	—	64	(511)	271	(240)
Distributions to non-controlling interest	—	—	—	—	—	(163)	(163)
Balance at June 30, 2023	\$ 53	\$ 326	\$ (2,379)	\$ 370	\$ (1,630)	\$ 866	\$ (764)

**FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2022
\$US MILLIONS**

	Share capital	Retained earnings	Ownership changes	Accumulated other comprehensive income	Brookfield Infrastructure Partners L.P.	Non-controlling interest	Total equity
Balance as at January 1, 2022	\$ 53	\$ (193)	\$ (2,379)	\$ 392	\$ (2,127)	\$ 703	\$ (1,424)
Net income	—	300	—	—	300	326	626
Other comprehensive loss	—	—	—	(136)	(136)	(8)	(144)
Comprehensive income (loss)	—	300	—	(136)	164	318	482
Distributions to non-controlling interest	—	—	—	—	—	(136)	(136)
Balance as at June 30, 2022	\$ 53	\$ 107	\$ (2,379)	\$ 256	\$ (1,963)	\$ 885	\$ (1,078)

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

BROOKFIELD INFRASTRUCTURE CORPORATION

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

US\$ MILLIONS	Notes	For the three-month period ended June 30		For the six-month period ended June 30	
		2023	2022	2023	2022
Operating Activities					
Net (loss) income		\$ (154)	\$ 842	\$ (349)	\$ 626
Adjusted for the following items:					
Earnings from investments in associates, net of distributions received	6	—	15	(1)	21
Depreciation and amortization expense	4, 5, 11	57	54	112	108
Mark-to-market and other	3	(10)	28	(5)	(54)
Remeasurement of exchangeable and class B shares	9	301	(656)	608	(259)
Deferred income tax expense (recovery)		6	(111)	6	(82)
Changes in non-cash working capital, net	14	65	60	(116)	(5)
Cash from operating activities		265	232	255	355
Investing Activities					
Investments in associates	6	—	—	—	(455)
Purchase of long-lived assets, net of disposals	4, 5	(134)	(140)	(259)	(253)
Purchase of financial assets and other		—	—	(4)	(71)
Cash used by investing activities		(134)	(140)	(263)	(779)
Financing Activities					
Distributions to non-controlling interest		(48)	(117)	(163)	(136)
Proceeds from non-recourse borrowings	8	467	472	770	1,046
Repayment of non-recourse borrowings	8	(476)	—	(476)	(11)
Repayment from Brookfield Infrastructure	13	44	—	101	595
Loans and repayments to Brookfield Infrastructure	13	(88)	(46)	(337)	(60)
Settlement of deferred consideration		—	(1,037)	—	(1,037)
Cash (used by) from financing activities		(101)	(728)	(105)	397
Cash and cash equivalents					
Change during the period		30	(636)	(113)	(27)
Impact of foreign exchange on cash		17	(71)	24	70
Balance, beginning of period		309	1,219	445	469
Balance, end of period		\$ 356	\$ 512	\$ 356	\$ 512

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

NOTES TO THE UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2023 AND DECEMBER 31, 2022 AND
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

1. ORGANIZATION AND DESCRIPTION OF OUR COMPANY

Brookfield Infrastructure Corporation

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of Compliance

These unaudited interim condensed and consolidated financial statements (“interim financial statements”) of our company and its subsidiaries have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”) and using the accounting policies our company applied in its consolidated financial statements as of and for the year-ended December 31, 2022 (“consolidated financial statements”). The accounting policies that our company applied in its consolidated financial statements are disclosed in Note 3 of such financial statements, of which reference should be made in reading these interim financial statements.

These interim financial statements were authorized for issuance by the Board of Directors of our company on August 11, 2023.

b) Significant Accounting Judgments and Key Sources of Estimation Uncertainty

In preparing our interim financial statements, we make judgments in applying our accounting policies. The areas of judgment are consistent with those reported in our consolidated financial statements. As disclosed in our consolidated financial statements, our company uses significant assumptions and estimates to determine the fair value of our property, plant and equipment and the value-in-use or fair value less costs of disposal of the cash-generating units or groups of cash generating units to which goodwill or an intangible asset has been allocated. In addition, the impairment assessment of investments in associates requires estimation of the recoverable amount of the investment.

c) Recently adopted accounting standards

Our company applied, for the first time, certain new applicable standards that became effective January 1, 2023. The impact of these amendments on our company’s accounting policies are as follows:

Amendments to IAS 1 – Making Materiality Judgements - Disclosure of Accounting Policies

Our company adopted Amendments to IAS 1 - *Making Materiality Judgements - Disclosure of Accounting Policies*, effective January 1, 2023. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The adoption did not have a significant impact on our company’s financial reporting.

International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)

In May 2023, the IASB issued amendments to IAS 12 “Income Taxes” to give entities temporary mandatory relief from accounting for deferred taxes arising from Organization for Economic Co-operation and Development’s (“OECD”) international tax reform. The amendments are effective immediately upon their issue and retrospectively in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” except for some targeted disclosure requirements which become effective for annual reporting periods beginning on or after January 1, 2023. Our company has applied the temporary exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Classification of Financial Instruments

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

Carrying Value and Fair Value of Financial Instruments

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at June 30, 2023:

US\$ MILLIONS			
<u>Financial Instrument Classification</u>			
MEASUREMENT BASIS	Fair value through profit or loss	Amortized cost	Total
Financial assets			
Cash and cash equivalents	\$ —	\$ 356	\$ 356
Accounts receivable and other (current and non-current)	—	479	479
Due from Brookfield Infrastructure	—	820	820
Total	\$ —	\$ 1,655	\$ 1,655
Financial liabilities			
Accounts payable and other (current and non-current)	\$ —	\$ 542	\$ 542
Non-recourse borrowings (current and non-current)	—	5,057	5,057
Exchangeable and class B shares ⁽¹⁾	—	4,040	4,040
Financial liabilities (current and non-current) ⁽²⁾	107	—	107
Loans payable to Brookfield Infrastructure	—	26	26
Total	\$ 107	\$ 9,665	\$ 9,772

- Class C shares are also classified as financial liabilities due to their cash redemption feature. However, the class C shares meet certain qualifying criteria and are presented as equity. See Note 12, Equity.
- Derivative instruments which are elected for hedge accounting totaling \$nil are included in financial assets and \$107 million are included in financial liabilities.

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at December 31, 2022:

US\$ MILLIONS			
Financial Instrument Classification			
MEASUREMENT BASIS	Fair value through profit or loss	Amortized cost	Total
Financial assets			
Cash and cash equivalents	\$ —	\$ 445	\$ 445
Accounts receivable and other (current and non-current)	—	441	441
Financial assets (current and non-current) ⁽¹⁾	97	—	97
Due from Brookfield Infrastructure	—	566	566
Total	\$ 97	\$ 1,452	\$ 1,549
Financial liabilities			
Accounts payable and other (current and non-current)	\$ —	\$ 589	\$ 589
Non-recourse borrowings (current and non-current)	—	4,577	4,577
Exchangeable and class B shares ⁽²⁾	—	3,426	3,426
Financial liabilities ⁽¹⁾	72	—	72
Loans payable to Brookfield Infrastructure	—	26	26
Total	\$ 72	\$ 8,618	\$ 8,690

1. Derivative instruments which are elected for hedge accounting totaling \$97 million are included in financial assets and \$72 million are included in financial liabilities.
2. Class C shares are also classified as financial liabilities due to their cash redemption feature. However, the class C shares meet certain qualifying criteria and are presented as equity. See Note 12, Equity.

The following table provides the carrying values and fair values of financial instruments as at June 30, 2023 and December 31, 2022:

US\$ MILLIONS	June 30, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	\$ 356	\$ 356	\$ 445	\$ 445
Accounts receivable and other	479	479	441	441
Financial assets (current and non-current)	—	—	97	97
Due from Brookfield Infrastructure	820	820	566	566
Total	\$ 1,655	\$ 1,655	\$ 1,549	\$ 1,549
Financial liabilities				
Accounts payable and other (current and non-current)	\$ 542	\$ 542	\$ 589	\$ 589
Non-recourse borrowings (current and non-current) ⁽¹⁾	5,057	4,570	4,577	4,303
Exchangeable and class B shares ⁽²⁾	4,040	4,040	3,426	3,426
Financial liabilities (current and non-current)	107	107	72	72
Loans payable to Brookfield Infrastructure	26	26	26	26
Total	\$ 9,772	\$ 9,285	\$ 8,690	\$ 8,416

1. Non-recourse borrowings are classified under level 2 of the fair value hierarchy. For level 2 fair values, future cash flows are estimated based on observable forward interest rates at the end of the reporting period.
2. Class C shares are also classified as financial liabilities due to their cash redemption feature. However, the class C shares meet certain qualifying criteria and are presented as equity.

Hedging Activities

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

Cash Flow Hedges

Our company uses interest rate swaps to hedge the variability in cash flows related to a variable rate asset or liability and highly probable forecasted issuances of debt. The settlement dates coincide with the dates on which the interest is payable on the underlying debt, and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss. For the three and six-month period ended June 30, 2023, pre-tax net unrealized losses of \$7 million and \$12 million (2022: losses of \$1 million and \$3 million, respectively), were recorded in other comprehensive income for the effective portion of the cash flow hedges. As of June 30, 2023, there was a net derivative liability balance of \$107 million relating to derivative contracts designated as cash flow hedges (December 31, 2022: asset balance of \$25 million).

Fair Value Hierarchical Levels—Financial Instruments

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

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

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

US\$ MILLIONS	Fair value hierarchy	June 30, 2023	December 31, 2022
Interest rate swaps & other	Level 2 ⁽¹⁾		
Financial assets		\$ —	\$ 97
Financial liabilities		107	72

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

During the six-month period ended June 30, 2023, no transfers were made between level 1 and 2 or level 2 and 3.

4. PROPERTY, PLANT AND EQUIPMENT

US\$ MILLIONS			Accumulated fair value adjustments		Total
	Gross carrying amount	Accumulated depreciation			
Balance at January 1, 2022	\$ 3,935	\$ (673)	\$ 1,541	\$ 4,803	
Additions, net of disposals	435	5	—	440	
Non-cash additions	7	(4)	—	3	
Depreciation expense	—	(110)	—	(110)	
Fair value adjustments	—	—	100	100	
Net foreign currency exchange differences	(430)	75	(163)	(518)	
Balance at December 31, 2022	\$ 3,947	\$ (707)	\$ 1,478	\$ 4,718	
Additions, net of disposals	236	6	—	242	
Non-cash additions	4	(3)	—	1	
Depreciation expense	—	(59)	—	(59)	
Net foreign currency exchange differences	209	(38)	76	247	
Balance at June 30, 2023	\$ 4,396	\$ (801)	\$ 1,554	\$ 5,149	

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

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

5. INTANGIBLE ASSETS

US\$ MILLIONS	As of	
	June 30, 2023	December 31, 2022
Cost	\$ 3,943	\$ 3,629
Accumulated amortization	(900)	(782)
Total	\$ 3,043	\$ 2,847

Intangible assets are allocated to the following cash generating units:

US\$ MILLIONS	As of	
	June 30, 2023	December 31, 2022
Brazilian regulated gas transmission operation	\$ 3,014	\$ 2,816
U.K. regulated distribution operation	29	31
Total	\$ 3,043	\$ 2,847

Our company's intangible assets are primarily related to concession arrangements with the local energy regulator, Agência Nacional do Petróleo, Gás Natural e Biocombustíveis ("ANP"), at our Brazilian regulated gas transmission operation. Total capacity is fully contracted under long-term "ship-or-pay" gas transportation agreements ("GTA") and therefore the business is exposed to no volume or price risk. Each GTA takes into account a return on regulatory asset base ("RAB"), and the tariffs are calculated on an inflation adjusted regulatory weighted average cost of capital ("WACC") fixed for the life of GTAs.

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

Our intangible assets are evaluated for impairment annually or more often if events or circumstances indicate there may be impairment. Despite recent volatility observed in commodity and foreign exchange markets and the interruption to global supply chains, our intangible assets remain largely unaffected. Our intangible assets represent long-term critical infrastructure supported by regulated or highly contracted revenues which help protect value over the long term.

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

US\$ MILLIONS	For the six-month period ended June 30, 2023	For the 12 month period ended December 31, 2022
Cost at beginning of the period	\$ 3,629	\$ 3,332
Additions, net of disposals	17	81
Foreign currency translation	297	216
Ending Balance	\$ 3,943	\$ 3,629

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

US\$ MILLIONS	For the six-month period ended June 30, 2023	For the 12 month period ended December 31, 2022
Accumulated amortization at beginning of the period	\$ (782)	\$ (645)
Amortization	(53)	(101)
Foreign currency translation	(65)	(36)
Ending Balance	\$ (900)	\$ (782)

6. INVESTMENTS IN ASSOCIATES

The following table represents the change in balance of investments in associates:

US\$ MILLIONS	For the six-month period ended June 30, 2023	For the 12 month period ended December 31, 2022
Balance at the beginning of the period	\$ 428	\$ —
Acquisitions	—	455
Share of earnings for the period	4	4
Foreign currency translation and other	(9)	(25)
Share of other comprehensive (loss) income	(3)	27
Distributions	(3)	(33)
Ending Balance	\$ 417	\$ 428

In February 2022, our company acquired an approximate 8% interest in an Australian regulated utility, AusNet Services Ltd (“AusNet”) for \$455 million. Based on our ownership interest and governance rights retained, our company equity accounts for the entity.

The following tables summarize the aggregate balances of investments in associates on a 100% basis:

US\$ MILLIONS	As of	
	June 30, 2023	December 31, 2022
Financial position:		
Total assets	\$ 13,384	\$ 13,541
Total liabilities	(8,001)	(8,018)
Net assets	\$ 5,383	\$ 5,523

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Financial performance:				
Total revenue	\$ 391	\$ 361	\$ 721	\$ 521
Total net income for the period ⁽¹⁾	33	36	52	(52)
Our company's share of net income	\$ 3	\$ 2	\$ 4	\$ (4)

1. Total net income for the six-month period ended June 30, 2022 includes acquisition-related transaction costs of \$105 million.

7. GOODWILL

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

US\$ MILLIONS	As of	
	June 30, 2023	December 31, 2022
Balance at beginning of the period	\$ 518	\$ 489
Foreign currency translation and other	48	29
Ending Balance	\$ 566	\$ 518

Goodwill mainly arose from the recognition of a deferred tax liability due to purchase price accounting upon the acquisition of our Brazilian regulated gas transmission business. The operating performance at our Brazilian regulated gas transmission business benefits from stable, long-term, contracted cash flows and has been largely unimpacted by recent changes in the macroeconomic environment. As such, no impairment indicators were noted during the six-month period ended June 30, 2023.

8. BORROWINGS

Non-Recourse Borrowings

US\$ MILLIONS	As of	
	June 30, 2023	December 31, 2022
Current	\$ 247	\$ 328
Non-current	4,810	4,249
Total	\$ 5,057	\$ 4,577

Non-recourse borrowings have increased by \$480 million since year-end. The increase is primarily attributable to obtaining \$250 million of secured, non-recourse financing, additional borrowings of \$45 million at our U.K. regulated distribution business and our Brazilian regulated gas transmission business, along with the impact of foreign exchange as the foreign currencies underlying non-recourse borrowings appreciated relative to the U.S. dollar. Refer to Note 13, *Related Party Transactions*, for further details on our related party debt.

9. FINANCIAL LIABILITIES

US\$ MILLIONS	As of	
	June 30, 2023	December 31, 2022
Current:		
Interest rate swaps	\$ 71	\$ 72
Total current financial liabilities	\$ 71	\$ 72
Non-current:		
Interest rate swaps	\$ 36	\$ —
Total non-current financial liabilities	\$ 36	\$ —

Exchangeable shares, class B shares and class C shares

The exchangeable and class B shares are classified as liabilities due to their exchangeable and cash redemption features. Upon issuance, exchangeable and class B shares are recognized at their fair value. Subsequent to initial recognition, the exchangeable and class B shares are recognized at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows are based on the price of one unit of the partnership.

In August 2021, the partnership acquired a controlling interest in Inter Pipeline Limited (“IPL”) for consideration comprised of cash, exchangeable shares and class B 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, 2023, our company issued 121,970 exchangeable shares in connection with exchange requests from BIPC Exchange LP unit holders. Upon issuance, the exchangeable shares were recognized at their fair value.

During the six-month period ended June 30, 2023, our shareholders exchanged 5,811 exchangeable shares for an equal number of partnership units. As at June 30, 2023, the exchangeable and class B shares were remeasured to reflect the NYSE closing price of one unit, \$36.50 per share. Remeasurement gains or losses associated with these shares are recorded in the unaudited interim condensed and consolidated statements of operating results. Our company declared and paid dividends of \$43 million and \$85 million on its exchangeable shares outstanding during the three and six-month period ended June 30, 2023, respectively (2022: \$39 million and \$79 million). Dividends paid on exchangeable shares are presented as interest expense in the unaudited interim condensed and consolidated statements of operating results.

On June 10, 2022, our group completed a three-for-two split of partnership units, BIPC Exchangeable LP Units, BIP Exchange LP units, exchangeable shares, class B shares and class C shares, by way of a subdivision whereby unitholders/shareholders received an additional one-half of a unit/share for each unit/share held. All historical units/shares and per unit/share disclosures have been adjusted to effect for the change in units/shares due to the splits.

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

	Exchangeable shares outstanding (Shares)	Class B shares outstanding (Shares)	Exchangeable and class B shares (US\$ Millions)
Balance at January 1, 2022	110,157,540	2	\$ 4,466
Share issuance - BIPC exchangeable LP unit exchanges	427,643	—	19
Shares exchanged to units	(17,512)	—	(1)
Remeasurement of liability	—	—	(1,058)
Balance at December 31, 2022	110,567,671	2	\$ 3,426
Share issuance - BIPC exchangeable LP unit exchanges	121,970	—	6
Shares exchanged to units	(5,811)	—	—
Remeasurement of liability	—	—	608
Balance as at June 30, 2023	110,683,830	2	\$ 4,040

Similar to class B shares, class C shares are classified as liabilities due to their cash redemption feature. However, class C shares, the most subordinated class of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32. Refer to Note 12, *Equity*, for further details related to class C shares.

10. REVENUE

a) Revenues by service line

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

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Gas Transmission	\$ 379	\$ 343	\$ 721	\$ 663
Distribution	96	86	192	177
Connections	53	45	97	85
Other	10	5	25	15
Total	\$ 538	\$ 479	\$ 1,035	\$ 940

During the three and six-month period ended June 30, 2023, revenues benefited from inflationary tariff increases and capital commissioned into rate base.

b) Revenues from external customers

The following table disaggregates revenues by geographical region:

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Brazil	\$ 379	\$ 343	\$ 721	\$ 663
United Kingdom	159	136	314	277
Total	\$ 538	\$ 479	\$ 1,035	\$ 940

Our company's customer base is comprised predominantly of investment grade companies, with only one customer that makes up greater than 10% of our company's consolidated revenues. For the three and six-month period ended June 30, 2023, revenue generated from this customer was \$379 million and \$721 million, respectively (2022: \$343 million and \$663 million). Our company has completed a review of the credit risk of key counterparties. Based on their liquidity position, business performance, and aging of our accounts receivable, we do not have any significant changes in expected credit losses at this time.

11. DIRECT OPERATING COSTS

Direct operating costs are costs incurred to earn revenue and include all attributable expenses. The following table lists direct operating costs for the three and six-month periods ended June 30, 2023, and 2022.

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Depreciation and amortization	\$ 57	\$ 54	\$ 112	\$ 108
Transportation and distribution	48	40	97	80
Operations and maintenance	18	14	36	29
Compensation	18	15	35	30
Cost of inventory	1	1	3	4
Other	7	7	13	14
Total	\$ 149	\$ 131	\$ 296	\$ 265

12. EQUITY

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

	Class C shares	
	Shares outstanding (Shares) ⁽¹⁾	Share capital (US\$ Millions)
Balance at January 1, 2022	2,103,677	\$ 53
Share issuance	—	—
Balance at December 31, 2022 and June 30, 2023	2,103,677	\$ 53

1. Shares outstanding have been adjusted to effect for the change in shares due to the stock split. See Note 9, *Financial Liabilities*.

Our company's share capital is comprised of exchangeable shares, class B shares and class C shares. Due to the exchange feature of the exchangeable shares and the cash redemption feature of the class B and class C shares, the exchangeable shares, the class B shares, and the class C shares are classified as financial liabilities. However, class C shares, the most subordinated of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32. Refer to Note 9, *Financial Liabilities*, for further details related to exchangeable and class B shares.

13. 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, our group pays a base management fee, to the Service Providers equal to 0.3125% per quarter (1.25% annually) of the combined market value of the partnership and our company. Our company reimburses the partnership for our proportionate share of the management fee. For purposes of calculating the base management fee, the market value of the partnership is equal to the aggregate value of all the outstanding units (assuming full conversion of Brookfield's Redeemable Partnership Units in Holdings LP into units), preferred units and securities of the other Service Recipients (including the exchangeable shares and the exchangeable units of Brookfield Infrastructure Partners Exchange LP and Brookfield Infrastructure Corporation Exchange LP) that are not held by Brookfield Infrastructure, plus all outstanding third-party debt with recourse to a Service Recipient, less all cash held by such entities. The amount attributable to our company is based on weighted average units and shares outstanding.

The base management fee attributable to our company was \$16 million and \$31 million for the three and six-month periods ended June 30, 2023, respectively (2022: \$16 million and \$34 million, respectively) 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, 2023, revenues of less than \$1 million were generated (2022: less than \$1 million) and \$nil expenses were incurred (2022: \$nil).

Our company 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 credit facilities for working capital purposes and to fund growth capital investments and acquisitions. The determination of which of these sources of funding our company will access in any particular situation will be a matter of optimizing needs and opportunities at that time.

The credit facilities are available in U.S. or Canadian dollars, and advances will be made by way of SOFR, base rate, CDOR, or prime rate loans. Both operating facilities bear interest at the benchmark rate plus an applicable spread, in each case subject to adjustment from time to time as the parties may agree. In addition, each credit facility contemplates potential deposit arrangements pursuant to which the lender thereunder would, with the consent of a borrower, deposit funds on a demand basis to such borrower's account at market interest rate. As of June 30, 2023, \$nil (December 31, 2022: \$nil) was drawn on the credit facilities under the credit agreements with Brookfield Infrastructure.

Brookfield Infrastructure provided our company an equity commitment in the amount of \$1 billion. The equity commitment may be called by our company in exchange for the issuance of a number of class C shares or preferred shares, as the case may be, to Brookfield Infrastructure, corresponding to the amount of the equity commitment called divided (i) in the case of a subscription for class C shares, by the volume-weighted average of the trading price for one exchangeable share on the principal stock exchange on which our exchangeable shares are listed for the five (5) days immediately preceding the date of the call, and (ii) in the case of a subscription for preferred shares, \$25.00. The equity commitment will be reduced permanently by the amount so called. As at June 30, 2023, \$nil (December 31, 2022: \$nil) was called on the equity commitment.

BIPC Holdings Inc., a wholly owned subsidiary of our company, fully and unconditionally guaranteed (i) any unsecured debt securities issued by Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Limited and Brookfield Infrastructure Finance Pty Ltd., which we refer to collectively as the “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) the senior preferred shares of BIP Investment Corporation (“BIPIC”), as to the payment of dividends when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BIPIC, (iii) certain of the partnership’s preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of the partnership, and (iv) the obligations of Brookfield Infrastructure under its bilateral credit facilities. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. 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.

As at June 30, 2023, the balance outstanding on our deposit with Brookfield Infrastructure was \$570 million (December 31, 2022: \$566 million). As at June 30, 2023, the demand deposit payable to Brookfield Infrastructure was \$26 million (December 31, 2022: \$26 million). The deposit arrangements accrue interest at 0.2% per annum. Interest on each deposit during the three and six-month periods ended June 30, 2023 was less than \$1 million (2022: less than \$1 million). In addition, on March 28, 2023, our company entered into a loan agreement (as lender) with Brookfield Infrastructure for \$250 million. The loan is presented as amounts due from Brookfield Infrastructure on the unaudited interim and condensed consolidated statements of financial position and accrues interest at SOFR plus 200 basis points per annum with a maturity date of March 27, 2024. Interest accrued during the three and six-month periods ended June 30, 2023 was \$4 million.

On March 28, 2023, a subsidiary of our company entered into a loan agreement with an affiliate of Brookfield for total proceeds of \$250 million. This loan is non-recourse to our company and is presented as non-recourse borrowings on the unaudited interim and condensed consolidated statements of financial position and accrues interest at SOFR plus 200 basis points per annum with a maturity date of March 27, 2024. Interest accrued during the three and six-month periods ended June 30, 2023 was \$4 million.

As at June 30, 2023, our company had accounts payable of \$9 million (December 31, 2022: \$6 million) to subsidiaries of Brookfield Infrastructure and accounts receivable of \$nil (December 31, 2022: \$10 million) from subsidiaries of Brookfield Infrastructure.

On September 23, 2022, our company sold a financial asset to the partnership for fair market value consideration of \$66 million. Our company recognized a loss on disposal of \$2 million in the consolidated statement of operating results for the year ended December 31, 2022.

On August 3, 2023, our company agreed to the sale of its 7.9% effective interest in its Australian regulated utility operation to an affiliate of Brookfield for net proceeds of approximately \$450 million. The sale price was based on a fair value as determined by an independent valuation. The transaction was approved by the Limited Partners Advisory Committee (“LPAC”) of the acquirer and is expected to close within the third quarter of 2023.

14. SUPPLEMENTAL CASH FLOW INFORMATION

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Interest paid	\$ 129	\$ 136	\$ 289	\$ 203
Income taxes paid	\$ 40	\$ 32	\$ 282	\$ 242

Amounts paid and received for interest were reflected as operating cash flows in the unaudited interim condensed and consolidated statements of cash flows. Interest paid is net of debt related hedges and includes dividends paid on our exchangeable shares classified as liabilities.

Amounts paid for income taxes were reflected as either operating cash flows or investing cash flows in the unaudited interim condensed and consolidated statements of cash flows depending upon the nature of the underlying transaction.

Details of “Changes in non-cash working capital, net” on the unaudited interim condensed and consolidated statements of cash flows are as follows:

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Accounts receivable	\$ (15)	\$ (25)	\$ (25)	\$ (44)
Accounts payable and other	80	85	(91)	39
Changes in non-cash working capital, net	\$ 65	\$ 60	\$ (116)	\$ (5)

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF JUNE 30, 2023 AND DECEMBER 31, 2022 AND
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

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 11, 2023 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.ca 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.ca. 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 ("interim financial statements") are prepared in accordance with International Accounting Standard 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. Non-IFRS measures used in this MD&A are reconciled to or calculated from such values presented in our interim financial statements. All dollar references, unless otherwise stated, are in millions of United States dollars ("USD").

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

Overview of our Company

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

Our business is comprised of a U.K. regulated distribution operation, a Brazilian regulated natural gas transmission operation and an Australian regulated utility. 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 this segment 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.

On April 12, 2023, our company and institutional partners, announced a take-private acquisition of Triton International Limited (“Triton”). Triton is the world’s largest owner and lessor of intermodal shipping containers and is a critical provider of global transport logistics infrastructure. The container leasing industry has high barriers to entry and is characterized by a small group of industry players. The size and scale of Triton’s global network differentiates it from competitors, making it the partner of choice for the world’s top 10 shipping lines that collectively account for approximately 85% of global shipping capacity. The total consideration of \$85.00 per Triton common share will consist of \$68.50 in cash and \$16.50 in exchangeable shares (NYSE: BIPC, TSX: BIPC). The transaction is expected to close in the third quarter of 2023, subject to customary closing conditions and Triton shareholder approval.

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

Dividend Policy

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

The board of directors of the general partner of the partnership approved a 6% increase in the partnership’s quarterly distribution to \$0.3825 per unit (or \$1.53 per unit annualized), starting with the distribution paid in March 2023. 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 \$0.3825 per exchangeable share (or \$1.53 per exchangeable share annualized), starting with the dividend paid in March 2023.

On June 10, 2022, our group completed a three-for-two split of partnership units, BIPC Exchangeable LP Units, BIP Exchange LP units, exchangeable shares, class B shares and class C shares, by way of a subdivision whereby unitholders/shareholders received an additional one-half of a unit/share for each unit/share held. All historical units/shares and per unit/share disclosures have been adjusted to effect for the change in units/shares due to the splits.

RESULTS OF OPERATIONS

The following table summarizes the key financial results of our company for the three and six-month periods ended June 30, 2023 and 2022:

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Summary Statements of Operating Results				
Revenues	\$ 538	\$ 479	\$ 1,035	\$ 940
Direct operating costs	(149)	(131)	(296)	(265)
Interest expense	(161)	(143)	(314)	(245)
Share of earnings (losses) from investments in associates	3	2	4	(4)
Remeasurement of exchangeable and class B shares	(301)	656	(608)	259
Income tax (expense) recovery	(95)	1	(175)	(118)
Net (loss) income	(154)	842	(349)	626
Net (loss) income attributable to the partnership	(274)	673	(575)	300

Three-month periods ended June 30, 2023 and 2022

For the three-month period ended June 30, 2023, our company reported a net loss of \$154 million, of which \$274 million was attributable to the partnership. This compares to net income of \$842 million for the three-month period ended June 30, 2022, of which \$673 million was attributable to the partnership. Net income for the current quarter benefited from inflation-indexation at our Brazilian regulated gas transmission business and capital commissioned into rate base at our U.K. regulated distribution business. These positive impacts were more than offset by revaluation losses of \$301 million recognized on our company's exchangeable shares that are classified as liabilities under IFRS.

Total revenues increased by \$59 million relative to the same period during the prior year. Underlying gas transmission revenues in Brazil increased by \$38 million due to inflation-indexation, partially offset by the depreciation of the Brazilian real which decreased our revenues in U.S. dollars by \$2 million relative to 2022. Distribution revenues in the U.K. increased due to higher volumes and inflation-indexation which contributed additional revenues of \$10 million. Connections revenue in the U.K. benefited from an increase in construction activity which contributed additional revenues of \$9 million compared to the prior year.

Direct operating costs for the three-month period ended June 30, 2023 were \$149 million, an increase of \$18 million compared to the prior year. The increase was primarily due to inflation, organic growth, and incremental depreciation on capital expenditures made over the last year and higher asset values as a result of our revaluation process.

Interest expense for the three-month period ended June 30, 2023 increased by \$18 million to \$161 million. The increase was primarily a result of 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, due to a 6% increase in our company's quarterly dividend. Results were further impacted by interest incurred on a loan agreement entered with an affiliate of Brookfield in March 2023.

Remeasurement losses, which relate to the revaluation of our exchangeable shares classified as liabilities, were \$301 million for the three-month period ended June 30, 2023, compared to revaluation gains of \$656 million in the prior year. The remeasurement losses reflect the increase in the market price of partnership units based on the NYSE closing price.

Income tax expense for the three-month period ended June 30, 2023 was \$95 million, compared to an income tax recovery of \$1 million recognized during the same period in the prior year. Income tax in the prior year period benefited from the recognition of a deferred tax asset of \$90 million at our Brazilian regulated gas transmission business.

Six-month periods ended June 30, 2023 and 2022

For the six-month period ended June 30, 2023, our company reported net loss of \$349 million, of which \$575 million was attributable to the partnership. This compares to a net income of \$626 million for the six-month period ended June 30, 2022, of which \$300 million was attributable to the partnership. Net income for the current period benefited from inflation-indexation at our Brazilian regulated gas transmission business and capital commissioned into rate base at our U.K. regulated distribution business. Revaluation losses of \$608 million were recognized on our company's exchangeable shares that are classified as liabilities under IFRS, which resulted in a net loss being recorded. This compares to revaluation gains of \$259 million for the six-month period ended June 30, 2022.

Total revenues increased by \$95 million relative to the same period during the prior year. Underlying gas transmission revenues in Brazil increased by \$58 million due to inflation-indexation. Distribution revenues in the U.K. increased due to higher volumes and inflation-indexation which contributed additional revenues of \$25 million. Connections revenue in the U.K. benefited from an increase in construction activity which contributed additional revenues of \$18 million compared to the prior year. These positive factors were partially offset by the depreciation of the British pound which decreased our revenues in U.S. dollars by \$16 million relative to 2022.

Direct operating costs for the six-month period ended June 30, 2023 were \$296 million, an increase of \$31 million compared to the prior year. Increased costs due to inflation and organic growth were partially offset by the impact of foreign exchange. Depreciation and amortization expense increased compared to the prior year as a result of incremental depreciation on capital expenditures made over the last year and higher asset values as a result of our revaluation process, partially offset by the impact of foreign exchange.

Interest expense for the six-month period ended June 30, 2023 was \$314 million, an increase of \$69 million compared to the same period in 2022. This increase was due to incremental charges associated with debt issued at our Brazilian regulated gas transmission business to fund the deferred consideration paid in April 2022, and an increase in interest rates on our variable rate non-recourse borrowings. Current year results were further impacted by an increase in dividends paid on our exchangeable shares, classified as interest expense, due to a 6% increase in our company's quarterly dividend, and interest incurred on a loan agreement entered with an affiliate of Brookfield in March 2023.

Remeasurement losses for the six-month period ended June 30, 2023 were \$608 million compared to gains of \$259 million in the prior year. The remeasurement losses reflect the increase in the market price of partnership units based on the NYSE closing price.

Income tax expense for the six-month period ended June 30, 2023 was \$175 million, an increase of \$57 million compared to the prior year. Income tax in the prior year period benefited from the recognition of a deferred tax asset of \$90 million at our Brazilian regulated gas transmission business, partially offset by the reversal of timing differences at our Brazilian regulated gas transmission business.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table summarizes the statements of financial position of our company as at June 30, 2023 and December 31, 2022:

Summary Statements of Financial Position Key Metrics	As of	
	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 356	\$ 445
Due from Brookfield Infrastructure	820	566
Property, plant and equipment	5,149	4,718
Intangible assets	3,043	2,847
Investment in associates	417	428
Total assets	10,973	10,178
Loans payable to Brookfield Infrastructure	26	26
Exchangeable and class B shares	4,040	3,426
Non-recourse borrowings	5,057	4,577
Total liabilities	11,737	10,539
Equity in net assets attributable to the partnership	(1,630)	(1,119)
Total equity	(764)	(361)

Total assets were \$11.0 billion at June 30, 2023, compared to \$10.2 billion at December 31, 2022. This increase was primarily driven by an increase in the amount due from Brookfield Infrastructure by \$0.2 billion, additions to property, plant and equipment of \$0.2 billion and the impact of foreign exchange which increased assets denominated in currencies other than the U.S. dollar by \$0.6 billion. These increases were partially offset by a decrease in cash and cash equivalents of \$0.1 billion primarily due to the settlement of income tax liabilities and accrued interest at our Brazilian regulated gas transmission business.

Our accounting policy is to carry property, plant and equipment at fair value and intangible assets at amortized cost. Our last revaluation date for the measurement of property, plant and equipment, as well as the testing of intangible assets and goodwill for impairment, was December 31, 2022. Our valuation of property, plant and equipment is underpinned by regulated cash flow. Our local revenues have been predominantly unimpacted by the recent changes in the macroeconomic environment as we earn a regulated return on an asset base for making the infrastructure available to users with minimal volume and price risk. Given the stable cash flows generated by our business, we believe the long-term value of these assets has not changed significantly from our most recent valuation.

Our exchangeable and class B shares are classified as liabilities due to their exchangeable and cash redemption features. Subsequent to initial recognition at fair value, the shares are measured at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows are based on the price of one partnership unit. As at June 30, 2023, the shares were remeasured to reflect the NYSE closing price of one partnership unit, or \$36.50 per share.

Non-recourse borrowings increased by \$0.5 billion to \$5.1 billion at June 30, 2023. This increase was primarily due to a \$0.2 billion loan from Brookfield, \$0.2 billion of additional borrowings at our U.K. regulated distribution business and the impact of foreign exchange as the Brazilian real and British pound strengthened relative to the U.S. dollar. These increases were partially offset by \$0.1 billion of repayments at our Brazilian regulated gas transmission business.

Total equity was negative \$0.8 billion as at June 30, 2023, compared to negative \$0.4 billion at December 31, 2022. The decrease is mainly due to remeasurement losses as a result of the revaluation of our exchangeable shares classified as liabilities, partially offset by the impact of foreign exchange.

Foreign Currency Translation

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

	Period End Rate			Average Rate					
	As of			For the three-month period ended June 30			For the six-month period ended June 30		
	June 30, 2023	December 31, 2022	Change	2023	2022	Change	2023	2022	Change
Brazilian real	0.2075	0.1917	8 %	0.2021	0.2030	— %	0.1971	0.1969	— %
British pound	1.2703	1.2083	5 %	1.2523	1.2563	— %	1.2339	1.2983	(5)%
Australian dollar	0.6664	0.6813	(2)%	0.6682	0.7143	(6)%	0.6759	0.7194	(6)%

The net assets of our U.K. regulated distribution business, our Brazilian regulated transmission business and our Australian regulated utility represent 59%, 26% and 15% of our equity in foreign subsidiaries, respectively.

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	
	2023	2022	2023	2022
Brazilian real	\$ 35	\$ (72)	\$ 49	\$ 34
British pound	47	(114)	79	(161)
Australian dollar	(1)	(45)	(9)	(19)
	<u>\$ 81</u>	<u>\$ (231)</u>	<u>\$ 119</u>	<u>\$ (146)</u>
Attributable to:				
The partnership	\$ 48	\$ (156)	\$ 69	\$ (137)
Non-controlling interests	33	(75)	50	(9)
	<u>\$ 81</u>	<u>\$ (231)</u>	<u>\$ 119</u>	<u>\$ (146)</u>

The impact of foreign currency translation on our company, including those attributable to non-controlling interests, for the three and six-month period ended June 30, 2023, was an increase to equity of \$81 million and \$119 million, respectively (2022: decrease of \$231 million and \$146 million, respectively). The increase in equity during the three and six-month period was primarily due to the appreciation of the Brazilian real and British pound relative to the U.S. dollar.

Average currency exchange rates impact the U.S. dollar equivalents of revenues and net income from non-U.S. operations on a comparative basis. During the three-month period ended June 30, 2023, the average exchange rate of the Brazilian real and British pound remained relatively consistent with the prior year, while the average exchange rate of the Australian dollar depreciated relative to the U.S. dollar. During the six-month period ended June 30, 2023, the average exchange rate of the Brazilian real remained relatively consistent with the prior year, while the average exchange rate of the British pound and Australian dollar depreciated relative to the U.S. dollar. The depreciation of the Australia dollar decreased our revenues and net income in U.S. dollars during the three-month period ended June 30, 2023, and the deprecation of the British pound and Australian dollar decreased our revenues and net income in U.S. dollars during the six-month period ended June 30, 2023.

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	
	2023	2022	2023	2022
Revenue	\$ 4,256	\$ 3,681	\$ 8,474	\$ 7,092
Net income	773	425	916	719

US\$ MILLIONS IFRS measures	As of	
	June 30, 2023	December 31, 2022
Total assets	\$ 81,671	\$ 72,969
Total liabilities	53,048	47,415
Total partnership capital	28,623	25,554

PERFORMANCE DISCLOSURES

To measure performance, we focus on net income, an IFRS measure, as well as certain non-IFRS measures, including FFO, AFFO, Adjusted EBITDA and Adjusted Net Income. FFO, AFFO, Adjusted EBITDA and Adjusted Net Income are proportionate measures and are not calculated in accordance with, and do not have any standardized meaning prescribed by IFRS as issued by the IASB and may differ from, and not be comparable to, similar measures presented by other issuers.

FFO

We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, mark-to-market and other income (expenses) that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. We exclude from FFO dividends paid on the exchangeable shares of our company that are presented as interest expense, as well as the interest expense on loans payable to the partnership which represent the partnership's investment in our company.

FFO includes balances attributable to our company generated by investments in associates accounted for using the equity method and excludes amounts attributable to non-controlling interests based on the economic interests held by non-controlling interests in consolidated subsidiaries.

FFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. FFO is therefore unlikely to be comparable to similar measures presented by other issuers. FFO has limitations as an analytical tool. Specifically, our definition of FFO may differ from the definition used by other organizations, and is different than the definition of Funds from Operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS.

AFFO

We define AFFO as FFO less capital expenditures required to maintain the current performance of our operations (maintenance capital expenditures). AFFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. AFFO is therefore unlikely to be comparable to similar measures presented by other issuers and has limitations as an analytical tool.

Adjusted EBITDA

We focus on Adjusted EBITDA which we define as net income excluding the impact of interest expense, depreciation and amortization, income taxes, mark-to-market and other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations.

Adjusted EBITDA includes balances attributable to our company generated by investments in associates accounted for using the equity method and excludes amounts attributable to non-controlling interests based on the economic interests held by non-controlling interests in consolidated subsidiaries.

Adjusted EBITDA is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Adjusted EBITDA is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted EBITDA has limitations as an analytical tool.

Adjusted Net Income

We also focus on Adjusted Net Income, previously referred to as Adjusted Earnings, which we define as net income excluding the impact of dividends paid and remeasurement gains/losses on the exchangeable shares of our company, and interest and foreign currency translation adjustments on intercompany loans with the partnership. Aside from the change in naming convention from Adjusted Earnings to Adjusted Net Income to appropriately differentiate this non-IFRS measure from "Adjusted Earnings" as disclosed in the partnership's supplemental information, there have been no changes to the definition, calculation or use of this non-IFRS measure.

Adjusted Net Income includes balances attributable to our company generated by investments in associates accounted for using the equity method and excludes amounts attributable to non-controlling interests based on the economic interests held by non-controlling interests in consolidated subsidiaries.

Adjusted Net Income is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Adjusted Net Income is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted Net Income has limitations as an analytical tool.

Benefits and Uses of Non-IFRS Measures

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

In deriving FFO, AFFO and Adjusted EBITDA, we add back depreciation and amortization to net income. Specifically, in our financial statements we use the revaluation approach in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation expense is determined based on a revalued amount, thereby reducing comparability with our peers who do not report under IFRS as issued by the IASB or who do not employ the revaluation approach to measuring property, plant and equipment. We add back deferred income taxes on the basis that we do not believe this item reflects the present value of the actual tax obligations that we expect to incur over our long-term investment horizon. Finally, we add back the impact of mark-to-mark on hedging items and other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations.

To provide a supplemental understanding of the performance of our business and to enhance comparability across periods and relative to our peers we utilize Adjusted EBITDA. Adjusted EBITDA excludes the impact of interest expense and income taxes to assist in assessing the operating performance of our business by eliminating for the effect of its current capital structure and tax profile.

While FFO provides a basis for assessing current operating performance, it does not take into consideration the cost to sustain the operating performance of the partnership's asset base. In order to assess the long-term, sustainable operating performance of our businesses, we observe that investors take into account the impact of maintenance capital expenditures to derive AFFO, in addition to FFO.

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

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Key Metrics				
Adjusted EBITDA ⁽¹⁾	\$ 198	\$ 183	\$ 379	\$ 339
Funds from Operations (FFO) ⁽¹⁾	124	116	235	218
Adjusted Funds from Operations (AFFO) ⁽¹⁾	114	106	218	202
Adjusted Net Income ⁽¹⁾	58	73	105	133

1. Non-IFRS measures, please refer to the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A.

For the three-month period ended June 30, 2023, Adjusted EBITDA and FFO increased by \$15 million and \$8 million, respectively, compared to the same period in the prior year. During the current period, Adjusted EBITDA and FFO benefited from inflation-indexation, capital commissioned into rate base and higher connections activity at our U.K. regulated distribution business. These benefits to FFO were partially offset by an increase in interest expense associated with higher interest rates on our variable rate non-recourse borrowings.

For the three-month period ended June 30, 2023, Adjusted Net Income decreased by \$15 million compared to the same period in the prior year. While Adjusted Net Income was also impacted by the factors described above, the prior year period benefited from the recognition of a deferred tax asset at our Brazilian regulated gas transmission business.

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

US\$ MILLIONS	For the three-month period ended June 30, 2023		
	Utilities	Corporate	Total
Adjusted EBITDA ⁽¹⁾	\$ 215	\$ (17)	\$ 198
Funds from Operations (FFO) ⁽¹⁾	141	(17)	124
Adjusted Funds from Operations (AFFO) ⁽¹⁾	131	(17)	114

US\$ MILLIONS	For the six-month period ended		
	June 30, 2023		
Key Metrics	Utilities	Corporate	Total
Adjusted EBITDA ⁽¹⁾	\$ 412	\$ (33)	\$ 379
Funds from Operations (FFO) ⁽¹⁾	268	(33)	235
Adjusted Funds from Operations (AFFO) ⁽¹⁾	251	(33)	218

1. Non-IFRS measures, please refer to the “Reconciliation of Non-IFRS Financial Measures” section of this MD&A.

UTILITIES

Results of Operations

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

The following table presents our company’s share of the rate base of our utilities businesses as at June 30, 2023 and December 31, 2022:

US\$ MILLIONS	As of	
	June 30, 2023	December 31, 2022
Rate base	\$ 5,538	\$ 4,802

The following table presents our company’s share of key measures of our utilities business for the three and six-month periods ended June 30, 2023 and 2022:

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Adjusted EBITDA ^{(1),(2)}	\$ 215	\$ 200	\$ 412	\$ 376
Funds from Operations (FFO) ^{(1),(2)}	141	133	268	255
Adjusted Funds from Operations (AFFO) ^{(1),(2)}	131	123	251	239

1. Non-IFRS measures, please refer to the “Reconciliation of Non-IFRS Financial Measures” section of this MD&A.

2. Adjusted EBITDA, FFO and AFFO provided in the table above do not reflect the annual base management fee our company pays for the periods indicated to Brookfield pursuant to the Master Services Agreement or other corporate, general and administrative service costs as described below in this MD&A under “Corporate, General and Administrative Services”.

Three-month periods ended June 30, 2023 and 2022

For the three-month period ended June 30, 2023, Adjusted EBITDA and FFO for our utilities businesses were \$215 million and \$141 million, respectively, compared to \$200 million and \$133 million, respectively, in 2022. In the current quarter, Adjusted EBITDA and FFO benefited from inflation-indexation, capital commissioned into rate base and increased levels of connections activity at our U.K. regulated distribution business. While FFO benefited from the aforementioned factors, these benefits were partially offset by an increase in interest expense associated with higher borrowings and higher interest rates on our variable rate non-recourse borrowings.

The following table presents the roll-forward of our company's share of rate base:

US\$ MILLIONS	For the three-month period ended June 30, 2023	For the six-month period ended June 30, 2023	For the 12 month period ended December 31, 2022
Rate base, start of period	\$ 5,195	\$ 4,802	\$ 3,961
Acquisitions	—	—	682
Capital expenditures commissioned	86	156	285
Inflation and other indexation	8	201	250
Regulatory depreciation	(9)	(24)	(56)
Foreign exchange and other	258	403	(320)
Rate base, end of period	<u>\$ 5,538</u>	<u>\$ 5,538</u>	<u>\$ 4,802</u>

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

Capital Backlog and Capital Expenditures

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

US\$ MILLIONS	For the three-month period ended June 30, 2023	For the six-month period ended June 30, 2023	For the 12 month period ended December 31, 2022
Capital backlog, start of period	\$ 388	\$ 389	\$ 287
Additional capital project mandates	82	181	463
Acquisitions	—	—	70
Less: capital expenditures	(106)	(208)	(390)
Foreign exchange and other	6	8	(41)
Capital backlog, end of period	<u>370</u>	<u>370</u>	<u>389</u>
Construction work in progress	459	459	387
Total capital to be commissioned	<u>\$ 829</u>	<u>\$ 829</u>	<u>\$ 776</u>

These capital projects are financed with a combination project-level financing, which has no recourse to our company, as well as operating cash flows generated and retained within our company. Capital backlog consists primarily of a contracted order book of gas and electricity connections at our U.K. regulated distribution business that is expected to be commissioned over the next three years. Our order book currently totals approximately 1.5 million connections. Capital to be commissioned increased from connection mandates awarded at our U.K. regulated distribution business.

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

Three-month periods ended June 30, 2023 and 2022

For the three-month period ended June 30, 2023, the base management fee under the Master Services Agreement was \$16 million, consistent with the same period during the prior year. Our company also incurred \$1 million in other general and administrative expenses during the quarter, largely in line with prior year.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

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

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

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

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

Because of these limitations, our financial information presented based on our company's share in the underlying operations should not be considered in isolation or as a substitute for our financial statements as reported under IFRS.

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

FFO has limitations as an analytical tool:

- FFO does not include certain non-recurring charges such as breakage and transaction costs or non-cash valuation gains and losses;
- FFO does not include depreciation and amortization expense; because we own capital assets with finite lives, depreciation and amortization expense recognizes the fact that we must maintain or replace our asset base in order to preserve our revenue generating capability;
- FFO does not include deferred income taxes, which may become payable if we own our assets for a long period of time;
- FFO does not include the impact of mark-to-market gains or losses; and
- FFO does not include other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations.

FFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. FFO is therefore unlikely to be comparable to similar measures presented by other issuers. FFO has limitations as an analytical tool. Specifically, our definition of FFO may differ from the definition used by other organizations, and is different than the definition of Funds from Operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS.

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

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

We add back depreciation and amortization to remove the implication that our assets decline in value over time since we believe that the value of most of our assets will be sustained over time, provided we make all necessary maintenance expenditures. Specifically, in our financial statements we use the revaluation approach in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation expense is determined based on a revalued amount, thereby reducing comparability with our peers who do not report under IFRS as issued by the IASB or who do not employ the revaluation approach to measuring property, plant and equipment. We add back deferred income taxes because we do not believe this item reflects the present value of the actual cash tax obligations we will be required to pay, particularly if our operations are held for a long period of time. We add back the impact of mark-to-market gains or losses which indicate a point-in-time approximation of value on items we consider long-term. We also add back other income (expenses) that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. Finally, we add back dividends paid on the exchangeable shares of our company that are presented as interest expense, as well as interest expense on loans payable to the partnership as these items represent the partnership's investment in our company.

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

In addition to FFO and AFFO, we focus on Adjusted EBITDA, which we define as net income excluding the impact of interest expense, depreciation and amortization, income taxes, mark-to-market and other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. Adjusted EBITDA provides a supplemental understanding of the performance of our company and enhanced comparability across periods and relative to our peers. In addition to the adjustments to FFO, Adjusted EBITDA excludes the impact of interest expense and current income taxes to remove the effect of the current capital structure and tax profile in assessing the operating performance of our company. Adjusted EBITDA is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Adjusted EBITDA is therefore unlikely to be comparable to similar measures presented by other issuers and has limitations as an analytical tool.

We also focus on Adjusted Net Income, previously referred to as Adjusted Earnings, which we define as net income excluding the impact of dividends paid and remeasurement gains/losses on the exchangeable shares of our company, and interest and foreign currency translation adjustments on intercompany loans with the partnership. Our company's exchangeable and class B shares are classified as liabilities due to their exchangeable and cash redemption features and are remeasured to reflect changes in the contractual cash flows associated with the shares based on the NYSE closing price of one unit. We exclude the remeasurement gains or losses as these items are not reflective of the ongoing performance of our underlying operations. Dividends paid on the exchangeable shares of our company, which are presented as interest expense under IFRS, are excluded from Adjusted Net Income as they represent distributions of our company's earnings to shareholders. Intercompany loans with the partnership represent the partnership's investment in our company and therefore associated interest and foreign currency translation adjustments are excluded. Adjusted Net Income is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Adjusted Net Income is therefore unlikely to be comparable to similar measures presented by other issuers and has limitations as an analytical tool. Aside from the change in naming convention from Adjusted Earnings to Adjusted Net Income to appropriately differentiate this non-IFRS measure from "Adjusted Earnings" as disclosed in the partnership's supplemental information, there have been no changes to the definition, calculation or use of this non-IFRS measure.

When viewed with our IFRS results, we believe that Adjusted Net Income provides a supplemental understanding of the performance of our underlying operations and also gives users enhanced comparability of our ongoing performance relative to peers in certain jurisdictions and across periods.

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

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Net (loss) income	\$ (154)	\$ 842	\$ (349)	\$ 626
Add back or deduct the following:				
Depreciation and amortization	57	54	112	108
Share of (earnings) losses from investments in associates ⁽¹⁾	(3)	(2)	(4)	4
FFO contribution from investments in associates ⁽¹⁾	16	15	31	20
Deferred income tax expense (recovery)	6	(111)	6	(82)
Mark-to-market and foreign currency revaluation	(12)	19	(12)	(82)
Other expenses ⁽²⁾	2	18	6	31
Remeasurement of exchangeable and class B shares	301	(656)	608	(259)
Dividends classified as interest expense and interest expense on intercompany loans	43	40	85	80
FFO attributable to non-controlling interests ⁽³⁾	(132)	(103)	(248)	(228)
FFO	124	116	235	218
Maintenance capital expenditures	(10)	(10)	(17)	(16)
AFFO	\$ 114	\$ 106	\$ 218	\$ 202

1. FFO contribution from investments in associates correspond to the FFO attributable to our company that are generated by its investments in associates accounted for using the equity method. With consideration of share of (earnings) losses from investments in associates, these adjustments have the combined effect of excluding the impact of balances included in our definition of FFO recorded within our investments in associates.
2. Other expenses correspond to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. Other income and expenses excluded from FFO primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.
3. Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned subsidiaries that are not attributable to our company.

All reconciling amounts from net income to FFO presented above are taken directly from the interim financial statements, and in the case of “Contribution from investments in associates” and “Attributable to non-controlling interests”, our company’s share of FFO relating thereto are derived using the accounting policies consistent with those applied in our company’s interim financial statements; FFO for these items is calculated on the same basis as consolidated entities, as disclosed above, and is calculated by applying the same ownership percentages used in calculating our company’s share of equity accounted income and the corresponding elimination of non-controlling interests in accordance with IAS 28, *Investments in Associates and Joint Ventures* and IFRS 10, *Consolidated Financial Statements*, respectively.

For the three and six-month periods ended June 30, 2023, the differences between net income and FFO are predominantly due to depreciation and amortization expense, remeasurement gains and losses on our exchangeable and class B shares, and FFO attributable to non-controlling interests. Depreciation and amortization expense increased from the prior year due to incremental depreciation on capital expenditures made over the last year and higher asset values as a result of our revaluation process. Remeasurement losses were due to revaluation of the exchangeable shares and class B shares classified as liabilities, based on the NYSE price of one unit, to reflect the change in contractual cash flow associated with the shares. FFO attributable to non-controlling interests increased relative to the prior year as a result of organic growth, partially offset by higher financing costs at our Brazilian regulated gas transmission business.

The difference between net income and AFFO is due to the aforementioned items in addition to maintenance capital expenditures of \$10 million and \$17 million for the three and six-month period ended June 30, 2023, respectively (2022: \$10 million and \$16 million, respectively).

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

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Net (loss) income	\$ (154)	\$ 842	\$ (349)	\$ 626
Add back or deduct the following:				
Depreciation and amortization	57	54	112	108
Interest expense	161	143	314	245
Share of (earnings) losses from investments in associates ⁽¹⁾	(3)	(2)	(4)	4
Adjusted EBITDA contribution from investments in associates ⁽¹⁾	22	19	42	27
Income tax expense (recovery)	95	(1)	175	118
Mark-to-market and foreign currency revaluation	(12)	19	(12)	(82)
Other income ⁽²⁾	(16)	(14)	(26)	(14)
Remeasurement of exchangeable and class B shares	301	(656)	608	(259)
Adjusted EBITDA attributable to non-controlling interests ⁽³⁾	(253)	(221)	(481)	(434)
Adjusted EBITDA	<u>\$ 198</u>	<u>\$ 183</u>	<u>\$ 379</u>	<u>\$ 339</u>

- Adjusted EBITDA contributions from investments in associates correspond to the adjusted EBITDA attributable to our company that are generated by its investments in associates accounted for using the equity method. Along with the removal or add back of share of (earnings) losses from investments in associates, these adjustments have the combined effect of excluding the impact of balances included in our definition of Adjusted EBITDA recorded within our investments in associates.
- Other income corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. Other income and expenses excluded from Adjusted EBITDA primarily include interest income earned on cash placed on deposit, fair value remeasurement gains/losses and accretion expense on deferred consideration.
- Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.

All reconciling amounts presented above are taken directly from the interim financial statements, and in the case of “Contribution from investments in associates” and “Attributable to non-controlling interests”, our company’s share of Adjusted EBITDA relating thereto are derived using the accounting policies consistent with those applied in our company’s interim financial statements. Adjusted EBITDA for these items is calculated on the same basis as consolidated entities, as disclosed above, and is calculated by applying the same ownership percentages used in calculating our company’s share of equity accounted income and the corresponding elimination of non-controlling interests in accordance with IAS 28, *Investments in Associated and Joint Ventures* and IFRS 10, *Consolidated Financial Statements*, respectively.

For the three and six-month period ended June 30, 2023, the differences between net income and Adjusted EBITDA are predominantly due to interest expense, income tax expense, remeasurement gains and losses, and Adjusted EBITDA attributable to non-controlling interests. Interest expense increased for the three and six-month period ended June 30, 2023 primarily due to higher interest rates on our variable rate non-recourse borrowings and interest incurred on a loan agreement entered with an affiliate of Brookfield in March 2023. Income tax expense increased primarily due to prior year results benefiting from the recognition of a deferred tax asset at our Brazilian regulated gas transmission business. Remeasurement losses were due to revaluation of the exchangeable shares and class B shares classified as liabilities, based on the NYSE price of one unit, to reflect the change in contractual cash flow associated with the shares. Adjusted EBITDA attributable to non-controlling interests increased for the three and six-month periods ended June 30, 2023 as a result of organic growth.

The following table reconciles net income, the most directly comparable IFRS measure, to Adjusted Net Income, a non-IFRS measure:

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Net (loss) income	\$ (154)	\$ 842	\$ (349)	\$ 626
Add back or deduct the following:				
Dividends paid on our exchangeable shares presented as interest expense	43	39	85	79
Interest expense and foreign currency translation adjustments on intercompany loans with the partnership	(12)	17	(13)	13
Remeasurement and other non-cash (gains) losses on exchangeable and class B shares	301	(656)	608	(259)
Consolidated Adjusted Net Income	178	242	331	459
Adjusted Net Income attributable to non-controlling interests ⁽¹⁾	(120)	(169)	(226)	(326)
Adjusted Net Income	\$ 58	\$ 73	\$ 105	\$ 133

1. Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted Net Income attributable to non-controlling interests, our company is able to remove the portion of Adjusted Net Income earned at non-wholly owned subsidiaries that are not attributable to our company.

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

For the three and six-month periods ended June 30, 2023, the difference between net income and Adjusted Net Income is predominantly due to remeasurement gains and losses, dividends paid on our exchangeable shares presented as interest expense and Adjusted Net Income attributable to non-controlling interests. Remeasurement losses were due to revaluation of the exchangeable shares and class B shares classified as liabilities, based on the NYSE price of one unit, to reflect the change in contractual cash flow associated with the shares. For the three and six-month periods ended June 30, 2023, dividends on our exchangeable shares increased primarily due a 6% increase in our company’s quarterly dividend. Adjusted Net Income attributable to non-controlling interest for the three-month period ended June 30, 2023 decreased compared to the same period in the prior year which benefited from the recognition of a deferred tax asset at our Brazilian regulated gas transmission business. Adjusted Net Income attributable to non-controlling interest for the six-month period ended June 30, 2023 decreased compared to the same period in the prior year which benefited from a foreign exchange gain on the translation of our U.S. denominated deferred consideration to functional currency at our Brazilian regulated gas transmission business.

The following tables reconcile net income, an IFRS measure, on a disaggregated basis between our utilities operations and our corporate, general and administrative costs, to FFO and AFFO, non-IFRS measures:

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2023

US\$ MILLIONS	Utilities	Corporate	Total
Net income (loss)	\$ 195	\$ (349)	\$ (154)
Add back or deduct the following:			
Depreciation and amortization	57	—	57
Share of earnings from investments in associates ⁽¹⁾	(3)	—	(3)
FFO contribution from investments in associates ⁽¹⁾	16	—	16
Deferred income tax expense	6	—	6
Mark-to-market and foreign currency revaluation	(12)	—	(12)
Other expenses (income) ⁽²⁾	14	(12)	2
Remeasurement of exchangeable class B shares	—	301	301
Dividends classified as interest expense and interest expense on intercompany loans	—	43	43
FFO attributable to non-controlling interests ⁽³⁾	(132)	—	(132)
FFO	141	(17)	124
Maintenance capital expenditures	(10)	—	(10)
AFFO	\$ 131	\$ (17)	\$ 114

1. FFO contribution from investments in associates correspond to the FFO attributable to our company that are generated by its investments in associates accounted for using the equity method. With consideration of share of earnings from investments in associates, these adjustments have the combined effect of excluding the impact of balances included in our definition of FFO recorded within our investments in associates.
2. Other expenses (income) correspond to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. Other income and expenses excluded from FFO primarily include fair value remeasurement gains/losses.
3. Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned subsidiaries that are not attributable to our company.

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2022

US\$ MILLIONS	Utilities	Corporate	Total
Net income	\$ 265	\$ 577	\$ 842
Add back or deduct the following:			
Depreciation and amortization	54	—	54
Share of earnings from investments in associates ⁽¹⁾	(2)	—	(2)
FFO contribution from investments in associates ⁽¹⁾	15	—	15
Deferred income tax (recovery) expense	(114)	3	(111)
Mark-to-market and foreign currency revaluation	—	19	19
Other expenses ⁽²⁾	18	—	18
Remeasurement of exchangeable class B shares	—	(656)	(656)
Dividends classified as interest expense and interest expense on intercompany loans	—	40	40
FFO attributable to non-controlling interests ⁽³⁾	(103)	—	(103)
FFO	133	(17)	116
Maintenance capital expenditures	(10)	—	(10)
AFFO	\$ 123	\$ (17)	\$ 106

1. FFO contribution from investments in associates correspond to the FFO attributable to our company that are generated by its investments in associates accounted for using the equity method. With consideration of share of earnings from investments in associates, these adjustments have the combined effect of excluding the impact of balances included in our definition of FFO recorded within our investments in associates.
2. Other expenses correspond to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. Other income and expenses excluded from FFO primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.
3. Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned subsidiaries that are not attributable to our company.

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023
US\$ MILLIONS

	Utilities	Corporate	Total
Net income (loss)	\$ 366	\$ (715)	\$ (349)
Add back or deduct the following:			
Depreciation and amortization	112	—	112
Share of earnings from investments in associates ⁽¹⁾	(4)	—	(4)
FFO contribution from investments in associates ⁽¹⁾	31	—	31
Deferred income tax expense	5	1	6
Mark-to-market and foreign currency revaluation	(12)	—	(12)
Other expenses (income) ⁽²⁾	18	(12)	6
Remeasurement of exchangeable class B shares	—	608	608
Dividends classified as interest expense and interest expense on intercompany loans	—	85	85
FFO attributable to non-controlling interests ⁽³⁾	(248)	—	(248)
FFO	268	(33)	235
Maintenance capital expenditures	(17)	—	(17)
AFFO	\$ 251	\$ (33)	\$ 218

1. FFO contribution from investments in associates correspond to the FFO attributable to our company that are generated by its investments in associates accounted for using the equity method. With consideration of share of earnings from investments in associates, these adjustments have the combined effect of excluding the impact of balances included in our definition of FFO recorded within our investments in associates.
2. Other expenses (income) correspond to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from FFO primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.
3. Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned subsidiaries that are not attributable to our company.

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022
US\$ MILLIONS

	Utilities	Corporate	Total
Net income	\$ 499	\$ 127	\$ 626
Add back or deduct the following:			
Depreciation and amortization	108	—	108
Share of losses from investments in associates ⁽¹⁾	4	—	4
FFO contribution from investments in associates ⁽¹⁾	20	—	20
Deferred income tax (recovery) expense	(85)	3	(82)
Mark-to-market and foreign currency revaluation	(94)	12	(82)
Other expenses ⁽²⁾	31	—	31
Remeasurement of exchangeable class B shares	—	(259)	(259)
Dividends classified as interest expense and interest expense on intercompany loans	—	80	80
FFO attributable to non-controlling interests ⁽³⁾	(228)	—	(228)
FFO	255	(37)	218
Maintenance capital expenditures	(16)	—	(16)
AFFO	\$ 239	\$ (37)	\$ 202

1. FFO contribution from investments in associates correspond to the FFO attributable to our company that are generated by its investments in associates accounted for using the equity method. With consideration of share of earnings from investments in associates, these adjustments have the combined effect of excluding the impact of balances included in our definition of FFO recorded within our investments in associates.
2. Other expenses correspond to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other expenses excluded from FFO primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.
3. Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our company is able to remove the portion of FFO earned at non-wholly owned subsidiaries that are not attributable to our company.

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2023
US\$ MILLIONS

	Utilities	Corporate	Total
Net income (loss)	\$ 195	\$ (349)	\$ (154)
Add back or deduct the following:			
Depreciation and amortization	57	—	57
Interest expense	114	47	161
Share of earnings from investments in associates ⁽¹⁾	(3)	—	(3)
Adjusted EBITDA contribution from investments in associates ⁽¹⁾	22	—	22
Income tax expense	95	—	95
Mark-to-market on hedging items and foreign currency revaluation	(12)	—	(12)
Other income ⁽²⁾	—	(16)	(16)
Remeasurement of exchangeable and class B shares	—	301	301
Adjusted EBITDA attributable to non-controlling interests ⁽³⁾	(253)	—	(253)
Adjusted EBITDA	<u>\$ 215</u>	<u>\$ (17)</u>	<u>\$ 198</u>

- Adjusted EBITDA contributions from investments in associates correspond to the adjusted EBITDA attributable to our company that are generated by its investments in associates accounted for using the equity method. Along with the removal or add back of share of earnings from investments in associates, these adjustments have the combined effect of excluding the impact of balances included in our definition of Adjusted EBITDA recorded within our investments in associates.
- Other income corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. Other income and expenses excluded from Adjusted EBITDA primarily include interest income earned on cash placed on deposit and fair value remeasurement gains/losses.
- Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2022
US\$ MILLIONS

	Utilities	Corporate	Total
Net income	\$ 265	\$ 577	\$ 842
Add back or deduct the following:			
Depreciation and amortization	54	—	54
Interest expense	103	40	143
Share of earnings from investments in associates ⁽¹⁾	(2)	—	(2)
Adjusted EBITDA contribution from investments in associates ⁽¹⁾	19	—	19
Income tax (recovery) expense	(4)	3	(1)
Mark-to-market and foreign currency revaluation	—	19	19
Other income ⁽²⁾	(14)	—	(14)
Remeasurement of exchangeable and class B shares	—	(656)	(656)
Adjusted EBITDA attributable to non-controlling interests ⁽³⁾	(221)	—	(221)
Adjusted EBITDA	<u>\$ 200</u>	<u>\$ (17)</u>	<u>\$ 183</u>

- Adjusted EBITDA contributions from investments in associates correspond to the adjusted EBITDA attributable to our company that are generated by its investments in associates accounted for using the equity method. Along with the removal or add back of share of earnings from investments in associates, these adjustments have the combined effect of excluding the impact of balances included in our definition of Adjusted EBITDA recorded within our investments in associates.
- Other income corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. Other income and expenses excluded from Adjusted EBITDA primarily include interest income earned on cash placed on deposit and fair value remeasurement gains/losses.
- Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

US\$ MILLIONS

	Utilities	Corporate	Total
Net income (loss)	\$ 366	\$ (715)	\$ (349)
Add back or deduct the following:			
Depreciation and amortization	112	—	112
Interest expense	225	89	314
Share of earnings from investments in associates ⁽¹⁾	(4)	—	(4)
Adjusted EBITDA contribution from investments in associates ⁽¹⁾	42	—	42
Income tax expense	174	1	175
Mark-to-market and foreign currency revaluation	(12)	—	(12)
Other income ⁽²⁾	(10)	(16)	(26)
Remeasurement of exchangeable and class B shares	—	608	608
Adjusted EBITDA attributable to non-controlling interests ⁽³⁾	(481)	—	(481)
Adjusted EBITDA	<u>\$ 412</u>	<u>\$ (33)</u>	<u>\$ 379</u>

- Adjusted EBITDA contributions from investments in associates correspond to the adjusted EBITDA attributable to our company that are generated by its investments in associates accounted for using the equity method. Along with the removal or add back of share of earnings from investments in associates, these adjustments have the combined effect of excluding the impact of balances included in our definition of Adjusted EBITDA recorded within our investments in associates.
- Other income corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other income and expenses excluded from Adjusted EBITDA primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.
- Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

US\$ MILLIONS

	Utilities	Corporate	Total
Net income	\$ 499	\$ 127	\$ 626
Add back or deduct the following:			
Depreciation and amortization	108	—	108
Interest expense	165	80	245
Share of losses from investments in associates ⁽¹⁾	4	—	4
Adjusted EBITDA contribution from investments in associates ⁽¹⁾	27	—	27
Income tax expense	115	3	118
Mark-to-market and foreign currency revaluation	(94)	12	(82)
Other income ⁽²⁾	(14)	—	(14)
Remeasurement of exchangeable and class B shares	—	(259)	(259)
Adjusted EBITDA attributable to non-controlling interests ⁽³⁾	(434)	—	(434)
Adjusted EBITDA	<u>\$ 376</u>	<u>\$ (37)</u>	<u>\$ 339</u>

- Adjusted EBITDA contributions from investments in associates correspond to the adjusted EBITDA attributable to our company that are generated by its investments in associates accounted for using the equity method. Along with the removal or add back of share of earnings from investments in associates, these adjustments have the combined effect of excluding the impact of balances included in our definition of Adjusted EBITDA recorded within our investments in associates.
- Other income corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other income and expenses excluded from Adjusted EBITDA primarily include fair value remeasurement gains/losses and accretion expense on deferred consideration.
- Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interests, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.

LIQUIDITY AND CAPITAL RESOURCES

The nature of our asset base and the quality of our associated cash flows enable us to maintain a stable and low cost capital structure. We attempt to maintain sufficient financial liquidity at all times so that we are able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances and maintain our distributions to shareholders. Our principal sources of liquidity are cash flows from our operations, capital recycling, access to public and private capital markets, access to the partnership's undrawn credit facility and equity commitment and group wide liquidity. We structure the ownership of our assets to enhance our ability to monetize them to provide additional liquidity. In certain instances, subsidiaries may be subject to limitations on their ability to declare and pay dividends to our company. However, no significant limitations existed at June 30, 2023 and 2022.

As of June 30, 2023, 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, 2023	December 31, 2022
Cash	\$ 118	\$ 139
Credit facilities	241	172
Company liquidity	<u>\$ 359</u>	<u>\$ 311</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, 2023, our group's total liquidity was \$4,136 million (December 31, 2022: \$5,087 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, 2023, scheduled principal repayments over the next five years are as follows:

<u>US\$ MILLIONS</u>	Average Term (years)	2023	2024	2025	2026	2027	Beyond	Total
Non-recourse borrowing	8	\$ —	\$ 446	\$ 446	\$ 436	\$ 379	\$3,368	\$ 5,075

As of June 30, 2023, our company's share of scheduled principal repayments over the next five years are as follows:

<u>US\$ MILLIONS</u>	Average Term (years)	2023	2024	2025	2026	2027	Beyond	Total
Utilities	8	\$ —	\$ 445	\$ 250	\$ 266	\$ 224	\$2,359	\$ 3,544
Total non-recourse borrowings ⁽¹⁾	8	<u>\$ —</u>	<u>\$ 445</u>	<u>\$ 250</u>	<u>\$ 266</u>	<u>\$ 224</u>	<u>\$2,359</u>	<u>\$ 3,544</u>
Company's share of cash retained in businesses								
Utilities								\$ 118
Total company's share of cash retained								<u>\$ 118</u>
Net debt								
Utilities								\$ 3,426
Total net debt								<u>\$ 3,426</u>
Percentage of total non-recourse borrowings		<u>— %</u>	<u>13 %</u>	<u>7 %</u>	<u>7 %</u>	<u>6 %</u>	<u>67 %</u>	<u>100 %</u>

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

We define “debt attributable to our company”, which is a non-IFRS measure, as our company’s share of borrowing obligations relating to our investments in various portfolio businesses. We define “net debt”, which is a non-IFRS measure, as debt attributable to our company, net of our company’s share of cash and cash equivalents. Our company’s share of cash and cash equivalents is calculated as cash and cash equivalents as reported under IFRS less the amounts attributable to non-controlling interests.

Debt attributable to our company and net debt are not, and are not intended to be, presented in accordance with IFRS. We believe our presentation, when read in conjunction with our company’s reported results under IFRS, including consolidated debt, provides a more meaningful assessment of how our operations are performing and capital is being managed. The presentation of debt attributable to our company and net debt has limitations as an analytical tool, including the following:

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

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

Debt attributable to our company can be reconciled to consolidated debt as follows:

US\$ MILLIONS	As of	
	June 30, 2023	December 31, 2022
Consolidated debt	\$ 5,057	\$ 4,577
Add: company’s share of debt of investments in associates	566	562
Less: borrowings attributable to non-controlling interest	(2,097)	(2,047)
Deferred financing costs	18	18
Debt attributable to our company	\$ 3,544	\$ 3,110

As discussed in the notes to our interim financial statements for the three-month period ended June 30, 2023, our company entered into two credit agreements with Brookfield Infrastructure, one as borrower and one as lender, each providing for a ten-year revolving \$1 billion credit facility for purposes of providing our company and Brookfield Infrastructure with access to debt financing on an as-needed basis and to maximize our flexibility and facilitate the movement of cash within our group. We intend to use the liquidity provided by the credit facilities for working capital purposes and to fund growth capital investments and acquisitions. The determination of which of these sources of funding our company will access in any particular situation will be a matter of optimizing needs and opportunities at that time.

FINANCIAL INSTRUMENTS

Foreign Currency Hedging Strategy

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

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

Most of the foreign exchange exposure of our group is hedged directly by the partnership and therefore, as of June 30, 2023, our company has \$nil (December 31, 2022: \$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, 2023:

US\$ MILLIONS	Equity Investment - US\$	
GBP	\$	1,622
BRL		708
AUD		417
	\$	2,747

For additional information, see Note 3, *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:

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

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

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

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

REVIEW OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the consolidated statements of cash flows:

US\$ MILLIONS	For the three-month period ended June 30		For the six-month period ended June 30	
	2023	2022	2023	2022
Cash from operating activities	\$ 265	\$ 232	\$ 255	\$ 355
Cash used by investing activities	(134)	(140)	(263)	(779)
Cash (used by) from financing activities	(101)	(728)	(105)	397

Three-month period ended June 30, 2023 and 2022

Cash used by operating activities

Cash from operating activities totaled \$265 million during the three-month period ended June 30, 2023, compared to \$232 million of cash generated from operating activities in the prior year. Current year operating cash flows benefited from inflation-indexation and capital commissioned into rate base.

Cash used by investing activities

Cash used by investing activities was \$134 million during the three-month period ended June 30, 2023, relatively in line with prior year. The investing activities primarily relate to additional investments in long-lived assets at our U.K. regulated distribution business.

Cash used by financing activities

Cash used by financing activities was \$101 million during the three-month period ended June 30, 2023, compared to cash used by financing activities of \$728 million during the same period in the prior year. The decrease in cash used by financing activities was primarily due to the settlement of deferred consideration at our Brazilian regulated gas transmission business in the prior year.

SHARE CAPITAL

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

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

UNITS	As of	
	June 30, 2023	December 31, 2022
Exchangeable shares	110,683,830	110,567,671
Class B shares	2	2
Class C shares	2,103,677	2,103,677

Our company's share capital is comprised of exchangeable shares, class B shares and class C shares. In August 2021, the partnership acquired a controlling interest in IPL for consideration comprised of cash, exchangeable shares and class B 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, 2023, our company issued 121,970 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, 2023, our shareholders exchanged 5,811 exchangeable shares for an equal number of partnership units. Class B shares and class C shares are redeemable for cash in an amount equal to the market price of a unit. There have been no redemptions of class B shares or class C shares to date. Due to the exchange feature of the exchangeable shares and the cash redemption feature of the class B and class C shares, the exchangeable shares, the class B share and class C shares are classified as financial liabilities. However, class C shares, the most subordinated class of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32.

On June 10, 2022, our group completed a three-for-two split of partnership units, BIPC Exchangeable LP Units, BIP Exchange LP units, exchangeable shares, class B shares and class C shares, by way of a subdivision whereby unitholders/shareholders received an additional one-half of a unit/share for each unit/share held. All historical units/shares and per unit/share disclosures have been adjusted to effect for the change in units/shares due to the splits.

During the three-month period ended June 30, 2023, our company declared and paid dividends on our exchangeable shares at a rate of \$0.3825 per share resulting in total dividends paid of \$43 million. Dividends paid on our exchangeable shares are presented as interest expense in our interim financial statements. No dividends were declared on our class B shares or class C shares during the six-month period ended June 30, 2023.

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
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
2022			
January 1, 2022 - March 31, 2022	55.19	49.53	27,841,548
April 1, 2022 - June 30, 2022	56.64	47.19	24,889,646
July 1, 2022 - September 30, 2022	56.13	48.21	20,945,927
October 1, 2022 - December 31, 2022	50.93	41.18	42,143,333
2021			
January 1, 2021 - March 31, 2021	46.31	41.43	30,344,436
April 1, 2021 - June 30, 2021	46.21	42.57	21,809,721
July 1, 2021 - September 30, 2021	48.99	44.84	18,404,493
October 1, 2021 - December 31, 2021	51.33	46.55	23,229,838
2020			
January 1, 2020 - March 31, 2020	45.04	23.54	59,378,507
April 1, 2020 - June 30, 2020	39.71	32.71	46,626,963
July 1, 2020 - September 30, 2020	42.63	35.83	30,962,434
October 1, 2020 - December 31, 2020	45.77	37.97	34,110,643
2019			
January 1, 2019 - March 31, 2019	33.70	28.73	43,691,319
April 1, 2019 - June 30, 2019	34.61	33.16	33,753,675
July 1, 2019 - September 30, 2019	39.61	34.00	33,568,488
October 1, 2019 - December 31, 2019	42.35	38.20	29,859,589

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
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
2022			
January 1, 2022 - March 31, 2022	44.15	38.83	28,118,859
April 1, 2022 - June 30, 2022	45.33	36.45	22,001,642
July 1, 2022 - September 30, 2022	43.27	35.70	22,244,550
October 1, 2022 - December 31, 2022	37.95	30.23	31,628,277
2021			
January 1, 2021 - March 31, 2021	36.19	32.68	30,614,490
April 1, 2021 - June 30, 2021	37.17	35.11	21,117,951
July 1, 2021 - September 30, 2021	38.65	35.93	21,350,172
October 1, 2021 - December 31, 2021	40.72	37.25	29,160,108
2020			
January 1, 2020 - March 31, 2020	33.71	16.24	48,897,897
April 1, 2020 - June 30, 2020	29.73	22.93	49,977,920
July 1, 2020 - September 30, 2020	32.14	26.39	25,084,398
October 1, 2020 - December 31, 2020	35.06	28.55	25,134,360
2019			
January 1, 2019 - March 31, 2019	25.09	20.95	29,599,968
April 1, 2019 - June 30, 2019	25.73	24.62	22,954,033
July 1, 2019 - September 30, 2019	29.72	25.87	34,083,005
October 1, 2019 - December 31, 2019	31.57	28.66	24,620,067

TREND INFORMATION

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

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

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

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

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

RELATED PARTY TRANSACTIONS

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

Since inception, 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, our group pays a base management fee, to the Service Providers equal to 0.3125% per quarter (1.25% annually) of the combined market value of the partnership and our company. Our company reimburses the partnership for our proportionate share of the management fee. For purposes of calculating the base management fee, the market value of the partnership is equal to the aggregate value of all the outstanding units (assuming full conversion of Brookfield's Redeemable Partnership Units in Holdings LP into units), preferred units and securities of the other Service Recipients (including the exchangeable shares and the exchangeable units of Brookfield Infrastructure Partners Exchange LP and Brookfield Infrastructure Corporation Exchange LP) that are not held by Brookfield Infrastructure, plus all outstanding third-party debt with recourse to a Service Recipient, less all cash held by such entities. The amount attributable to our company is based on weighted average units and shares outstanding.

The base management fee attributable to our company was \$16 million and \$31 million for the three and six-month periods ended June 30, 2023, respectively (2022: \$16 million and \$34 million, respectively) 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, 2023, revenues of less than \$1 million were generated (2022: less than \$1 million) and \$nil expenses were incurred (2022: \$nil).

Our company 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 credit facilities for working capital purposes and to fund growth capital investments and acquisitions. The determination of which of these sources of funding our company will access in any particular situation will be a matter of optimizing needs and opportunities at that time.

The credit facilities are available in U.S. or Canadian dollars, and advances will be made by way of SOFR, base rate, CDOR, or prime rate loans. Both operating facilities bear interest at the benchmark rate plus an applicable spread, in each case subject to adjustment from time to time as the parties may agree. In addition, each credit facility contemplates potential deposit arrangements pursuant to which the lender thereunder would, with the consent of a borrower, deposit funds on a demand basis to such borrower's account at market interest rate. As of June 30, 2023, \$nil (December 31, 2022: \$nil) was drawn on the credit facilities under the credit agreements with Brookfield Infrastructure.

Brookfield Infrastructure provided our company an equity commitment in the amount of \$1 billion. The equity commitment may be called by our company in exchange for the issuance of a number of class C shares or preferred shares, as the case may be, to Brookfield Infrastructure, corresponding to the amount of the equity commitment called divided (i) in the case of a subscription for class C shares, by the volume-weighted average of the trading price for one exchangeable share on the principal stock exchange on which our exchangeable shares are listed for the five (5) days immediately preceding the date of the call, and (ii) in the case of a subscription for preferred shares, \$25.00. The equity commitment will be reduced permanently by the amount so called. As at June 30, 2023, \$nil (December 31, 2022: \$nil) was called on the equity commitment.

BIPC Holdings Inc., a wholly owned subsidiary of our company, fully and unconditionally guaranteed (i) any unsecured debt securities issued by Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Limited and Brookfield Infrastructure Finance Pty Ltd., which we refer to collectively as the “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) the senior preferred shares of BIP Investment Corporation (“BIPIC”), as to the payment of dividends when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BIPIC, (iii) certain of the partnership’s preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of the partnership, and (iv) the obligations of Brookfield Infrastructure under its bilateral credit facilities. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. 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.

As at June 30, 2023, the balance outstanding on our deposit with Brookfield Infrastructure was \$570 million (December 31, 2022: \$566 million). As at June 30, 2023, the demand deposit payable to Brookfield Infrastructure was \$26 million (December 31, 2022: \$26 million). The deposit arrangements accrue interest at 0.2% per annum. Interest on each deposit during the three and six-month periods ended June 30, 2023 was less than \$1 million (2022: less than \$1 million). In addition, on March 28, 2023, our company entered into a loan agreement (as lender) with Brookfield Infrastructure for \$250 million. The loan is presented as amounts due from Brookfield Infrastructure on the unaudited interim and condensed consolidated statements of financial position and accrues interest at SOFR plus 200 basis points per annum with a maturity date of March 27, 2024. Interest accrued during the three and six-month periods ended June 30, 2023 was \$4 million.

On March 28, 2023, a subsidiary of our company entered into a loan agreement with an affiliate of Brookfield for total proceeds of \$250 million. This loan is non-recourse to our company and is presented as non-recourse borrowings on the unaudited interim and condensed consolidated statements of financial position and accrues interest at SOFR plus 200 basis points per annum with a maturity date of March 27, 2024. Interest accrued during the three and six-month periods ended June 30, 2023 was \$4 million.

As at June 30, 2023, our company had accounts payable of \$9 million (December 31, 2022: \$6 million) to subsidiaries of Brookfield Infrastructure and accounts receivable of \$nil (December 31, 2022: \$10 million) from subsidiaries of Brookfield Infrastructure.

On September 23, 2022, our company sold a financial asset to the partnership for fair market value consideration of \$66 million. Our company recognized a loss on disposal of \$2 million in the consolidated statement of operating results for the year ended December 31, 2022.

On August 3, 2023, our company agreed to the sale of its 7.9% effective interest in its Australian regulated utility operation to an affiliate of Brookfield for net proceeds of approximately \$450 million. The sale price was based on a fair value as determined by an independent valuation. The transaction was approved by the Limited Partners Advisory Committee (“LPAC”) of the acquirer and is expected to close within the third quarter of 2023.

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 our company, fully and unconditionally guaranteed (i) any unsecured debt securities issued by Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Limited and Brookfield Infrastructure Finance Pty Ltd., which we refer to collectively as the “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) the senior preferred shares of BIP Investment Corporation (“BIPIC”), as to the payment of dividends when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BIPIC, (iii) certain of the partnership’s preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of the partnership, and (iv) the obligations of Brookfield Infrastructure under its bilateral credit facilities. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. 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, 2023:

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	\$ 531	\$ 10	\$ 1	\$ —	\$ —	\$ 542
Non-recourse borrowings	249	343	524	995	2,964	5,075
Financial liabilities	71	36	—	—	—	107
Loans payable to Brookfield Infrastructure	26	—	—	—	—	26
Exchangeable and class B shares	4,040	—	—	—	—	4,040
Interest expense:						
Non-recourse borrowings	315	301	287	519	991	2,413

In addition, pursuant to the Master Services Agreement, on a quarterly basis, the partnership pays a base management fee, referred to as the Base Management Fee, to the Service Provider equal to 0.3125% (1.25% annually) of the combined market value of the partnership and our company. For purposes of calculating the Base Management Fee, the market value of the partnership is equal to the aggregate value of all the outstanding units, plus all outstanding third party debt with recourse to a recipient of services under the Master Services Agreement, less all cash held by such entities. The Base Management Fee allocated to our company is estimated to be approximately \$64 million per year based on the expense attributable to our company for the three-month period ended June 30, 2023.

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 interim 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 three-month period ended June 30, 2023, 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, increases in FFO per share and resulting capital appreciation, returns on capital and on equity, increasing demand for commodities and global movement of goods, expected capital expenditures, the impact of planned capital projects by customers of our businesses as on the performance and growth of those businesses, the extent of our corporate, general and administrative expenses, our ability to close acquisitions, our capacity to take advantage of opportunities in the marketplace, the future prospects of the assets that we operate or will operate, partnering with institutional investors, ability to identify 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, including as a result of the COVID-19 outbreak, the fact that success of our company is dependent on market demand for an infrastructure company, which is unknown, the availability of equity and debt financing for our company, the ability to effectively complete new acquisitions in the competitive infrastructure space (including potential acquisitions that remain subject to the satisfaction of conditions precedent, and the inability to reach final agreement with counterparties to transactions being currently pursued, given that there can be no assurance that any such transaction will be agreed to or completed) and to integrate acquisitions into existing operations, changes in technology which have the potential to disrupt the businesses and industries in which we invest, the market conditions of key commodities, the price, supply or demand for which can have a significant impact upon the financial and operating performance of our business, regulatory decisions affecting our regulated businesses, our ability to secure 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. In addition, our future results may be impacted by risks associated with COVID-19, and the related global reduction in commerce and travel and substantial volatility in stock markets worldwide, which may result in a decrease of cash flows and impairment losses and/or revaluations on our investments and infrastructure assets, and cause us to be unable to achieve our expected returns.

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

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Brookfield Infrastructure Corporation (the “issuer”) for the interim period ended June 30, 2023.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer and I have, as at the end of the period covered by the interim filings
 - a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1. **Control framework:** The control framework the issuer’s other certifying officer and I used to design the issuer’s ICFR is the Internal Control - Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- 5.2. **ICFR – material weakness relating to design:** N/A
- 5.3. **Limitation on scope of design:** N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on April 1, 2023 and ended on June 30, 2023, that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: August 11, 2023

/s/ Samuel Pollock

Samuel Pollock
Chief Executive Officer
Brookfield Infrastructure Corporation

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Brookfield Infrastructure Corporation (the “issuer”) for the interim period ended June 30, 2023.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer and I have, as at the end of the period covered by the interim filings
 - a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1. **Control framework:** The control framework the issuer’s other certifying officer and I used to design the issuer’s ICFR is the Internal Control - Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- 5.2. **ICFR – material weakness relating to design:** N/A
- 5.3. **Limitation on scope of design:** N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on April 1, 2023 and ended on June 30, 2023, that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: August 11, 2023

/s/ David Krant

David Krant
Chief Financial Officer
Brookfield Infrastructure Corporation

Brookfield Infrastructure Corporation

bip.brookfield.com/bipc

NYSE: BIPC

TSX: BIPC